Dateline: June 22, 2012

Agreement Reached on Spending Level for FY 2012-13 PA State Budget

With approximately one week before the deadline for passage of the state budget, Pennsylvania House and Senate leadership and PA Governor Tom Corbett have reached agreement on the level of spending for FY 2012-13 budget. PA House Appropriations Chairman Rep. Bill Adolph (R-Delaware) and leaders from the House and Senate joined Governor Corbett at a June 20 press conference to announce an agreement on a spending figure for the Fiscal Year 2012-13 state budget. The legislative leaders and the Governor agreed on a spending figure of $27.656 billion. The final budget number includes approximately $500 million of restored funding that the Senate proposed after Governor Corbett released his budget proposal at $27.1 billion. Details on just how the state will apply the $27.656 billion are being negotiated. Legislators are still negotiating for restoration of human services funding that Governor Corbett proposed to be cut by 20 percent. The House and Senate leadership have negotiated partial restoration of the funds, but as of June 22 legislators were still seeking further restoration.


ODP Issues Update on Rates and Rules

On June 20 PA DPW Office of Developmental Programs (ODP) issued an ODP Informational Memo 048-12 providing updates to the fiscal year (FY) 2012-2013 renewal process, new funding stream, clarification on mileage rate change, fee schedule geographical areas, and other helpful information. Addressing administrative entities (AEs), supports coordination organizations (SCOs), direct service providers (waiver and base providers), and other interested parties, ODP said that the informational memo is intended to communicate: FY 2012-2013 rate load information, service definition changes: AE and SCO action, P/FDS Cap Exceptions, billing waiver ineligible residential services, Human Service Development Fund (HSDF) and base funded services, adding transportation mile to the vendor screens versus billed amount, reminders for Transportation Trip/Zone, clarification on fee schedule geographical areas, provider qualification impact on service contract conversion from provisional on-hold (POH) to real in HCSIS, participant directed services (PDS) reminders. Concerning the HSDF fund, ODP said that if not approved in the final budget by the General Assembly, a future ODP communication will detail instructions and provide direction on HSDF. FMI: See www.odpconsulting.net.

OLTL Seeks Public Comment on New Rates

The PA DPW Office of Long Term Living (OLTL) has notified its service coordination entities and service providers that a rate notice was issued on June 9, 2012, which contained rates for OLTL Home and Community-Based Services, effective June 1, 2012. A thirty-day comment period is included in the notice. The OLTL rate notice is located at http://www.pabulletin.com/secure/data/vol42/42-23/1058.html.
**PARF NEWS**

**Dateline: June 22, 2012**

**DPW Changes MA Fee Schedule**

In the June 23 edition of the *Pennsylvania Bulletin*, the PA Department of Public Welfare (DPW) announced changes to the Medical Assistance (MA) program fee schedule. The changes are effective for services provided on and after June 25, 2012. DPW said that it will be both adding and end-dating procedure codes and that some of the newly added procedure codes will require prior authorization. DPW plans to publish the fees for the new procedure codes in an *MA Bulletin* to be issued to all providers. The procedure codes are being added to the MA Program Fee Schedule as a result of the 2012 HCPCS updates and significant program exception requests. DPW is also adding back to the MA fee schedule a procedure code and procedure code/modifier combinations for EEG monitoring and re-establishing payment for the procedure. Certain codes related to durable medical equipment (DME) are being added to the MA Program Fee Schedule but will require prior authorization. Many procedures are also being end-dated. Written comments regarding this notice should be sent to the Department of Public Welfare, Office of Medical Assistance Programs, c/o Deputy Secretary's Office, Attention: Regulations Coordinator, Room 515, Health and Welfare Building, Harrisburg, PA 17120. FMI: See [www.pabulletin.com](http://www.pabulletin.com).

**DPW Discontinues Hospital Quality Incentive Pilot & Investment Grant Program**

In the June 23 edition of the *Pennsylvania Bulletin*, the PA Department of Public Welfare (DPW) issued a formal notice that the Hospital Quality Incentive Pilot Program and the Hospital Quality Care Investment Grant Program were being discontinued. The HQI pilot program was established to provide and reward a hospital's performance on various quality related measures. DPW provided for incremental adjustments to the scheduled increases to be applied to inpatient disproportionate share hospital and direct medical education payments based on the hospital's performance on these quality measures. Through an application process, the grant program provided an incentive for acute care general hospitals to initiate quality improvement projects by offsetting some of the costs related to the implementation of the project. DPW published notice of its intent to discontinue the pilot and grant programs in the June 25, 2011 edition of the *Pennsylvania Bulletin*. DPW said that it received no public comments during the 30-day comment period and implemented the changes as described in its notice of intent. DPW received State Plan Amendment approval from the Centers for Medicare and Medicaid Services (CMS) to discontinue the Pilot and Grant Programs in February of 2012. The elimination of the programs will save the Commonwealth $2.254 million ($1 million in State general funds and $1.254 million in Federal funds) in FY 2010-2011 and $2.226 million ($1 million in State general funds and $1.226 million in Federal funds) in FY 2011-2012. FMI: See [www.pabulletin.com](http://www.pabulletin.com).

**DPW Announces Funding Allocation for DSH Payments for Psychiatric Services**

In the June 23 edition of the *Pennsylvania Bulletin*, the PA Department of Public Welfare (DPW) issued final notice of the funding allocation for Fiscal Year (FY) 2011-2012 for disproportionate share hospital (DSH) payments to qualifying teaching hospitals that provide psychiatric services to Medical Assistance (MA) recipients. DPW said that it will allocate funding for these payments at the same level that was allocated for FY 2010-2011 payments. DPW published notice of its intent to allocate funding for these DSH payments to qualifying teaching hospitals on January 14, 2012. DPW said that it had received no public comments during the 30-day comment period and will implement the changes described in its notice of intent. FMI: See [www.pabulletin.com](http://www.pabulletin.com).
DPW Decreases DSH Payments

In the June 23 edition of the Pennsylvania Bulletin, the PA Department of Public Welfare (DPW) announced its intent to decrease the allotted funding for Fiscal Year (FY) 2011-2012 disproportionate share hospital (DSH) payments to certain qualifying Medical Assistance (MA) enrolled hospitals. DPW said that the decrease in funding is required to be consistent with the FY 2011-2012 appropriated amount for inpatient hospital services. There is no change in the qualifying criteria or payment methodology for this additional class of DSH payments. DPW said that the FY 2011-2012 fiscal impact as a result of this anticipated change is $14.752 million ($6.628 million in State general funds and $8.124 million in Federal funds). The DPW action is pending approval by the Centers for Medicare and Medicaid Services (CMS). 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 30 days will be reviewed and considered for any subsequent revision of the notice.

ODP Issues Alert on HCSIS

On June 22 PA DPW Office of Developmental Programs (ODP) released Informational Memo 050-12 on 6.16 HCSIS Enhancements on Incident Management. The informational memo alerts ODP partners about enhancements to HCSIS Incident Management report screens and HCSIS Incident Management reports in the 6.16 release. The information supplements the HCSIS Communication regarding release 6.16. Providers, AEs, and ODP discover information about incidents by analyzing HCSIS data. The memo discusses HCSIS screen enhancements scheduled for release on June 24, 2012. FMI: See www.odpconsulting.net.

ODP Issues Memo on Appeal Rights and Consolidated & P/FDS Waiver Rates

On June 21 the PA DPW Office of Developmental Programs (ODP) issued an informational memo, clarifying appeals rights for FY 2012-2013 Consolidated and P/FDS waiver rates and providing ODP methodology information. Attachments included: FY 12-13 provider revenue estimates for all services, FY 12-13 total fee schedule estimates by provider, and FY 12-13 geographical area development. Providers received notice of FY 2012-2013 fee schedule rates on May 25, 2012, via Informational Memo 041-12. Providers with cost based rates received a letter outlining their rates on May 25, 2012. Both the information memo and the provider rate letter referred to the FY 2012-2013 rates as “estimated” rates. As outlined in the rate letters and informational memo, these rates are estimated because they are contingent on final amounts appropriated by the General Assembly. ODP said that when the FY 2012-2013 budget is finalized, the Department will issue public notices and/or individual rate letters notifying providers that their rates are final. ODP said that it expects the final rates to be effective July 1, 2012. ODP said that providers should wait until the final notices for fee schedule rates and/or individual rate letters are issued before filing an appeal. Providers should also consult their legal counsel regarding appeal rights. The memo also includes ODP’s estimates of projected provider revenue for total estimated revenues and total estimated fee schedule revenues. Additional details regarding ODP’s methodology used to determine the three areas and area factors for FY 2012-2013 are also provided. If more information is needed, please contact PARF at parfmail@parf.org. FMI: See www.odpconsulting.net.
PARF NEWS
Dateline: June 22, 2012

ODP Reports on CMS Approval of PA Medicaid Waiver Programs

On June 22 PA DPW Office of Developmental Programs (ODP) issued ODP Announcement 052-12 reporting on the approved ODP waiver renewals effective July 1, 2012. ODP said that the Centers for Medicare and Medicaid Services (CMS) had approved the ODP five year Waiver Renewals for the Consolidated and P/FDS Waivers on May 24, 2012. The approved Waiver Renewals are effective July 1, 2012. The final service definitions are included in Appendix C of the approved Waiver Renewals. FMI: To review the Consolidated Waiver renewal, see http://www.dpw.state.pa.us/learnaboutdpw/waiverinformation/consolidatedwaiverforindividualswithintellectualdisabilities/index.htm. For the approved P/FDS Waiver Renewal see http://www.dpw.state.pa.us/learnaboutdpw/waiverinformation/personfamilydirectedsupportwaiver/index.htm. FMI: See www.odpconsulting.net.

ODP Announces Publication of HCBS Regulations


PA House Passes Legislation to Eliminate Fraud and Abuse in LIHEAP

On June 18 the PA House of Representatives voted this week 197-0 for legislation (HB 1991) that seeks to eliminate fraud and abuse within the Low-Income Home Energy Assistance Program (LIHEAP) and the state’s Weatherization Program. House Bill 1991 would require the use of the Income Eligibility Verification System to determine an applicant’s eligibility for both programs. The programs are administered by the Department of Public Welfare (DPW) and Department of Community and Economic Development (DCED), respectively. The LIHEAP program offers home heating assistance in the form of cash or crisis grants, and the Weatherization Program provides help in making home efficiency modifications. House Bill 1991 also would strengthen fraud reporting measures; protect whistle-blowers; apply criminal penalties for state workers and contractors who explicitly allow the fraud and abuse to occur; and mandate a conflict of interest policy. The legislation now moves to the state Senate for its consideration. FMI: See www.legis.state.pa.us. See also http://www.pahousegop.com/NewsItem.aspx?NewsID=14637 and http://www.pahousegop.com/NewsItem.aspx?NewsID=14643.
SB 1536 Would Block New PA Department of Drug and Alcohol Programs

On June 18 PA Senator John N. Wozniak (D– n 35 – Cambria) announced a new effort to prevent the creation of the new cabinet-level Department of Drug and Alcohol Programs. Senate Bill 1536 would head-off the estimated $2 million start-up cost for the department and return the programs to the Department of Health. SB was introduced on May 19, 2012. The House and Senate approved House Bill 1186 (Act 50) in July 2010, but steps to create the department were delayed until this year, when Governor Tom Corbett announced his intention to move forward with the plan and appoint a new secretary to oversee it. The Bureau of Drug and Alcohol Prevention was established in the Department of Health in 1972. FMI: See www.legis.state.pa.us.

PA Senate Passes Bill to Protect Charitable Organizations

On June 5 the PA Senate approved legislation that would ensure purely public charities retain eligibility for property tax exemptions. Senate Bill 161 would amend the Pennsylvania Constitution to clearly define a purely public charity and ensure the organizations are eligible for an exemption from paying property taxes. The measure was designed to ensure that charitable organizations face fewer legal challenges from local taxing bodies. Senate Bill 161 was introduced by Senator Mike Brubaker (R-36) and Senate President Pro Tempore Joe Scarnati (R-25). The legislation will now be sent to the House of Representatives for consideration. Because the bill would amend the state Constitution, the measure would have to be approved by the PA General Assembly in two consecutive legislative sessions and be approved by state voters via referendum to become law. FMI: See http://www.pasenategop.com/news/2012/0612/brubaker-062012.htm

PA House Approves Legislation Requiring Proof of Legal Residency for Welfare Benefits

On June 21 the PA House of Representatives passed legislation by a 157-34 vote that would require welfare applicants in Pennsylvania to provide proof that they legally reside within the United States in order to receive benefits. Senate Bill 9 would require welfare applicants to provide identification proving their legal residency or sign an affidavit affirming the legality of their presence in the United States. Acceptable forms of ID would include, among others, a Pennsylvania driver’s license or ID card, a U.S. passport, a U.S. government ID card, or documentation from the U.S. government or a state National Guard establishing the applicant is a current member of or veteran of the U.S. Armed Forces or National Guard. Under the bill, the possession or use of an electronic benefits card (an ACCESS card) – by anyone who is not lawfully present in the United State would be a third-degree felony. Agencies that administer public benefits would have to verify the eligibility of applicants through the U.S. Department of Homeland Security’s Systematic Alien Verification of Entitlement (SAVE) program. The identification and affidavit requirements would not apply to applicants who are under 18 years of age, currently receiving Supplemental Security Income or Social Security disability income, or is enrolled in or entitled to benefits under the traditional Medicare program or Medicare Part B. The requirements also would be waived for victims of domestic violence who file a separate affidavit to that effect. The bill now heads to the Senate for consideration. FMI: See http://www.pahousegop.com/NewsItem.aspx?NewsID=14671. See also www.legis.state.pa.us.
President Obama Observes Anniversary of 1999 Supreme Court Decision on Olmstead

On June 22 the White House issued a statement on the anniversary of the Supreme Court decision issued on June 22, 1999 in Olmstead v. L.C. that the unjustified institutional isolation of people with disabilities is a form of unlawful discrimination under the Americans with Disabilities Act (ADA). The Obama Administration reaffirmed its commitment to enforce Olmstead as well as more broadly helping to level the playing field for people with disabilities. “Olmstead affirmed the rights of Americans with disabilities to live in their communities,” said President Obama. “As we mark the anniversary of this historic civil rights decision, we reaffirm our commitment to fighting discrimination and to addressing the needs and concerns of those living with disabilities.”


CMS Reports on New Housing Resources to Support Olmstead Implementation

On June 18 the Centers for Medicare & Medicaid Services (CMS) Center for Medicaid and CHIP Services issued CMCS Informational Bulletin on New Housing Resources to Support Olmstead Implementation. The informational bulletin provides a description of recent U.S. Department of Housing & Urban Development (HUD) actions, policies and resources that are available as States develop strategies to balance their long-term services and supports systems. HUD recently provided a funding opportunity for rental assistance for very low-income individuals who require housing finance agency applicants to create a partnership with the State Medicaid program. CMS is making the information available to assist state Medicaid programs to improve access to home and community-based services for people with disabilities. FMI: See http://content.govdelivery.com/attachments/USCMS/2012/06/18/file_attachments/135489/CIB-06-18-12.pdf

CMS Seeks Comment on Regulations for Home and Community-Based Services

The deadline for submission of public comments on proposed regulations for home and community-based services is Monday, July 2, 2012. The Centers for Medicare and Medicaid Services (CMS) issued the proposed rules for the home and community-based waiver programs in June 2012. Comments on the definition and standards for home or community-based setting have been invited. PARF urges its members to write a letter commenting on the CMS proposed regulations for home and community-based services. In commenting, please refer to file code CMS-2249-P2. Because of staff and resource limitations, CMS cannot accept comments by facsimile (FAX) transmission. You may submit comments either electronically or by regular mail. You may submit electronic comments on this regulation to http://www.regulations.gov. Follow the "Submit a comment" instructions. You also may mail written comments to the following address: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS-2249-P2, Box 8016, Baltimore, MD 21244-8016
HHS Announces Benefits of 80/20 Rule and Health Insurance Rebates under ACA

On June 21 the U.S. Department of Health and Human Services (HHS) announced that 12.8 million Americans will benefit from $1.1 billion in rebates from insurance companies this summer, because of the Affordable Care Act’s 80/20 rule. These rebates will be an average of $151 for each family covered by a policy. The health care law generally requires insurance companies to spend at least 80 percent of consumers’ premium dollars on medical care and quality improvement. Insurers can spend the remaining 20 percent on administrative costs, such as salaries, sales, and advertising. Beginning this year, insurers must notify customers how much of their premiums have been actually spent on medical care and quality improvement. Insurance companies that do not meet the 80/20 standard must provide their policyholders a rebate for the difference no later than Aug. 1, 2012. The 80/20 rule is also known as the Medical Loss Ratio (MLR) standard. HHS points out that consumers owed a rebate will see a rebate check in the mail, a lump-sum reimbursement to the same account that they used to pay the premium if by credit card or debit card; a reduction in their future premiums; or their employer providing one of the above, or applying the rebate in a manner that benefits its employees. Insurance companies that do not meet the 80/20 standard will send their policyholders a rebate for the difference no later than August 1, 2012. Consumers in every state will also receive a notice from their insurance company informing them of the 80/20 rule, whether their company met the standard, and, if not, how much of difference between what the insurer did or did not spend on medical care and quality improvement will be returned to them. HHS says that for the first time, all of this information will be publicly posted on www.healthcare.gov this summer, allowing consumers to learn what value they are getting for their premium dollars in their health plan. FMI: See http://www.cms.gov/apps/media/press_releases.asp. For a detailed breakdown of the rebates by state and by market, see http://www.healthcare.gov/law/resources/reports/mlr-rebates06212012a.html. For the text of the proposed notifications, see http://cciio.cms.gov/resources/other/index.html#mlr. For more information on the MLR provision in the ACA, see http://www.healthcare.gov/news/factsheets/2010/11/medical-loss-ratio.html. FMI: For more information, see http://www.cms.gov/apps/media/press_releases.asp and http://www.healthcare.gov/news/factsheets/2010/12/increasing-transparency.html

CMS Training on IRF/PPS Coverage Requirements Available

The audio recording and written transcript from the May 31 Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS) Coverage Requirements National Provider Call are now available on the May 31, 2012 IRF PPS call page in the “Presentation” section. Click on http://www.cms.gov/Outreach-and-Education/Outreach/NPC/National-Provider-Calls-and-Events-Items/053112-IRF-Call.html. Beginning January 1, 2010, all Medicare Fee-For-Service (FFS) inpatient rehabilitation facility (IRF) claims were required to meet new coverage requirements for payment under the IRF prospective payment system (PPS). During this National Provider Call, CMS subject matter experts provide an overview of the requirements and address questions that providers continue to have as they apply these requirements. If more information is needed, please contact PARF at parfmail@parf.org.
HHS OIG Reports on State Oversight of Quality of Medicaid HCBS Waiver Programs

On June 22 the U.S. Department of Health & Human Services (HHS) Office of Inspector General (OIG) issued its report on Oversight of Quality of Care in Medicaid Home and Community Based Services Waiver Programs (OEI-02-08-00170). See http://go.usa.gov/vdr. HHS OIG reviewed documents from CMS's most recent quality review of waiver programs from 25 states as well as information gathered from structured interviews with staff from the 10 CMS regional offices. It found that seven of the twenty-five states that it reviewed did not have adequate systems to ensure the quality of care provided to beneficiaries. Although CMS renewed the waiver programs in all seven of these states, three did not adequately correct identified problems. HHS OIG said that not only did these states fail to correct these problems before renewal of their programs, but they also had still not adequately addressed the problems long after renewal. In addition, CMS did not consistently use the few tools it has to ensure that states correct problems related to quality of care. HHS OIG recommended that CMS provide additional guidance to states to help ensure that they meet the assurances, require states that do not meet one or more assurances to develop corrective action plans, require at least one onsite visit before a waiver program is renewed and develop detailed protocols for such visits, develop a broader array of approaches to ensure compliance with each of the assurances, and make information about state compliance with the assurances available to the public. CMS concurred with four of the recommendations and partially concurred with recommendations to require onsite visits. FMI: See http://go.usa.gov/vdr.

HHS Announces Awards to Expand Community Health Centers

On June 20 the U.S. Department of Health and Human Services (HHS) announced awards of new grants under the Patient Protection and Affordable Care Act (ACA) to expand community health centers. The grants were awarded to 219 health centers to establish new health center service delivery sites. The newly announced Access Point Grant awards to the community health centers total $128.6 million. Pennsylvania received five awards, totaling $3,086,638. The grants are listed by organization and state at http://www.hrsa.gov/about/news/2012tables/120620nap.html. FMI: See http://www.hhs.gov/news/pr/2012pres/06/20120620a.html.

DOL Awards Funds for Workforce Innovation

On June 14 the U.S. Department of Labor (DOL) announced nearly $147 million in grants for programs funded through the Workforce Innovation Fund. The fund was created to cultivate and test innovative approaches to workforce training and encourage the replication of evidence-based practices in the workforce development field. Twenty-six grants, ranging from $1 million to $12 million each, have been awarded to a combination of state workforce agencies and local workforce investment boards. Two grants of the 26 grants were made to Pennsylvania organizations. The original solicitation for grant applications announced that $98 million would be awarded. Additional grants using $49 million from fiscal years 2011 and 2012 funds have also been awarded. DOL said that up to $20 million will be available in the second round of Workforce Innovation Fund funding — expected to be announced in spring 2013 — to pilot the "Pay for Success" model. For more information about Pay for Success and to view the solicitation for grant applications, visit http://www.doleta.gov/grants/find_grants.cfm. To learn more about the Workforce Innovation Fund, visit http://www.doleta.gov/workforce_innovation/.