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INDEPENDENT REGULATORY REVIEW COMMISSION 333 Market Street, 14th Floor, Harrisburg, PA 17101

October 18, 2001

Honorable Feather O. Houstoun, Secretary Department of Public Welfare 333 Health & Welfare Building Harrisburg, PA 17105

Re: Regulation #14-470 (IRRC #2217) Department of Public Welfare Disproportionate Share Incentive Payments

Dear Secretary Houstoun:

The Independent Regulatory Review Commission approved your regulation on October 18, 2001. Our Order is enclosed and is available on our website at <u>www.irrc.state.pa.us</u>.

We appreciate the joint effort that went into producing a regulation that meets the criteria and intent of the Regulatory Review Act.

Sincerely,

Vice Chairman wbg Enclosure

cc: Honorable Dennis M. O'Brien, Majority Chairman, House Health & Human Services Committee Honorable Frank L. Oliver, Democratic Chairman, House Health & Human Services Committee Honorable Harold F. Mowery, Chairman, Senate Public Health & Welfare Committee Honorable Vincent J. Hughes, Minority Chairman, Senate Public Health & Welfare Committee Nia Wilson, Legal Counsel, House Health & Human Services Committee Stanley Mitchell, Chief Counsel, House Health & Human Services Committee

INDEPENDENT REGULATORY REVIEW COMMISSION APPROVAL ORDER

Commissioners Voting:

Public Meeting Held October 18, 2001

John R. McGinley, Jr., Chairman, by Phone Alvin C. Bush, Vice Chairman Arthur Coccodrilli Robert J. Harbison, III John F. Mizner

Regulation No. 14-470 Department of Public Welfare Disproportionate Share Incentive Payments

On September 4, 2001, the Independent Regulatory Review Commission (Commission) received this regulation from the Department of Public Welfare (Department). This rulemaking amends 55 Pa. Code, Chapter 1187. Notice of proposed rulemaking was omitted for this regulation; it will become effective upon publication in the *Pennsylvania Bulletin*.

This regulation authorizes an increase to the disproportionate share incentive payments for nursing facilities for fiscal year 1999-2000, through fiscal year 2002-2003. This incentive will be used to encourage nursing facilities to admit individuals eligible for Medical Assistance (MA) and to give additional revenue to nursing facilities that serve a greater number of MA residents. The amendments are in response to the Intergovernmental Transfer Agreement between the Department and the County Commissioners Association of Pennsylvania.

We have determined this regulation is consistent with the statutory authority of the Department (62 P.S. § 201(2)) and the intention of the General Assembly. Having considered all of the other criteria of the Regulatory Review Act, we find promulgation of this regulation is in the public interest.

BY ORDER OF THE COMMISSION:

This regulation is approved.



Alvin C. Bush, Vice Chairman