Dateline: February 1, 2013

Governor’s FY 2013-14 Commonwealth Budget to be Presented on February 5

On Tuesday, February 5 Governor Tom Corbett will present his proposal for the 2013-14 fiscal year before a joint session of the PA General Assembly. Governor Corbett is expected to present plans for increasing state revenues, holding down taxes, limiting or reducing pension obligations, maintaining the level of funding for higher education, improving roads and public transportation, supporting state programs. PARF members will be waiting to hear the Governor’s budget proposals on funding Medicaid services, reducing waiting lists for services needed by people with disabilities, expanding the county human services block grant program, etc. The budget address will be live streamed on http://www.state.pa.us/portal/server.pt/community/pa_gov/20387 and www.pahousegop.com. See also http://www.pennwatch.pa.gov/budget/Pages/default.aspx. The PA Department of Public Welfare will host a budget briefing on February 5 at 2:30 p.m. in the Forum. DPW officials will present information on the portions of Governor Corbett’s proposed FY 2013-14 budget affecting health and human service programs. Seating is limited.

Governor Corbett Silent on MA Expansion, Plans Increase in CHIP & Primary Care

A few days remaining until Governor Tom Corbett is to present his Commonwealth Budget for FY 2013-2014, administration officials have announced that the Governor will propose special funding for expansion of health care insurance and for increased access to primary health care services while they have kept silent about the Governor’s intentions concerning Medicaid expansion. On January 31 Jay Pagni, a spokesman for the Office of the Budget, said that there would be no statement on Governor Corbett’s plans regarding Medicaid expansion until February 5. Meanwhile, the administration has called attention to other areas in its health care budgets. On January 29 PA Department of Health Acting Secretary Michael Wolf announced that Governor Tom Corbett’s 2013-14 budget will increase access to health care in rural and underserved areas by funding community health centers and additional medical services as well as expanding programs to help attract and retain health care practitioners. The Governor is proposing $4 million to establish the Community-Based Health Care Subsidy program to create new community-based health care clinics and expand services at existing clinics. Wolf said that $1 million will be dedicated to the Primary Health Practitioner Loan Repayment Program (LRP) to recruit and retain health care providers in rural and underserved areas. The expansion will create 24 new loan repayment slots for physicians, dentists and other practitioners. On January 30 Pennsylvania Insurance Commissioner Michael Consedine announced that Governor Tom Corbett’s proposed budget for FY 2013-2014 will include $8.5 million in funding for the Children’s Health Insurance Program (CHIP). Approximately $1 million of the budget proposal will be used for partnerships and outreach. The funding will be for enrollment outreach services and for health care coverage for an additional 9,300 new enrollees that are expected to be added through the special outreach effort. FMI: For more information on CHIP call 1-800-986-KIDS or see www.chipcoverspakids.com. For more information on the Department of Health see http://www.portal.state.pa.us/portal/server.pt?open=514&objID=1052970&parentname=ObjMgr &parentid=384&mode=2. See also www.state.pa.us.
PARF Urges Support of HB 315 for Restoration of Human Services Funding

PARF is urging its members to support legislation (House Bill 315) introduced on January 24 in the PA House of Representatives restoring funds cut from human services programs last year. HB 315 would restore $84 million in state funding that was cut from human services in the FY 2012/13 state budgets for community mental health, intellectual disability services, addiction services, homeless assistance, children and youth, and the Human Services Development Fund. Sponsored by PA Representative Gene DiGirolamo the legislation is gaining support. There are now 33 co-sponsors of the bill. They include: Louise Bishop, Karen Boback, Vanessa Brown, Michelle Brownlee, Mike Carroll, Mark Cohen, Frank Dermody, Jaret Gibbons, Robert Godshall, Kevin Haggerty, Marcia Hahn, Gary Haluska, Dick Hess, Stephen Kinsey, Bill Kortz, Mark Longietti, Tim Mahoney, Robert Matzie, David Millard, Erin Molchany, Thomas Murt, Ed Neilson, Michael O'Brien, Bernie O'Neill, Cherelle Parker, Eddie Day Pashinski, Harry Readshaw, Steve Santarsiero, Mario Scavello, Mike Schlossberg, Todd Stephens, Curtis Thomas, and Rosita Youngblood. Additional co-sponsors are needed. PARF is urging members to contact their state representatives to thank those who signed on as cosponsors of the bill and to ask those who have not yet signed on to HB 315 to sign on now. The January 4, 2013 co-sponsorship memo on the legislation that would restore human services funding is at http://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=H&SPick=20130&cosponId=10477.

PA Legislative Proposals on Gun Control to be Announced

A news conference on legislative proposal limiting access to guns will be introduced by the legislature. The conference will be held at 10:30 a.m. Wednesday, Feb. 6 in the Capitol Media Center. Representative Ron Waters will be leading the group of legislators and discussing a package of legislative proposals that concern a military-style assault weapons ban, carrying firearms without a license, firearm liability insurance, child safety locks, neighborhood watch groups, and the Castle Doctrine. FMI: For details on the news conference on gun measures see http://www.pahouse.com/PAHouseNews.asp?doc=28691. See www.pahouse.com.

PA Senate Adopts Resolution to Study Violence Prevention

On January 29 PA Senate unanimously adopted a resolution to create an advisory committee to study the causes of mass violence. Once it has completed its study, the Joint State Government Commission-created, 25-member advisory committee is tasked with developing recommendations for preventative measures and reporting them to the General Assembly. Resolution sponsor state Sen. Stewart Greenleaf, R-Montgomery, who also chairs the Senate’s Judiciary Committee, said of the measure: ?The committee will be free to examine all issues surrounding cases of violence from firearm issues to bullying and mental health. I believe this committee will provide meaningful direction and help the Legislature address many of the complex issues surrounding mass shootings. The resolution stipulates the committee issue a report to the Senate with its findings and recommendations no later than December 31, 2013. FMI: See www.pasenategop.com.
Governor Corbett Publishes Regulatory Agenda

In the February 2, 2013 edition of the Pennsylvania Bulletin the Office of the Governor published its agenda of regulations under development or consideration. Subsequent agendas will be published on the first Saturdays in July. The agenda provides members of the regulated community advanced notice of regulatory activity. Agency contacts should be contacted for more information regarding the regulation and the procedure for submitting comments. See www.pabulletin.com.

DPW Streamlines Annual License Renewal Process

On February 1 the PA Department of Public Welfare (DPW) Bureau of Human Services Licensing (BHSL) notified human services providers that beginning February 1 2013 DPW will streamline the annual license renewal process by issuing renewal licenses immediately upon receipt of each agency’s or facility’s renewal application in advance of the annual renewal inspection. DPW said that the process is intended to reduce or eliminate the unintended funding and insurance consequences that often result when current licenses expire during the renewal inspection and plan of correction process. DPW will continue to conduct renewal inspections at least every 12 months as required. FMI: Contact BHSL Provider Support Hotline at 1-866-503-3926 or email ra-pwarlheadquarters@state.pa.us

Legislation to Re-name DPW to be Re-introduced

On January 15 PA Representative Thomas Murt (R-Montgomery) posted a co-sponsorship memorandum for all House members regarding legislation renaming the Department of Public Welfare (Prior HB2532). Murt said that he was planning to reintroduce legislation that will change the name of the Department of Public Welfare to the Department of Human Services. The bill provides a two year period for the Department to change stationary, signage and publications for purpose of carrying out the name change. This legislation was introduced last session as HB 2532. Murt said that the role of the Department has evolved from caring for charity cases to providing a wide range of human and social services for Pennsylvanians and that changing the name of the Department of Public Welfare to the Department of Human Services will remove the stigma often associated with public assistance and welfare and will more accurately represent the wide range of services provided by the Department. FMI: See http://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=H&SPick=20130&cosponId=10981.

Governor’s Advisory Committee for People with Disabilities Meeting on February 12

The next meeting of the Governor’s Advisory Committee for People with Disabilities will be a one day, face-to-face meeting to be held on Tuesday, February 12, 2013, from 9:30 AM to 3:00 PM. The meeting will be held at PA Department of Education’s Honor Suite, 333 Market Street, Harrisburg, PA 17126. The meetings are open to the public. If you need a reasonable accommodation under the ADA, please contact Lisa Anastasi at 717-346-4381 or email lanastasi@pa.gov prior to February 5, 2013.
Dateline: February 1, 2013

Inquiry Requested into DPW Financial Management Services and Attendant Care

On January 28 PA House Democratic Whip Representative Mike Hanna announced that he has asked Pennsylvania Attorney General Kathleen Kane and Auditor General Eugene DePasquale to investigate the delay in payroll payments to personal care attendants for some 22,000 consumers across the state. In mid-December, the PA Department of Public Welfare consolidated the financial management service responsibilities of 37 Pennsylvania-based companies involved with the Personal Care Attendant Program under PCG Public Partnerships LLC (PPL) of Boston. Representative Hanna said that despite questions from House members and stakeholders concerning delays in affecting the transfer there are continuing problems in program administration. Attendants have not received paychecks and consumers fear they will lose care because of the non-payment. Hanna also cited the lack of response to customer service inquiries and lack of communication with the public. FMI: For a list of questions that were included in the request, see http://www.pahouse.com/PAHouseNews.asp?doc=28667. See www.pahouse.com.

DPW Releases Update on Direct Care Worker Payroll Problems

On January 31 PA Department of Public Welfare (DPW) Secretary Gary D. Alexander released a statement regarding the status of the transition of payroll services for Medicaid enrollee participants who receive home and community-based services from direct care workers. Home and community-based services were previously handled by 37 payroll providers. On January 1, 2013, Public Partnerships, LLC (PPL), became the sole provider of payroll services in the commonwealth. Under the new contract, participants now submit time sheets for their direct care workers to PPL to issue payroll for services rendered. This model is used in almost all other states nationwide. DPW said that it has been working closely with PPL, and since January 1, 91 percent of all timesheets received have been validated and paid. Many of the remaining timesheets involve workers statewide who were not paid by previous providers before the January 1 transition. FMI: See http://listserv.dpw.state.pa.us/scripts/wa.exe?A2=ind13&L=NEWS-RELEASES&P=7401. See www.dpw.state.pa.us.

ODP Alerts Providers of Changes in SSI and SSP

On January 30 the PA DPW Office of Developmental Programs (ODP) alerted providers of residential services for the ID Consolidated waiver and providers of Base Funded Residential services to the Supplemental Security Income (SSI) Increase for Calendar Year 2013. ODP Announcement 009-13 noted that the Federal SSI payment amount has increased by 1.7 percent, effective January 2013. The monthly maximum Federal amounts for 2013 are $710 for an eligible individual, $1,066 for an eligible individual with an eligible spouse, and $356 for an essential person. Room and Board contracts should be adjusted accordingly. For information on SSI, see the U.S. Social Security Administration website at http://www.ssa.gov/OACT/COLA/SSI.html. ODP also said that when State Supplementary Payment (SSP) information is published in the Pennsylvania Bulletin regarding payment levels for the SSP amount for 2013, ODP will issue an announcement. For more specific information regarding the room and board requirements for residential habilitation services, please see 55 Pa. Code sections 51.121 -51.128. ODP noted that effective July 1, 2012, providers of waiver funded ineligible residential habilitation services are no longer required to enter an amount in the “Patient Pay” field on their claims. See DPW ODP Informational Memo #034-12. FMI: See www.odpconsulting.net.
U.S. Congress Approves Extension of Debt Limit, Prepares for Fight over Federal Budget

On January 31 the U.S. Senate sent President Obama legislation suspending the government’s statutory borrowing limit until May. In a 64-to-34 vote the Senate accepted the House demands and ended for now a showdown that had threatened the full faith and credit of the United States government. The debt ceiling increase allows the United States to meet its existing obligations. The legislation passed the House last week 285 to 144. The next budget fight will come March 1 when across-the-board military and domestic spending cuts totaling $1 trillion over 10 years would begin to go into force. House Republicans say they will not back down on the spending reduction. On March 27 the current stopgap law financing the government will expire, raising the possibility of a government shutdown. On May 18 the debt ceiling will come back before the Congress unless a broader deficit reduction deal can be reached before then.

President’s FY 2014 Federal Budget Delayed

The 2014 federal budget request to be presented by President Barack Obama due to Congress by February 4 is expected to be submitted late. The delay has been attributed to the uncertainty generated by fiscal cliff negotiations. The Office of Management and Budget (OMB) just this week began the process known as “pass back” (that is, the process wherein OMB returns drafts of proposed budgets to agencies to begin a series of negotiations). Meanwhile, budget committees in both the House and Senate are working to draft their own non-binding fiscal 2014 budget resolutions, which legally must be adopted by April 15. The Senate is expected to approve a House-passed measure (HR 325) this week which, in addition to suspending the federal debt limit through May 18, 2013, includes a provision to temporarily withhold the pay of lawmakers in either chamber of Congress that fails to pass a budget by the April 15 deadline. FMI: See http://www.gpo.gov/fdsys/pkg/BILLS-113hr325pcs/pdf/BILLS-113hr325pcs.pdf

CMS Issues Guidance on Increase in FMAP for Preventive Services

On February 1 the Centers for Medicare & Medicaid Services (CMS) announced the availability of new guidance related to section 4106 of the Affordable Care Act, which establishes a one percentage point increase in the federal medical assistance percentage (FMAP) for certain preventive services. The State Medicaid Director letter is posted online at http://www.medicaid.gov/Federal-Policy-Guidance/Federal-Policy-Guidance.html. The letter provides guidance to states on section 4106 of the Affordable Care Act. Section 4106(b) establishes a one percentage point increase in the federal medical assistance percentage (FMAP) effective January 1, 2013, applied to expenditures for adult vaccines and clinical preventive services to states that cover, without cost-sharing, a full list of specified preventive services and adult vaccines. A list of the services that are eligible for the increased FMAP can be found on the following websites: http://www.uspreventiveservicestaskforce.org/uspstf/topicsprog.htm and http://www.cdc.gov/vaccines/schedules/hcp/adult.html. In order for states to claim the one percentage point FMAP increase for these services, states must cover in their standard Medicaid benefit package all the recommended preventive services and adult vaccines, and their administration, and must not impose cost-sharing on such services.
CMS Announces Bundled Payments for Care Improvement Initiative

On January 31 the Centers for Medicare & Medicaid Services (CMS) announced that over 500 organizations will begin participating in the Bundled Payments for Care Improvement initiative. Through this new initiative, made possible by the Affordable Care Act, CMS will test how bundling payments for episodes of care can result in more coordinated care for beneficiaries and lower costs for Medicare. The Bundled Payments for Care Improvement initiative includes four models of bundling payments, varying by the types of health care providers involved and the services included in the bundle. Depending on the model type, CMS will bundle payments for services beneficiaries receive during an episode of care, encouraging hospitals, physicians, post-acute facilities, and other providers as applicable to work together to improve health outcomes and lower costs. Organizations of providers participating in the initiative will agree to provide CMS a discount from expected payments for the episode of care, and then the provider partners will work together to reduce readmissions, duplicative care, and complications to lower costs through improvement. CMS announced that it had selected 32 awardees in Model 1 (acute-care hospital stay), who will begin testing bundled payments for acute care hospital stays as early as April 2013. In the coming weeks, CMS will also announce a second opportunity for providers to participate in Model 1, with an anticipated start date of early 2014. The January 31 announcement also marks the start of Phase 1 of Models 2 (acute-care hospital stay plus post-acute care), 3 (post-acute care only) and 4 (acute-care hospitals stay with prospective payments). In Phase 1 (January-July 2013) over 100 participants partnering with over 400 provider organizations will receive new data from CMS on care patterns and engage in shared learning in how to improve care. Phase 1 participants are generally expected to become participants in Phase 2, in which approved participants opt to take on financial risk for episodes of care starting in July 2013, pending contract finalization and completion of CMS’ standard program integrity reviews. To see the list of awardees for Model 1 and participants for Phase 1 of Models 2, 3, and 4 and, please go to: http://innovation.cms.gov/initiatives/Bundled-Payments/Participating-Health-Care-Facilities/index.html. FMI: For more information on the bundled payments initiative, see http://innovation.cms.gov/initiatives/bundled-payments.

CMS Issues Rule on Disclosing Financial Relationships with Drug & Device Manufacturers

On February 1 Centers for Medicare & Medicaid Services (CMS) announced a final rule aimed at increasing public awareness of the financial relationships between drug and device manufacturers and certain health care providers. The rule – called the “National Physician Payment Transparency Program: Open Payments” – finalizes those provisions of the Affordable Care Act (ACA) that require manufacturers of drugs, devices, biologicals, and medical supplies covered by Medicare, Medicaid, or the Children’s Health Insurance Program (CHIP) to report payments or other transfers of value they make to physicians and teaching hospitals to CMS. The final rule also requires manufacturers and group purchasing organizations (GPOs) to disclose to CMS physician ownership or investment interests. This new reporting will apply to applicable manufacturers and GPOs. Data collection will begin on August 1, 2013. Applicable manufacturers and applicable GPOs will report the data for August through December of 2013 to CMS by March 31, 2014, and CMS will release the data on a public website by September 30, 2014. CMS is developing an electronic system to facilitate the reporting process. The final rule is posted at https://www.federalregister.gov/public-inspection.
CMS Seeks Comment on Applications for Health Insurance through Exchanges

The Centers for Medicare and Medicaid Services (CMS) is seeking public comment on the new single, streamlined application for health insurance and the SHOP applications in preparation for the launch next fall of a new Health Insurance Marketplace (that is, the health insurance exchanges established under the Affordable Care Act). Model applications and documentation for individuals and small businesses (SHOP) are now available for public comment via the paperwork reduction act (PRA). The individual application is a single point of entry to purchase private insurance on the Marketplace and assess eligibility for assistance including, Medicaid, CHIP, and the Advanced Payment of Tax Credits. People are asked to review the paper and online applications. To demonstrate how users may interact with the online application, CMS has posted two videos of the application being completed. One follows a family of three and the other an individual. If you would like to see the video demonstrations, they are available at [http://www.youtube.com/user/CMSHHSgov](http://www.youtube.com/user/CMSHHSgov). SHOP applications for both employers and employees are posted in separate paperwork reduction act packages. All PRA packages are available at: [http://go.cms.gov/PRA-Listing](http://go.cms.gov/PRA-Listing). When you reach that site, the packages can be found under the following titles and numbers: (a) *Individual Application*: Data Collection to Support Eligibility Determinations for Insurance Affordability Programs and Enrollment through Affordable Insurance Exchanges, Medicaid and Children’s Health Insurance Program Agencies (CMS-10440); (b) *SHOP Employer*: Data Collection to Support Eligibility Determinations and Enrollment for Small Businesses in the Small Business Health Options Program (CMS-10439); and (c) *SHOP Employee*: Data Collection to Support Eligibility Determinations and Enrollment for Employees in Small Business Health Options Program (CMS-10438). See *Federal Register*: [http://www.ofr.gov/(X(1)S(vp32o25ckyhpvspfpzx3owe4))/OFRUpload/OFRData/2013-01770_PI.pdf](http://www.ofr.gov/(X(1)S(vp32o25ckyhpvspfpzx3owe4))/OFRUpload/OFRData/2013-01770_PI.pdf). The comment period closes on February 28, 2013.

DOL Postpones Deadline for Notices of Health Insurance Exchanges

On January 24 the U.S. Department of Labor (DOL) posted to its website FAQs regarding implementation of the Affordable Care Act FAQs and said that employers will not be required to comply with the new notice requirements set forth in Section 18B of the Fair Labor Standards Act (FLSA) until further regulations on the requirement are issued and become effective. See [http://www.dol.gov/ebsa/faqs/faq-aca11.html](http://www.dol.gov/ebsa/faqs/faq-aca11.html). Under a provision of the ACA, businesses need to provide to each employee a written notice informing them about the existence of exchanges and the employer's cost-sharing plans. DOL delayed the March 1 deadline, saying it was "committed to a smooth implementation process including providing employers with sufficient time to comply." The Centers for Medicare and Medicaid Services (CMS) said DOL expects that the timing for distribution of notices will be the late summer or fall of 2013, which will coordinate with the open enrollment period for Exchanges. The CMS update was provided on a question-and-answer page posted on its own website on January 31 (For the CMS fact sheet see [http://cciio.cms.gov/resources/factsheets/aca_implementation_faqs11.html](http://cciio.cms.gov/resources/factsheets/aca_implementation_faqs11.html).) If the employer plans to pay for less than 60% of the total cost of the health plans it offers to employees, then its employees may be eligible for a premium tax credit to purchase a qualified health plan through an exchange. The Department of Labor is considering providing employers with a model of generic language that could be used to satisfy the notice requirement. The department is coordinating its efforts with the Internal Revenue Service and the Department of Health and Human Services.
PARF NEWS
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HHS Releases 2013 Poverty Guidelines

On January 24 the U.S. Department of Health and Human Services (HHS) issued its annual update of the agency’s poverty guidelines, adjusted for inflation as measured by the Consumer Price Index. These guidelines are used as an eligibility criterion by the Community Services Block Grant program and numerous other federal programs. As explained in the notice, these guidelines are derived from the “poverty thresholds” used by the Census Bureau to estimate the number of Americans in poverty. According to the notice, the 2013 poverty guideline for a family of four is $23,550 for the 48 contiguous states and the District of Columbia, $29,440 for Alaska, and $27,090 for Hawaii. The guidelines became effective on January 24, 2013. FMI: See http://www.gpo.gov/fdsys/pkg/FR-2013-01-24/pdf/2013-01422.pdf.

DC Appeals Court Rules NLRB Recess Appointments Invalid

On January 25 a federal appeals court nullified the recent Presidential appointments to the National Labor Relations Board. In Noel Canning v. NLRB, the D.C. Circuit Court of Appeals held that President Barack Obama's recess appointments to the National Labor Relations Board (NLRB) were constitutionally invalid. The court decision throws into question the enforceability of all NLRB decisions issued by the Board since January 2012. The petitioner claimed that a February 8, 2012 NLRB order was invalid because three members of the five-member Board (Sharon Block, Terence F. Flynn and Richard F. Griffin) were improperly appointed as recess appointments. The NLRB argued that these recess appointments were valid pursuant to the Recess Appointment Clause of the Constitution which permits the president to fill up all vacancies that may happen during the recess of the Senate. The D.C. Circuit rejected the NLRB’s argument and said that “recess” referred to only those times when the Senate was not in session. The determination that the recess appointments were invalid throws into question the enforceability of all of the opinions rendered by the board on which those recess appointees sat. See http://www.cozen.com/cozendocs/Outgoing/alerts/2013/LaborEmploy_012813.pdf See www.cozen.com.

Center of Excellence on Disability Research National Conference on March 11

On March 11 Mathematica Policy Research will host a conference showcasing new research findings on care coordination and integrated care for people with disabilities, including those who are dually eligible for Medicare and Medicaid, people with severe mental illness, children with special health care needs, and frail elderly adults. The Center of Excellence on Disability Research National Conference will be held on March 11, 2013 at Sheraton Crystal City, Arlington, Virginia. There are no fees to attend. The conference is entitled Fulfilling the Promise: New Research on How Integrated and Coordinated Care Can Improve Outcomes for People with Disabilities. Please register for this event no later than February 22, 2013. For an agenda and conference registration, see: http://www.neweditions.net/CEDRconference. For questions about CEDR, or the National Conference, please contact Carmen Ferro at cferro@mathematica-mpr.com. For questions on registration, disability-related accommodations, or lodging, contact Robin Toliver at rtoliver@neweditions.net.