**Dateline: February 24, 2012**

**PA Senate Begins Hearings on FY2012-13 Budget**

On February 21 the PA Senate Appropriations Committee opened up its series of hearings on Governor Corbett's proposed 2012-13 Budget with an exchange with the Governor's Budget Office. The Committee discussed the accuracy of revenue projections for the end of the fiscal year and the Administration's revenue growth projections for the upcoming fiscal year. The panel also discussed the use of money from "dedicated funds" to supplement the General Fund and investigation and prosecution of welfare fraud. In its session with the Department of Health the Senate Appropriations Committee members questioned Health Department deputies on several issues, including the independence of the PA Health Care Cost Containment Council (PHC4) and the Patient Safety Authority under the proposed budget and the need to upgrade hospital licensing and inspections. DOH told lawmakers that anticipated efficiencies and fiscal concerns prompted the proposal for consolidation of PHC4 and the Patient Safety Authority with DOH. DOH also said that in reducing its funding for health research about $59 million from the Commonwealth Universal Research Enhancement (CURE) program was used in PA Department of Public Welfare for long-term care services instead of research. The panel also discussed status of the State Health Improvement Plan and statistics for health care associated infections following passage of Act 52. The Senate Appropriations Committee also heard this week from the Department of Insurance and discussed Pennsylvania's compliance with the federal Patient Protection and Affordable Care Act (PPACA); development of the health exchange in compliance with PPACA; essential coverage under PPACA; the status of the MCARE fund; the dispute between Highmark and UPMC and Highmark's acquisition of Allegheny General Hospital; and increasing auto insurance minimum coverage requirements. In its hearing with the Department of Labor and Industry members of the Senate Appropriations Committee questioned L&I Secretary Julia Hearthway regarding unemployment compensation; funding for the new KeystoneWorks job training program; elimination of the PENNSAFE program, proposed regulations to prevent mandatory overtime for health care providers, the Pennsylvania Initiative on Assistive Technology, the State Workers' Insurance Fund., and fees for administrative costs for Centers for Assisted Living. FMI: Each of the completed Senate hearings can be accessed at [http://www.pasenategop.com/budget-hearings/2012/summary.htm](http://www.pasenategop.com/budget-hearings/2012/summary.htm)

**PA House Hearings on FY 2012-2013 State Budget Underway**

On February 21 the PA House of Representatives opened its hearings and focused on the larger budget questions in discussion and review with the Independent Fiscal Office and the Department of Revenue. At the House Appropriations Committee, the Independent Fiscal Office reaffirmed that it is still projecting a revenue shortfall about $200 million less than the Corbett administration’s $719 million projection. On February 21 the PA Department of Revenue reviewed their budgets before both the House and Senate Appropriations committees. PA Department of Revenue pledged to report to the legislature on any revenue estimate changes as they occur and as the final passage of the budget approaches. FMI: Completed House hearings can be accessed at [http://www.pahousegop.com/budgethrsgsked.aspx](http://www.pahousegop.com/budgethrsgsked.aspx).
DPW Posts New Rules for Public Comment by March 9

On February 24 the PA Department of Public Welfare (DPW) posted on its website the regulations and preambles related to notices issued in the Pennsylvania Bulletin on expedited rulemaking under Act 22 of 2011. PARF members are encouraged to review the regulations and send comment to PARF at parfmail@parf.org. For a copy of the regulations that are posted see http://www.dpw.state.pa.us/publications/budgetinformation/act22-expeditedregulatorychangelstothedpw/index.htm. DPW explains that as part of Act 22 in the 2011/2012 state budget, the General Assembly granted DPW the ability to make changes to its regulations without going through the formal review process. For each draft regulation, DPW provides an email address and a postal mailing address to which comments may be sent. For email comments, the chapter of the draft regulation must be provided in the subject line. DPW says that comments should clearly define which section of the draft regulation. All comments must be received by 4:00 p.m. on Friday, March 9. PARF members should forward comments to DPW and forward a copy of the comments to PARF at parfmail@parf.org.

DPW Outlines Regulatory Changes, Invites Comment

On February 23 the Medical Assistance Advisory Committee (MAAC) of the PA Department of Public Welfare (DPW) was presented with a review of regulatory changes that were announced in the February 18, 2012 edition of the Pennsylvania Bulletin. The deadline for comments to the February 18 public notice is March 4, 2012. Dan Delellis, OMAP, Bureau of Policy, Budget and Planning, presented the recently announced expedited rule making issuances for the Office of Medical Assistance (OMAP). In his review he noted: (1) *Copayments:* MA co-pays are being adjusted using the CPI inflation adjustment and the regulations will allow for future updates also based on the CPI. In addition, the MATP Para-transit services will now have co-pays of $2.00 (one-way) and $4.00 (round trip). The regulation also eliminates currently allowed refunds of co-pays over a certain threshold per annum. (2) *Reduced pharmacy dispensing fees:* Pharmacy dispensing fees will be reduced and adjustments are being made to equalize the average wholesale acquisition costs. (3) *Newborn Payments:* Separate payment to hospitals for a normal newborn will be eliminated. MA will now only pay for the mother’s birthing expenses. (4) *Hospital Readmission:* The regulations will also be revised for the hospital readmission policy change (14 days to 30 days) already implemented as a result of Act 22. Kevin Friel, DPW Deputy Secretary of Developmental Programs (ODP) Kevin Friel gave the overview of the ODP expedited regulations. Friel noted (5) *ODP Payments:* 55 Pa Code Chapter 51 will establish payment rates, fee schedules and payment methods for home and community bases services and provider qualifications for Adult Autism and the Coordinated and Person/Family Directed Support waiver and (6) *ICF MR:* the Private ICF-MR regulations (55 Pa Code Chapter 6211) will be updated for payment method and cost report changes. Bonnie Rose, Deputy Secretary for OLTL, and Elaine Smith addressed the OLTL expedited regulation package (55 Pa Code Chapter 52), noting that (7) *OLTL Bulletins:* The package will establish provisions in regulation for policies that were previously issued through MA Bulletins. The new chapter will apply to the Aging, Attendant Care, COMMCARE, Independence and OBRA Home and Community Based Service waivers and the Act 150 program. FMI: See http://www.dpw.state.pa.us/publications/budgetinformation/act22-expeditedregulatorychangelstothedpw/index.htm
OMAP Budget Presented to MAAC

On February 23 the Medical Assistance Advisory Committee (MAAC) of the PA Department of Public Welfare (DPW) was presented with a review by the DPW Office of Medical Assistance Programs (OMAP) of Governor Corbett’s proposed FY 2012-13 budget for Medical Assistance programs. PA DPW Deputy Secretary of Medical Assistance Programs Vince Gordon reported on various program expansions, including the expansion of the HealthChoices Program to the remainder of the state which will add 400,000 MA recipients to the program and the expansion of the pre- and post-payment automated audit system which will use predictive modeling and will go beyond the Claims Check system currently in use. Deputy Secretary Gordon said that there will be additional initiatives required by Federal health care reform, including program integrity expansions. With regard to payment reductions, he said that payment rates will be reduced by 4.0% with no reduction to disproportionate share hospital (DSH) and supplemental payments. Gordon noted that OMAP will expand its high cost case review (case management) which will also consider cases in other program areas such as Long Term Living and Developmental Programs. Concerning program changes Deputy Secretary Gordon noted that reforms in General Assistance consisted of revisions to eligibility criteria. Gordon said that the proposed hospital application process will target newly enrolled MA recipients that become eligible through a hospitalization and that these recipients will remain in the Fee-for-Service Program (FFSP) until they are due for re-determination in six months. The reforms in the Medical Assistance for Workers with Disabilities (MAWD) program will consist of applying an increase to enrollee premiums. Deputy Secretary Gordon also noted that an $8.0M increase to the Medical Assistance Transportation (MATP) Program’s budget has been proposed and that amount is half of the FY 2012 MATP Program’s cut. Gordon said that while initiating co-pays will help, there are still structural program deficiencies. FMI: See www.dpw.state.pa.us

ODP Reviews FY 2012-13 Budget Proposal

On February 23 the Medical Assistance Advisory Committee (MAAC) of the PA Department of Public Welfare (DPW) was presented with a report on the FY 2012-13 budget proposed by Governor Corbett for the Office of Developmental Programs. Kevin Friel, DPW Deputy Secretary of Developmental Programs (ODP) and ODP fiscal director John Cox discussed the proposed budget for ODP. DPW Deputy Secretary Friel noted that there is a 2.0% increase in the Community Waiver Program. He said that the community base programs were reduced 20% and the entire line item was moved into the Human Services Development Fund. Deputy Secretary Friel said that state Centers received a 3.0% increase that was mostly attributable to higher personnel and other administrative cost increases. He noted that the Autism budget was decreased by 6.0%. In an addition to his report on the budget, Deputy Secretary Friel said that ODP is targeting mid-March for its roll out of changes to the fee schedule. FMI: See www.dpw.state.pa.us.
Changes in OLTL Budget Reported

On February 23 the Medical Assistance Advisory Committee (MAAC) of the PA Department of Public Welfare (DPW) heard a presentation on Governor’s proposed budget for the long term living programs in FY 2012-13. Ann Henry of the Office of Long Term Living (OLTL) reported on a proposed 4.0% reduction in nursing home rates, a proposal to annualize the home and community based service waivers’ rates and plans to conduct high cost case reviews. Henry also said that the LIFE (Long Term Care Managed Care) Program will be increased $17.57 million. The Act 150/Attendant Care Program would be decreased by $5.05 million, its fee schedule would be annualized, and high cost case reviews for this program would be implemented. FMI: See www.dpw.state.pa.us

OMHAS Funding Changes in FY2012-13

At the February 23 meeting of the Medical Assistance Advisory Committee (MAAC) of the PA Department of Public Welfare (DPW) a presentation on Governor’s proposed FY 2012-13 budget for mental health and substance abuse programs was presented by Sherry Snyder of the Office of Mental Health and Substance Abuse Services (OMHSAS). Snyder reported that the state mental health hospitals and South Mountain Restoration Centers funding would remain flat. Snyder also reviewed the transfer of the base mental health service funding to the Human Services Development Fund and the reduction in funding for community programs. Snyder indicated that the changes in the General Assistance programs will have an impact on both behavioral health and drug and alcohol programs. FMI: See www.dpw.state.pa.us

PA House Hearing on Food Stamp Asset Test on March 15

On March 15 the PA House of Representatives Human Services Committee will hold a public hearing on new asset test that the PA Department of Public Welfare (DPW) is imposing on people who receive food stamps. The hearing will be held at 9:30 a.m. in Room 60 of the East Wing, State Capitol. On February 1 the PA Department of Public Welfare announced that it had submitted its final plan to the Food and Nutrition Service (FNS) to reinstate the asset test for the Supplemental Nutritional Assistance Program (SNAP). The final proposal sets the limits at $5,500 for households (age 59 and under) and $9,000 for households with older Pennsylvanians (age 60 and above) or disabled individuals. See February 3, 2012 edition of PARF News

ODP Urges Use of Food Stamps in Group Living Arrangements

On February 17 the PA DPW Office of Developmental Programs re-issued ODP Informational Packet 015 on the Use of Supplemental Nutrition Assistance Program (SNAP) for Individuals Residing in Group Living Arrangements (GLAs). The packet was re-issued to individuals who live in group living arrangements and their family members and to providers of group living arrangements. As of October 1, 2008, Supplemental Nutrition Assistance Program (SNAP) is the new name for the federal Food Stamp Program. The new name reflects the changes made to meet the needs of individuals, including a focus on nutrition and an increase in benefit amounts. ODP is encouraging eligible GLAs of the Office of Developmental Programs (ODP) to utilize SNAP and to follow the process as outlined in the packet. FMI: See www.odpconsulting.net. See also http://www.dpw.state.pa.us/foradults/supplementalnutritionassistanceprogram/index.htm.
Statewide Campaign Organized to Save PA General Assistance Program

On February 17 a newly formed statewide campaign was initiated to save the Pennsylvania General Assistance (GA) program. The campaign – *PA Cares for All* – is focused on informing legislators on the impact that Governor Corbett’s proposal to eliminate the General Assistance program will have on individuals utilizing the program. To provide a full report on the effects that proposed cuts would have on Pennsylvanians, the campaign is seeking specific information on the use of General Assistance by people with disabilities, people in recovery from alcohol and drug dependence, and victims of domestic violence. The proposed elimination of GA and the cuts to GA-related Medical Assistance are among the largest proposed cuts in the state budget. *PA Cares for All* is encouraging supporters to contact legislators and set up appointments in legislative district offices to talk about the impact of the elimination of General Assistance and cuts to health care for people eligible for Medical Assistance. The new website for the campaign is at [www.pacaresforall.org](http://www.pacaresforall.org). At the website individuals and organizations may join and obtain up-to-date information on the campaign. Letters to legislators can be sent from the site to legislative offices. For more information, contact Michael R. Froehlich, Community Legal Services, Inc., Philadelphia, PA, email [mfroehlich@clsphila.org](mailto:mfroehlich@clsphila.org).

ODP to Reprocess Supports Coordination Waiver Claims

On February 12 the PA DPW Office of Developmental Programs issued *ODP Informational Memo 016-12* on the reprocessing that is scheduled for supports coordination (SC) waiver claims. ODP indicates that AE and SCO action is requested. *ODP Informational Memo 016* is intended to communicate that ODP will be initiating an automatic claims reprocessing effort for Supports Coordination (SC) waiver claims that (a) were denied in November 2011, December 2011, January 2012, the February 4, 2012 sweep, or were paid with a unit cutback due to the lack of units authorized on the plan or (b) were denied when the Client Information System (CIS) was down for a brief period of time while processing the November 4, 2011, SC waiver claim file. Claims impacted denied on ESC 0204. FMI: See [www.odpconsulting.net](http://www.odpconsulting.net).

BAS Mini-Grants Available to Support Children & Adults with Autism Spectrum Disorder

In its February 2012 newsletter the Pennsylvania Department of Public Welfare (DPW) Bureau of Autism Services (BAS) announced the availability of mini-grants to support children and adults with an autism spectrum disorder (ASD) and families that include an individual with ASD. Applicants meeting eligibility requirements may apply for up to $500 in grant funds. Priority will first be given to applicants age 18 or older who did not receive a Bureau of Autism Services Mini-Grant in any previous funding year (2007-2011). Total funding for these mini-grants is limited and is on a first-come, first-served basis. The full application packet including the application, instructions to apply, and frequently asked questions is available to download and print at [www.autisminpa.org](http://www.autisminpa.org) or [http://bastraining.tiu11.org](http://bastraining.tiu11.org) under “2012 Family and Individual Mini-Grant.” The deadline for submission is April 15, 2012. Notification of awards will be sent by mail on a rolling basis beginning on or about May 16, 2012 until June 30, 2012. Visit [http://bastraining.tiu11.org](http://bastraining.tiu11.org). For a webcast regarding the mini-grant application process call the Mini-Grant Help Line, toll-free, 1-866-539-7689.
US Supreme Court Declines to Decide on Providers Right to Sue to Enforce Medicaid Law

On February 22 the United States Supreme Court sent Douglas v. Independent Living Center of Southern California and other related cases back to the Ninth Circuit Court of Appeals. The Supreme Court declined to rule whether providers can sue states to enforce federal Medicaid statute. However, the Court affirmed the lower court's decision to block the reductions in payment to providers in California’s Medicaid program (Medi-Cal). Medical providers can continue to sue to stop the cuts to the state’s Medicaid program (Medi-Cal) while the state will have another opportunity to argue for the right to implement cuts to help balance its budget. For now the state of California has decided to continue to pay the higher reimbursement rate as it evaluates the Court’s decision. The California Medical Association (CMA) considers the case a victory for providers and patients. State officials claimed a victory for themselves, saying that the decision recognized the authority of states to better manage their health services programs. For a copy of the Supreme Court decision, see http://www.supremecourt.gov/opinions/11pdf/09-958.pdf. FMI: For additional information see http://www.cmanet.org/news/articles/ and http://www.cmanet.org/news/detail/?article=us-supreme-court-sends-medicaid-case-back-to. For more details see http://www.sacbee.com/2012/02/22/4282655/supreme-court-sends-california.html. See http://www.therepublic.com/view/story/SCOTUS-MEDI-CAL_7341467/SCOTUS-MEDI-CAL_7341467/.

HHS Announces Intent to Delay ICD-10 Compliance Date

On February 16 the U.S. Department of Health and Human Services (HHS) Secretary announced that HHS 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. Entities covered under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will be required to use the ICD-10 diagnostic and procedure codes. FMI: See www.cms.gov and https://www.highmarkmedicareservices.com/claims/coding/icd10/index.html.

HHS Releases Additional Guidance on Essential Health Benefits

On February 17 the Department of Health and Human Services (HHS) released a set of Frequently Asked Questions (FAQs) to provide additional guidance on the approach it intends to pursue in rulemaking to define essential health benefits. Among other things, the FAQs: give states the ability to select a benchmark plan that reflects the scope of services offered by a “typical employer plan”; provide additional information about the process of selecting and updating benchmark plans; explain states’ responsibility with respect to state-mandated benefits; and clarify the applicability of benchmarks to multi-state plans. FMI: See http://cciio.cms.gov/resources/files/Files2/02172012/ehb-faq-508.pdf.
CMS Federal Fiscal Year (FY) 2013 Wage Index data
On February 21 the Centers for Medicare & Medicaid Services (CMS) released the proposed FY 2013 wage index Public Use Files. Please review the “Availability of the Proposed Federal Fiscal Year (FY) 2013 Wage Index Public Use Files and Deadline for Requesting Corrections to the Wage Index Data” for the criteria and process for hospitals to request corrections to their wage index data. All requests from hospitals for corrections to their FY 2013 wage index data must be submitted to and received by their Fiscal Intermediaries or Medicare Administrative Contractors (FI/MACs) on or before March 5, 2012. FMI: See http://www.cms.gov/acuteinpatientpws/wifn/itemdetail.asp?itemid=CMS1239640. See also https://www.highmarkmedicareservices.com/parta/arcenter/audit-ref/wage/2013-puf-feb-2012.html.

CMS Physicians, Nurses & Allied Health Professionals Open Door Forum on March 6
On Tuesday, March 6 at 2:00 p.m. ET the Centers for Medicare and Medicaid Services (CMS) will host a Physicians, Nurses & Allied Health Professionals Open Door Forum. Please dial in at least 15 minutes before call start time. To participate by phone, dial: 1-800-837-1935 & enter Reference Conference ID#: 27271366. Persons participating by phone do not need to RSVP. TTY Communications Relay Services are available for the Hearing Impaired. For TTY services dial 7-1-1 or 1-800-855-2880. A Relay Communications Assistant will help. Encore Feature: 1-855-859-2056; Conference ID#: 27271366. Encore is a recording of this call that can be accessed by dialing 1-855-859-2056 and entering the Conference ID, beginning 4 hours after the call ends and will be available for 3 business days. For ODF schedule updates, E-Mailing List subscription and Frequently Asked Questions, visit our website at http://www.cms.gov/opendoorforums.

DOL Announces Grants for States to Improve Workforce Data Quality
On February 21 the United States Department of Labor (DOL) announced that $12 million is available for grants through the Workforce Data Quality Initiative, which will enable states to build or expand longitudinal databases that link workforce and education data to improve understanding about the performance of workforce development programs among those who benefit from and make decisions about them. DOL anticipates awarding approximately 12 grants of up to $1 million each for a 36 month period of performance. FMI: See http://www.dol.gov/opa/media/press/eta/eta20120352.htm. Current Workforce Data Quality Initiative grantees are ineligible for this round of funding. To view information on the current grantees, visit http://www.doleta.gov/Performance/workforcedatagrant09.cfm. For information on applying for a grant, visit http://www.doleta.gov/grants/find_grants.cfm.