

Office of Developmental Programs



October 13, 2011

PURPOSE: This communication includes policy updates and considerations, program initiatives, news and announcements of special interest related to the Consolidated and Person/Family Directed Support (P/FDS) waivers.

IN THIS EDITION

- **Medical Leave, Therapeutic Leave and Permanent Vacancy Policy**
- **Use Allowance Expense as a Reimbursable Expense**
- **Fiscal Year (FY) 2011-2012 Rate-Setting Timelines and Policy Considerations**

As communicated in the letter that was issued by the Office of Developmental Programs (ODP), dated August 26, 2011, ODP is working with a reduced budget in FY 2011-2012 from FY 2010-2011 and the outlook for years that follow is similar. Consistent with our goals of being able to provide services to individuals on the waiting list, fulfilling our obligations to the Centers for Medicare and Medicaid Services, evaluating all policies in order to support program integrity and improve operational efficiencies, the following policies under consideration were reviewed with a stakeholder workgroup on September 6, 2011.

MEDICAL LEAVE, THERAPEUTIC LEAVE AND PERMANENT VACANCY POLICIES

During the stakeholder workgroup meeting held on September 6, 2011, ODP outlined policy changes under consideration that would reduce the total number of reimbursable therapeutic leave, medical leave, and permanent vacancy days per participant per fiscal year for the period that the policy change is made to June 30, 2012 with no exception process. Discussion included providing reimbursement for any combination of medical and therapeutic leave up to a maximum of 60 calendar days per person per fiscal year with no exception process. The 60 day count would begin the date the policy change is made, anticipated to be November 15, 2011, to June 30, 2012. ODP also outlined policy changes under consideration that would reduce the number of permanent vacancy leave days to a maximum of 30 days per participant per fiscal year. The 30 day count for permanent vacancy leave days would begin the date the policy change is made, anticipated to be November 15, 2011, to June 30, 2012 with no exception process. Any permanent vacancy, medical or therapeutic leave claims billed prior to the anticipated policy change of November 15, 2011, would not count toward the revised limits for the remainder of FY 2011-2012.

USE ALLOWANCE EXPENSE AS A REIMBURSABLE EXPENSE

During the stakeholder workgroup held on September 6, 2011, ODP outlined policy changes under consideration that use allowance expenses for **residential ineligible** assets as a reimbursable line item in providers' annual cost reports or rates would no longer be recognized. This would result in the residential ineligible use allowance expense reported by providers in the Year 3 (FY 2009-2010) cost reports (Schedules E, E-1 and E-2) to be removed by ODP during the final FY 2011-2012 rate development process.

FY 2011-2012 RATE-SETTING TIMELINES AND POLICY CONSIDERATIONS

In July 2011 and again on September 6, 2011 ODP announced that final FY 2011-2012 rates would be issued and implemented after analyses could be completed. ODP is providing the following timelines and policy considerations in advance of issuance and publication of provider rate letters, public notices and policy bulletins so that all stakeholders are informed of the timelines and considerations related to final FY 2011-2012 rates and payment related policies:

- Rates for residential-ineligible will be based on the submission and analysis of the providers cost report data with adjustments for any changes to use allowance expenses.
- Rates for the non-residential and respite services will be based on the submission and analysis of the provider cost report data.
- In projecting expenditures to calculate the Rate Adjustment Factor for cost report rates, the utilization will reflect any changes made to the medical leave, therapeutic leave and permanent vacancy payment policies.
- Final FY 2011-2012 cost report rates are scheduled to be effective and implemented November 15, 2011 through June 30, 2012. Confirmation of the final rates will be distributed to providers through rate letters on or about October 17, 2011.
- Final FY 2011-2012 rates for Supports Coordination services will be paid as a Medical Assistance fee schedule rate.
- Final FY 2011-2012 Medical Assistance Fee schedule rates will be published by the Department in the Pennsylvania Bulletin prior to November 15, 2011. The final fee schedule rates are scheduled to be effective and implemented November 15, 2011 through June 30, 2012.
- Final policy decisions will be outlined in the cost report provider rate letter(s), the FY 2011-2012 Public Notices and policy bulletins prior to the effective date of any changes.

INQUIRIES

For inquiries related to this communication, please contact the Office of Developmental Programs Regional Program Manager in your region.