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**INDEPENDENT REGULATORY REVIEW COMMISSION  
COMMONWEALTH OF PENNSYLVANIA  
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June 24, 2004

Honorable Estelle B. Richman, Secretary  
Department of Public Welfare  
333 Health and Welfare Building  
Harrisburg, PA 17105

Re: Regulation #14-484 (IRRC #2402)  
Department of Public Welfare  
MA Program Payment Policies

Dear Secretary Richman:

The Independent Regulatory Review Commission approved the subject regulation today. Our Order is enclosed and will be available on our website at [www.irrc.state.pa.us](http://www.irrc.state.pa.us).

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

Sincerely,

John R. McGinley, Jr.

Chairman

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Enclosure

cc: Honorable Harold F. Mowery, Jr., Chairman, Senate Public Health and Welfare Committee  
Honorable Vincent J. Hughes, Minority Chairman, Senate Public Health and Welfare Committee  
Honorable George T. Kenney, Jr., Majority Chairman, House Health and Human Services Committee  
Honorable Frank L. Oliver, Democratic Chairman, House Health and Human Services Committee

**INDEPENDENT REGULATORY REVIEW COMMISSION  
APPROVAL ORDER**

Commissioners Voting:

Public Meeting Held June 24, 2004

John R. McGinley, Jr., Esq., Chairman  
Alvin C. Bush, Vice Chairman, by Phone  
Daniel F. Clark, Esq.  
Arthur Coccodrilli  
Murray Ufberg, Esq., by Phone

Regulation No. 14-484  
Department of Public Welfare  
MA Program Payment Policies

On May 14, 2004, the Independent Regulatory Review Commission (Commission) received this regulation from the Department of Public Welfare (Department). This rulemaking amends 55 Pa. Code Chapter 1150. Notice of proposed rulemaking was omitted for this regulation; it will become effective upon publication in the *Pennsylvania Bulletin*.

This final-omitted regulation revises the maximum reimbursement limit paid by the Medical Assistance (MA) program for services provided by a practitioner during one hospitalization. The current reimbursement cap of \$1,000 was established in 1985, and now has had the unintended effect of discouraging practitioners from treating MA recipients. This amendment gives the Department the flexibility to set payment rates above the \$1,000 cap. The anticipated effect of this regulation is to give MA recipients better access to health care and to provide incentive for physicians to stay in Pennsylvania.

We have determined this regulation is consistent with the statutory authority of the Department of Public Welfare (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.



A handwritten signature in black ink, appearing to read "John R. McGinley, Jr.", written over a horizontal line.

John R. McGinley, Jr., Esq., Chairman