Dateline: February 17, 2012

PA Senate and House Hold Hearings on FY2012-2013 State Budget

PA Senators and Representatives serving on state appropriation committees will be holding hearings in the coming weeks on the Governor’s Proposed Commonwealth Budget for fiscal year 2012-2013. The budget proposal was presented to the PA General Assembly on February 7. Now, from February 21 through March 8, the PA House of Representatives Committee on Appropriations will hold hearings on that budget proposal. The House committee will hold hearings on Wednesday, February 29, at 1:30 p.m. for the Department of Health (including Bureau of Drug & Alcohol, if necessary) and at 3:00 p.m. for the Department of Aging. Hearings will also be held in the House on Thursday, March 1 at 10:00 a.m. for the Department of Labor & Industry and on Wednesday, March 7 at 1:30 p.m. for the Department of Public Welfare. The Pennsylvania Senate will hold its hearings from Monday, February 13 to Wednesday, February 29. Hearings by the Senate Appropriations committee will be held on Tuesday, February 21 at 1:00 p.m. on the Department of Health budget and at 3:00 p.m. for the Department of Aging. The Senate committee will also hold hearings on Thursday, February 23 at 3:00 p.m. for the Department of Labor & Industry and on Tuesday, February 28 at 9:30 a.m. for the Department of Public Welfare. FMI: See www.legis.state.pa.us and http://www.legis.state.pa.us/cfdocs/legis/home/session.cfm.

PA IDA Coalition Claims Governor’s Proposed Budget Hurts People with Disabilities

On February 16 the Pennsylvania Intellectual Disability and Autism (IDA) Services Coalition weighed in on Governor Corbett’s 2012 Proposed Budget, saying that the proposal will hurt families and people with intellectual disabilities and autism. The statewide coalition of advocates, families, providers and other stakeholders maintains the Governor’s proposed cut of $30 million in state funding for people with intellectual disabilities are too deep. The IDA Coalition said that families and people with intellectual disabilities will be badly hurt by cuts in funding if the Governor Corbett’s budget recommendations win legislative approval. PARF President Gene Bianco said that “the Governor’s budget as proposed offers no help to people waiting for services and reduces support for those citizens with severe disabilities whom the Governor has promised to protect. This budget is focused on cutting funding and services, and those cuts are harmful to people with disabilities.” The IDA Coalition says that the Governor’s proposal to establish a new block grant program for counties will result in even steeper reductions in existing services to people with disabilities. IDA Coalition members also claim that the proposed budget is once again failing those families whose adult children with intellectual disabilities are waiting for services, most of whom have been on waiting lists for many years. IDA Coalition members are also troubled that the budget fails to state clearly that federal and state funds would be provided to pay for the additional services that the state authorizes for people who are currently receiving services and whose needs may change. The IDA Coalition is calling upon Governor Corbett and the legislature to honor the commitment of Pennsylvania to people with disabilities. The coalition says that it will be advocating for a budget that is realistic and that offers the help required by Pennsylvanians supporting people with disabilities. FMI: Contact PARF at parfmail@parf.org.
Governor Corbett Signs Unemployment Compensation Extension into Law

On February 9 PA Governor Tom Corbett signed Senate Bill 1375 into law. The bill amends the Unemployment Compensation Law, to provide for an extension of federally funded unemployment compensation extended benefits. The new law was effective immediately upon signing. Information for claimants is available on the PA Department of Labor & Industry unemployment compensation services website at www.uc.pa.gov. FMI: To read the full text of SB 1375, visit the PA General Assembly’s website at www.legis.state.pa.us.

DPW to Publish New Rules on Long-Term Living Provider Qualifications and Rates

In the February 18 edition of the Pennsylvania Bulletin the PA Department of Public Welfare (DPW) published advance public notice of its intent to promulgate home and community-based services (HCBS) regulations and submit waiver amendments, as necessary, regarding provider qualifications and provider payment methodology and rates. These regulations will apply to home and community-based services (HCBS) providers rendering services for the Medical Assistance (MA) Aging, Attendant Care, CommCare, Independence and OBRA home and community-based services waivers and the Act 150 program. DPW says that the regulations will be promulgated under Act 22 as final-omitted regulations and would establish or revise provider payment rates or fee schedules, reimbursement models or payment methodologies for particular services, and provider qualifications. DPW says that the regulation will create two payment methods for the payment of services under the HCBS programs. The first method will establish a fee schedule rate for the provision of a service under the MA Program Fee Schedule. DPW says that it will publish the fee schedule rate and the methodology as a notice in the Pennsylvania Bulletin. The second payment method is for a limited number of goods and services provided through the HCBS programs and classified as a vendor good or service. DPW says that vendor goods or services make up a small portion of the HCBS program and have traditionally been reimbursed for the actual cost. The list of vendor goods or services also will be published as a notice in the Pennsylvania Bulletin. Included in the list of regulations are provisions relating to: (a) prerequisites for participation; ongoing responsibilities of providers; and service coordinator qualifications and training; (b) critical incident and risk management; (c) provider monitoring; and corrective action plan; (d) quality management plans; conflict-free service coordination; (e) payment policies; (f) audit requirements; (g) fee schedule rates; (h) vendor goods and services; and, (i) payment sanctions. DPW says that the new rules will yield an estimated savings of $15.887 million ($7.138 million in State funds) in the state’s fiscal year 2011-2012. Interested persons are invited to submit written comments regarding HCBS provider qualifications and changes to the provider payment rates and methodology to the Department by March 4 by sending an e-mail to the Office of Long Term Living at RA-waiverstandard@pa.gov, under the subject heading "HCBS Regulation," or by sending postal mail to the Office of Long-Term Living, Bureau of Policy and Strategic Planning, Forum Place, 5th Floor, 555 Walnut Street, Attention: HCBS Regulation, Harrisburg, PA 17101-1919. FMI: See www.pabulletin.com.
DPW to Change ODP Regulations on Payment for Community Based Services

In the February 18 edition of the Pennsylvania Bulletin the PA Department of Public Welfare offered advance public notice of its intent to promulgate home and community-based services (HCBS) regulations and submit waiver amendments, as necessary, regarding provider qualifications and provider payment methodologies and rates for the Medical Assistance (MA) Consolidated, Person/Family Directed Support and Adult Autism home and community-based service waivers, providers of targeted services management and base-funded providers offering services in a waiver service location. DPW said that it would be promulgating regulations relating to: (a) Prerequisites for provider participation; (b) ongoing responsibilities of providers to be re-qualified on a 2-year cycle; (c) annual staff training; (c) quality management plans; (d) back-up plans to eliminate deviations in service frequency and duration so all approved and authorized services are implemented as established in a participant’s ISP; (e) payment methodologies for which services will be reimbursed, including cost-based reimbursement, MA Program fee schedule reimbursement, and reimbursement as vendor goods and services: and, (f) sanctions or termination of a provider if a provider fails to comply with the requirements of the regulation.

DPW says that it anticipates savings of approximately $8.028 million in State funds for FY 2011-2012. Copies of the notice may be obtained at the local Mental Health/Mental Retardation (MH/MR) County Program, Administrative Entity (AE) or the regional Office of Developmental Programs. Contact information for the local MH/MR County Program or AE may be accessed through a link on the internet at https://www.hcsis.state.pa.us/hcsis-ssd/pgm/asp/PRCNT.ASP or by contacting the regional Office of Developmental Programs (ODP). Interested persons are invited to submit written comments regarding HCBS provider qualifications and the provider payment rates and methodology to the Department by March 4 by sending an e-mail to ODP's rate-setting mailbox at ra-ratesetting@pa.gov, use subject header “PN Community based services; provider qualifications and rates” or send postal mail to the Department of Public Welfare, Office of Developmental Programs, Division of Provider Assistance and Rate Setting, 4th Floor, Health and Welfare Building, Forster and Commonwealth Avenues, Harrisburg, PA 17120. FMI: See www.pabulletin.com.

Autism Spectrum Disorders Coverage Maximum Benefit Adjusted

In the February 18 edition of the Pennsylvania Bulletin the PA Insurance Department published a notice of the adjustment to the maximum benefit under Autism Spectrum Disorders Coverage. As of December 30, 2011 the PA Insurance Commissioner is required to publish in the Pennsylvania Bulletin on or before April 1 of each calendar year an adjustment to the maximum benefit equal to the change in the United States Department of Labor Consumer Price Index for All Urban Consumers (CPI-U) in the preceding year. The published adjusted maximum benefit shall be applicable to the following calendar years to health insurance policies issued or renewed in those calendar years. In its February 18 notice the Insurance Department reports that the CPI-U for the year preceding December 30, 2011, was 3.0% and, accordingly, the maximum benefit of $36,000 per year is being adjusted to $37,080 for policies issued or renewed in calendar year 2013. Questions regarding this notice may be directed to Peter Camacci, Director, Bureau of Life, Accident and Health, Insurance Department, 1311 Strawberry Square, Harrisburg, PA 17120, (717) 787-4192, or ra-rateform@pa.gov. FMI: See www.pabulletin.com.
OVR Seeks Comments on Proposed Changes to State Plan

In the February 18 edition of the Pennsylvania Bulletin the PA Department of Labor and Industry (L&I) Office of Vocational Rehabilitation (OVR) announced that it is seeking public comment on proposed changes to its state plan to be effective in federal fiscal year 2013 (October 1, 2012 through September 30, 2013). OVR is seeking comment on input and recommendations of the Pennsylvania Rehabilitation Council, the comprehensive system of personnel development, the annual estimate of individuals to be served and costs of services, OVR goals and priorities, the order of selection, distribution of supported employment funds, and its innovation and expansion activities. In addition, the OVR Bureau of Blindness and Visual Services (BBVS) will accept comment on: the business enterprise program, specialized services for children and adults, and independent living services for older persons who are blind. The announcement includes the schedule of public meetings. Written comments may be submitted by mail to the appropriate district office serving the area in which the individual/organization member resides. All written comments must be received by 5 p.m. on Tuesday, April 13, 2012. A copy of the approved FFY 2012 Attachments, as well as the proposed FFY 2013 Attachments, will be available on the OVR web site, www.dli.state.pa.us by clicking on Disability Services, then Office of Vocational Rehabilitation, then Publications. To obtain a copy of the proposed FFY 2013 Attachments or other information, please call the contact person that is listed in the OVR announcement for the appropriate district office serving their county. FMI: See www.pabulletin.com.

DPW Plans to Amend MA Copayment Regulations

In the February 18 edition of the Pennsylvania Bulletin the PA Department of Public Welfare (DPW) announced its intent to amend the PA Medicaid State Plan and those current Medical Assistance (MA) regulations that set forth MA Program copayment requirements for covered services. Citing provisions of Act 22 DPW said it intends to submit a State Plan Amendment and promulgate final-omitted regulations amending the MA Program copayment regulations to: (a) Eliminate the copayment reimbursement provision which requires DPW to reimburse General Assistance (GA) MA recipients for copayments paid in excess of $180 in a 6-month period and all other categories of MA recipients for copayments paid in excess of $90 in a 6-month period; and (b) update the MA sliding scale copayment amounts for MA recipients other than GA recipients to reflect the current medical care component of the Consumer Price Index for All Urban Consumers (CPI-U) and codify DPW’s ability to make updates to the sliding scale copayment amounts on a recurring basis to account for future CPI-U. DPW will also (c) update the sliding scale copayment amounts for GA recipients, which will continue to be twice the amounts applied to non-GA recipients, consistent with current MA copayment policy; (d) establish a nominal fixed copayment of $2 for a one way trip and $4 for a round trip for non-emergency medical para-transit transportation services for certain MA and GA recipients; and, (e) make technical corrections to codify and clarify existing copayment exclusions that have been in effect in the MA Program. DPW intends to make these changes effective April 1, 2012. DPW says that it anticipates savings of $0.733 million ($0.344 million in State funds and $0.389 million in Federal funds). Written comments are to be sent to the DPW, Office of Medical Assistance Programs, c/o Regulations Coordinator, Room 515, Health and Welfare Building, Harrisburg, PA 17120. Comments are due by March 4, 2012. FMI: See www.pabulletin.com.
DPW Reconsiders DSH Payments

In the February 18 edition of the Pennsylvania Bulletin the PA Department of Public Welfare (DPW) provided final notice of a change to its formula used to calculate the disproportionate share hospital (DSH) payments to small and sole community hospitals and the Medical Assistance (MA) Rehabilitation Adjustment Payments authorized under the Commonwealth's Medicaid State Plan for Fiscal Year (FY) 2010-2011. In its February 18 notice DPW reviewed its original intent that was announced on June 18, 2011 to change the formulas used to calculate the DSH payments to small and sole community hospitals and the MA Rehabilitation Adjustment Payments. DPW reported that after completing its recent analyses and re-calculating the impact of its original proposal it found that certain proposed changes in payment would cause it to exceed the amount allocated for the payments. DPW says that it has therefore decided that it will not implement certain changes as detailed in the original notice of intent. In regard to changes to the MA Rehabilitation Adjustment Payment, DPW says since federal approval of this payment was granted, an additional $4.2 million was allocated to this payment. DPW says that it proposed increasing the amount allocated to the MA Rehabilitation Adjustment Payments to $18.619 million and the percentage used to determine the payment amount for each qualifying freestanding rehabilitation hospital to 116% of a hospital's FY 2007-2008 inpatient MA FFS payments. DPW says that it implemented these changes as detailed in the intent notice. FMI: See www.pabulletin.com.

DPW to Amend Payment Methodology for Pharmaceutical Services

In the February 18 edition of the Pennsylvania Bulletin the PA Department of Public Welfare (DPW) published a notice of its intent to amend the PA Medicaid State Plan and current Medical Assistance (MA) pharmaceutical services regulations relating to method of payment and drug cost determination. DPW said that it intends to submit a State Plan Amendment and promulgate final-omitted regulations revising the method of payment and the determination of drug cost. DPW said that the new regulations would establish: (a) the dispensing fee paid to pharmacies at $2 for prescriptions for compensable, non-compounded legend and non-legend drugs, and $3 for compensable compounded prescriptions; (b) the dispensing fee paid to pharmacies for prescriptions for compensable legend and non-legend drugs for MA recipients with a pharmacy benefit resource which is a primary third party payer to MA at $0.50 to cover the pharmacy's cost to transmit the claim to the MA program for secondary payment; and (c) revisions to estimated acquisition cost (EAC). In addition, DPW intends to make technical changes, including: (d) amendments to the list of non-compensable services and items to reflect and clarify payment for pharmaceutical services that have been in effect but have not yet been codified in DPW regulations; and (e) a clarification that the definition of "usual and customary charge" includes discount generic drug savings and discount programs. DPW intends to implement these changes effective April 1, 2012. DPW says that as a result of amending the pharmaceutical services regulations it will save $3.365 million ($1.512 million in State funds and $1.853 million in Federal funds). Interested persons are invited to submit written comments regarding this notice to the Department of Public Welfare, Office of Medical Assistance Programs, c/o Regulations Coordinator, Room 515, Health and Welfare Building, Harrisburg, PA 17120. Comments received within 15 days will be reviewed and considered in the development of the State Plan Amendment and regulations. FMI: See www.pabulletin.com.
PA House Designates March 2012 as Brain Injury Awareness Month in Pennsylvania

On February 15, the PA House of Representatives approved unanimously House Resolution 574, designating the month of March 2012 as "Brain Injury Awareness Month" in Pennsylvania. The resolution was introduced by Representative Richard Stevenson (R - District 8) and supported by 71 representatives. See www.legis.state.pa.us.

PA House Democratic Policy Committee Reviews Cuts in DPW Budget

On February 9 PA House Democratic Policy Committee held a hearing on the impact that cuts in funding for the Department of Public Welfare (DPW) would have on the Commonwealth. The committee heard from Pennsylvania’s human service providers and advocates for people with disabilities. Those testifying at the hearing included Kathy Jellison, president, SEIU Local 668; Eugene Quaglia, chairperson, CAO Rank & File Committee, SEIU Local 668; Kelly Andrisano, executive director, PA Association of County Human Services Administrators; Jenna Mehnert, executive director, NASW-PA; Linda Anthony, policy director, Disability Rights Network of Pennsylvania; and the Rev. Sandra Strauss, director of Public Advocacy, Pennsylvania Council of Churches. For more information about the Policy Committee and hearing materials, visit www.pahouse.com/PolicyCommittee. See http://www.pahouse.com/pr/096020912.asp.

PA Auditor General to Broaden Review of DPW Contracts

On February 16 PA Auditor General Jack Wagner said that he would be broadening his review of the PA Department of Public Welfare (DPW) in its contracting for psychiatrists and other medical personnel. Auditor General Wagner said that he would move beyond his audit of Torrance State Hospital to the Commonwealth’s $17.5 million contract with Liberty Healthcare Corp. to see if what he reported as lax monitoring at Torrance extended to other state-run hospitals and facilities. Wagner says he is particularly concerned because officials of DPW, which administers the contract at Torrance, did not acknowledge the seriousness and significance of the issues his auditors identified. Wagner says that the Commonwealth’s $17.5 million contract with Liberty covers medical professional personnel provided to state-owned facilities, including at least some of the six state hospitals. In addition to psychiatrists, contracted personnel can include neurologists, psychologists, orthodontists, physical and occupational therapists. Wagner says that at the time of the release of the audit of Torrance, the specific hospitals that received these services were not known. However, Wagner says, that information would be determined when the review of the $17.5 million contract is completed. Wagner says that many of the issues raised in the audit highlight conflict-of-interest loopholes that need to be addressed in contracting services to private vendors. The audit covered the primary period of July 1, 2009, through March 9, 2011, with updates through the end of 2011. The Auditor General’s report included five (5) findings and eighteen (18) recommendations to improve the oversight of the Department of Public Welfare’s/Torrance State Hospital’s contracted medical professionals. A complete copy of the Torrance State Hospital audit report is available at www.auditorgen.state.pa.us.
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PRA 2012 Annual Conference on Advancing Employment Strategies on April 5

The Pennsylvania Rehabilitation Association (PRA) will be hosting its 2012 conference *Advancing Employment Strategies* and its annual meeting on April 5, 2012. The registration deadline for the conference on *Advancing Employment Strategies* is March 23, 2012. The keynote speaker for the conference is Steven Suroviec, Executive Director, Office of Vocational Rehabilitation, Pennsylvania Department of Labor and Industry. The luncheon address will be offered by Tammie L. McNaughton, Senior HR Accessibility Consultant, and Tech Access Principal/Owner, HR Success Strategies. Sarah Sundeen, MS, CRC, President, National Rehabilitation Association will present. Sessions will be offered on various topics, including: Arrests and Convictions – Ethical Implications for Service Delivery and Employment; Smart Technology in the Workplace; ADA Amendments Act; and Self-Employment; Ethical Excellence for Mental Health Counselors, Ethical Use of Tele-rehabilitation, Assistive Technology, Hiring Individuals with Disabilities, Veterans with Mental Health Issues. The event will be held at the Central Penn College, 600 Valley Road, Summerdale, PA 17093 (Phone 800-759-2727). The registration fee is $105 for NRA/PRA Members; $125.00 for Non-NRA/PRA Members; and $40.00 for students. To register, please visit [http://parehab.org](http://parehab.org) and click on the link for the PDI.

FMI: For assistance with registration, please contact Marisa Pelto at (412) 381-3313, ext. 6 or marisa.pelto@ahedd.org. FMI: See [http://parehab.org](http://parehab.org).

ODP Urges Use of Food Stamps in Group Living Arrangements

On February 17 PA Department of Public Welfare (DPW) Office of Developmental Programs (ODP) issued an Informational Packet on Use of Supplemental Nutrition Assistance Program (SNAP) for Individuals Residing in Group Living Arrangements (GLAs). *ODP Communication Packet 015-12* encourages eligible GLAs under ODP to utilize SNAP and to follow the process as outlined in the communication. ODP says that as of October 1, 2008, Supplemental Nutrition Assistance Program (SNAP) is the new name for the federal Food Stamps Program and that the new name reflects the changes made to meet the needs of individuals, including a focus on nutrition and an increase in benefit amounts. The ODP memorandum notes that SNAP is the federal name for the program, but in Pennsylvania, it is sometimes referred to as the Food Stamp Program. The communication encourages GLAs to learn more about the program by visiting [http://www.dpw.state.pa.us/foradults/supplementalnutritionassistanceprogram/index.htm](http://www.dpw.state.pa.us/foradults/supplementalnutritionassistanceprogram/index.htm) or by contacting the local County Assistance Office (CAO).

ODP Announces PA Outcomes Training Follow-up Activity Available to Providers

On February 16 PA DPW Office of Developmental Programs (ODP) issued *ODP Announcement 014-12* on the availability of the Pennsylvania’s Outcomes Training Follow-up Activity on the Provider Information Center (PIC). ODP says that in response to requests from provider agencies for more information on outcomes development. The activity was designed for Supports Coordinators (SCs) and SC Supervisors as a follow up to viewing a webcast (Lesson 1: Webcast, “Building a Foundation”) and attending face to face, instructor led training (Lesson 2: It’s about the person not just the process). ODP recommends that users view the Lesson 1 Webcast, “Building a Foundation” before participating in this Follow-up activity. The Lesson 1 Webcast, “Building a Foundation” can be found on the Provider Information Center. FMI: See [www.odpconsulting.net](http://www.odpconsulting.net).
U.S. Senate Approves Payroll Tax Cut

On February 17 the U.S. Senate approved a bill in a vote of 60-36 to extend the payroll tax holiday and unemployment benefits. The $150 billion package required only a 51-vote margin vote. President Barack Obama is expected to sign the bill into law. The bill extends a 2 percentage-point cut in the payroll tax through the year, extends federal unemployment benefits and prevents a scheduled cut to Medicare physician payments. The ten month extension of the tax cut adds nearly $100 billion to the deficit. However, under the agreement federal healthcare spending would be cut by $21.1 billion and the savings would be used to eliminate a scheduled 27.4 percent reduction in Medicare physician payment rates for 10 months. The cuts included a $5 billion cut to the Affordable Care Act $15 billion prevention trust fund; elimination of $2.5 billion in enhanced Medicaid payments to Louisiana related to Hurricane Katrina; $4 billion reduction in Medicaid Disproportionate Share Hospital (DSH) payments to hospitals; $6.8 billion reduction in federal payments to hospitals for bad debt, down to 60 percent; and cuts to Medicare payment for clinical laboratory tests. Also included is a 10-month extension of other, more targeted Medicare payments (ambulance add-on payments, the physician work floor and outpatient hospital hold harmless payments). Mental health add-on payments and a provision of the health law that increased payments for bone density scans are eliminated. Two other programs — Section 508 hospitals and special pathology payments — would be phased out by March 31, 2012. There were no cuts to inpatient rehabilitation hospitals or units to offset the cost of the legislation. FMI: See [www.senate.gov](http://www.senate.gov) and [www.whitehouse.gov](http://www.whitehouse.gov). See also [www.house.gov](http://www.house.gov).

President Obama Releases FY 2013 Budget Proposal

On February 13 President Obama’s FY 2013 budget proposal was released. The proposal calls for spending $3.80 trillion in FY 2013 as compared to an estimated $3.79 trillion in spending in fiscal year 2012. The budget package includes both the proposed funding levels for FY 2013 and a deficit reduction plan that would replace the automatic budget cuts that would go into effect on January 2, 2013. The deficit reduction package would reduce future deficits by $3 billion through $1.5 billion in new revenues and $1.5 billion in spending cuts. A key element in the President’s budget is the assumption that the automatic cuts currently scheduled to go into effect in January 2013 will be replaced by a deficit reduction package later this year. If no deficit reduction package is approved, the across the board cuts will directly affect most state-federal programs. Regarding Medicaid, the President’s budget proposes an increase of $27.6 billion, up to $282.7 billion for FY 2013. However, the deficit reduction plan included in the budget also proposes $56 billion in savings from Medicaid over the next ten years through certain reforms. These reforms include overhauling the federal matching formula for Medicaid payments to a single blended rate that would save $17.9 billion over 10 years; limiting states’ ability to increase taxes on healthcare providers which would save $21.8 billion; Revamping payments to hospitals for treating uninsured patients which would save $8.3 billion; and, limiting reimbursements for durable medical equipment by basing payments on Medicare rates which would save $3 billion. FMI: See [www.whitehouse.gov](http://www.whitehouse.gov).
President Obama Proposes to Reduce Domestic Discretionary Spending

On February 13 President Obama sent to Congress his $3.8 trillion budget proposal for fiscal year (FY) 2013. The budget would reduce spending on domestic discretionary programs by $40 billion but proposes funding for certain programs in education, mental health, housing and criminal justice. The President's budget includes a plan to replace current federal matching rates for Medicaid and the Children’s Health Insurance Program (CHIP) with a single matching rate across all populations covered by Medicaid, beginning in 2017. However, the budget also indicates that the administration would continue to oppose turning Medicaid into a block grant to states. Under the budget plan, the budget for the Substance Abuse and Mental Health Services Administration’s (SAMHSA) would experience a reduction of almost $200 million. In the budget for Housing, the President’s FY 2013 budget would make deep cuts in the project-based rental assistance program and level-fund other rental assistance programs while providing an increase to homelessness prevention programs. The administration also proposes adopting a policy change that would require all HUD-assisted households to pay a minimum of $75 monthly for rent. The budget also proposes consolidating Family Self Sufficiency Programs that help assisted tenants obtain employment training and jobs. The proposed budget would also permit public housing agencies to use some of their voucher, capital and operating funds to provide service coordination, case management, and other supportive service activities. However, the budget requests a $1 billion increase for the National Housing Trust Fund and $75 million for new vouchers to house homeless veterans through the HUD / Veterans Affairs Supportive Housing Program (HUD-VASH) and proposes an allocation of $75 million for tenant protection vouchers. In the budget for Education, the president’s budget freezes funding for the Individuals with Disabilities Education Act (IDEA) Part B Grants to States at $11.57 billion and the Preschool Grants at $372.6 million. The president also proposes to level-fund the Title I program. The proposed budget increases Part C Grants for Infants and Families by $20 million (from $443 million in FY 2012 to $462.7 million in FY 2013) to enable states to serve more children from birth to age five and improve the system of services for this population. In criminal justice, President Obama again proposes to merge the Mentally Ill Offender, Treatment and Crime Reduction Act (MIOTCRA) program with other U.S. Department of Justice activities, allocating $52 million for grants to states and localities to support drug courts, mentally ill offender assistance and other problem-solving approaches. In the budget for Health, the President’s budget includes funds to support states’ new health insurance exchanges, established by the Affordable Care Act by 2014. States will receive most of the $864 million included in the budget for program management in the U.S. Department of Health and Human Services. An additional $290 million is included in the budget proposal for consumer and beneficiary education and outreach by the exchanges. FMI: See http://bazelon.org/What-You-Can-Do/Take-Action/Alerts.aspx. See www.whitehouse.gov.

DOL Funding Available for Training and Service Learning

On February 16 U.S. Department of Labor (DOL) announced the availability of approximately $30 million in grants through its Training and Service Learning program for projects to help young adult ex-offenders gain valuable jobs skills while giving back to their communities through service. Full eligibility information is included in a solicitation for grant applications published in the February 16 Federal Register. See http://www.doleta.gov/grants/find_grants.cfm.
CMS Issues New Guidance on Rehabilitation Services in Hospital Outpatient Settings

On February 17 the Centers for Medicare and Medicaid Services (CMS) issued a memorandum rescinding those portions of SC-11-28 and SOM Transmittal #72 (November 18, 2011) concerning the ordering of rehabilitation and respiratory care services. The February 17 memorandum provides that orders for outpatient services (as well as patient referrals for hospital outpatient services) may be made by any practitioner who is (a) Responsible for the care of the patient; (b) Licensed in, or holds a license recognized in the jurisdiction where he/she sees the patient; (c) Acting within his/her scope of practice under State law; and (d) Authorized by the medical staff to order the applicable outpatient services under a written hospital policy that is approved by the governing body. This includes both practitioners who are on the hospital medical staff and who hold medical staff privileges that include ordering the services, as well as other practitioners who are not on the hospital medical staff, but who satisfy the hospital’s policies for ordering applicable outpatient services and for referring patients for hospital outpatient services. This new guidance supersedes the guidance for §482.56(b) (Tag A-1132) and §482.57(b)(3) (Tag A-1163) found in SC-11-28 (May 13, 2011) and State Operations Manual (SOM) Transmittal #72 (November 18, 2011). FMI: See www.cms.gov. For a copy of the memorandum issued by the CMS Office of Clinical Standards and Quality/Survey & Certification Group, contact PARF at patfmail@parf.org.

CMS Transmittal 72 on Agenda of CMS Hospital Open Door Forum on February 22

The Centers for Medicare and Medicaid Services (CMS) Transmittal 72 is included on the meeting agenda of the CMS Hospital Open Door Forum to be held on Wednesday, February 22, 2012 at 2:00 p.m. To dial-in use phone number 1-800-837-1935 and enter access code 27239383. PARF members may wish to listen into the discussion and offer comment and questions on the transmittal and new guidance issued on February 17, 2012. An Encore presentation is available by calling 1-855-859-2056 and entering Conference ID: 27239383. Encore is an audio recording of the call that can be accessed by dialing 1-855-859-2056 and entering the Conference ID beginning 4 hours after the call has ended. The recording expires after 3 business days. For ODF schedule updates, E-Mailing List registration and Frequently Asked Questions, visit the CMS website at http://www.cms.gov/OpenDoorForums/. FMI: For more information contact PARF at parfmail@parf.org.

HHS To Delay ICD-10 Compliance

On February 16, the U.S. Department of Health and Human Services (HHS) announced that it will initiate a process to postpone the date by which certain health care entities have to comply with International Classification of Diseases, 10th Edition diagnosis and procedure codes (ICD-10). The final rule adopting ICD-10 as a standard was published in January 2009 and set a compliance date of October 1, 2013 – a delay of two years from the compliance date initially specified in the 2008 proposed rule. HHS will announce a new compliance date moving forward. See http://www.cms.gov/apps/media/press_releases.asp.
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CMS Updates FY 2012 IRF PPS Pricer

On February 10 the Centers for Medicare and Medicaid Services has updated the FY2012 Inpatient Rehab Prospective Payment System (IRF PPS) PC Pricer. The information is available on the CMS website at http://www.cms.hhs.gov/PCPricer/06_IRF.asp. The Pricer is for claims dated from October 1, 2011 to September 30, 2012.

CMS to Recover Overpayments from Providers and Suppliers More Quickly

On February 14 the Centers for Medicare & Medicaid Services (CMS) proposed that providers and suppliers must report and return self-identified overpayments either within 60 days of the incorrect payment being identified or on the date when a corresponding cost report is due – whichever is later. Examples of overpayments in Medicare include: (a) duplicate submission of the same service or claim; (b) payment to the incorrect payee; (c) payment for excluded or medically unnecessary services; or (4) payment for non-covered services. The Affordable Care Act required that there be a specific timeframe by which overpayments must be reported returned. Any failure to report and return the overpayment within the applicable time frame could be a violation of the False Claims Act. Providers also could be subject to civil monetary penalties or excluded from participating in federal health care programs for failure to report and return an overpayment. For more information on the announcement see http://www.hhs.gov/news/

The announcement of the proposed rule from the Centers for Medicare and Medicaid Services aimed at recollecting overpayments in the Medicare program coincides with the release of the annual Health Care Fraud and Abuse Control Program (HCFAC) report by the U.S. Attorney General and the Department of Health and Human Services (HHS). The new February 14 report on health care fraud prevention and enforcement efforts heralds the recovery of nearly $4.1 billion in Fiscal Year (FY) 2011. The HCFAC annual report can be found here, http://www.oig.hhs.gov/publications/hcfac.asp. For more information on the joint DOJ-HHS Strike Force activities, visit: www.StopMedicareFraud.gov. For more information on the fraud prevention accomplishments under the Affordable Care Act visit: http://www.healthcare.gov/news/factsheets/2012/02/medicare-fraud02142012a.html

National Provider Call on Medicare Shared Savings Program and Advance Payment Model

On Thursday March 1 the Centers for Medicare and Medicaid Services (CMS) will host a National Provider Call on Medicare Shared Savings Program and Advance Payment Model Application Process. Registration is now open for the call to be held on March 1 from 1:30 p.m. to 3:00 p.m. ET. During the call subject matter experts will provide an overview and updates to the Medicare Shared Savings Program application and Advance Payment Model application processes. A question and answer session will follow the presentations. See Medicare Shared Savings Program Application and Advance Payment Model web pages for information, dates, and materials on the application process. Call participants are encouraged to review the applications and materials prior to the call. In order to receive the call-in information, you must register for the call. Registration will close at 12:00 p.m. on the day of the call or when available space has been filled. No exceptions will be made, so please register early. For more details, including instructions on registering for the call, please visit http://www.eventsvc.com/blhtechnologies.
PARF NEWS
Dateline: February 17, 2012

HHS OIG Posts Review of Non-Emergency Medical Transportation Services

On February 17 the U.S. Department of Health and Human Services Office of the Inspector General (HHS OIG) posted its review of Medicaid payments for nonemergency medical transportation services claims submitted by providers in New York State (A-02-09-01024). HHS OIG found that the NY Department of Health (DOH) claimed Federal Medicaid reimbursement for some nonemergency medical transportation (NEMT) services submitted by transportation providers in New York State that did not comply with certain Federal and State requirements. States are required to ensure necessary transportation for Medicaid beneficiaries to and from providers. Based on its sample results, HHS OIG estimates that NY DOH improperly claimed $13.5 million in Federal Medicaid reimbursement for 723,237 NEMT claims during the period April 1, 2005, through March 31, 2006. In addition to asking for a refund of $13.5 million to the federal government, HHS OIG recommended that NY DOH strengthen its policies and procedures to ensure that providers comply with federal and state requirements for ordering, documenting, and claiming NEMT services and that NY DOH require the New York State social services districts to strengthen their quality assurance mechanism to ensure that NEMT services are properly provided. See http://go.usa.gov/Qu9.

IRF-PAI Informational Call for Vendors on February 23

The IRF-PAI informational call for vendors will be held on Thursday, February 23, 2012 from 1:00 p.m. to 2:00 p.m. (ET). The Conference Call Number is 1-866-712-2205 and the Conference Code is 4260581739. This call will cover topics such as: Data Specification Updates for October 2012 Release; New Process to submit IRF-PAI records to the Assessment Submission and Processing (ASAP) System; Discussion of Submitted Q & A's; Vendor registration on QTOSO website; Email address for IRF Tech Issues Mailbox. To facilitate this call, CMS is requesting that vendors review the draft technical specifications prior to this call and use the following mailbox to submit any comments or questions related to the technical aspects of the IRF PAI to: IRFTECHIssues@cms.hhs.gov by 6 pm, ET, February 16, 2012. Please refer to the CMS Webpage http://www.cms.gov/InpatientRehabFacPPS/06_Software.asp#TopOfPage for the technical specifications located in downloads. Also, additional information about the February 23RD 2012 Vendor call is available in the document February Vendor Call Memo located in the downloads section on the CMS web page: http://www.cms.gov/InpatientRehabFacPPS/11_TechInfo.asp#TopOfPage. See http://www.cms.gov/OpenDoorForums/18_ODF_Hospitals.asp.

National Seminar on Ticket to Work on February 29

On Wednesday, February 29, 2012 at 1:00 p.m. EST, the National Work Incentives Seminar Event (WISE) webinar will answer questions on the Ticket to Work program. Ticket to Work: You Asked. We Answer. Work Incentives That Work for You will answer most frequently asked questions about Ticket to Work & Work Incentives and special Social Security considerations that may apply. Topics to be covered include: Timely Progress Review, Trial Work Period, Extended Period of Eligibility, Earned Income Exclusion, and Expedited Reinstatement. To participate, register online at www.choosework.net/wise or call 1-866-968-7842 or 1-866-833-2967 (TTY/TDD). FMI: Email support@chooseworkttw.net or call 1-866-968-7842 or 1-866-833-2967 (TTY/TDD). Register at http://www.choosework.net/wise/jsp/wise.jsp.