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14-520-1

**Sanchez-Roberts, G. Yvette**

**From:** Beth Greenberg [Beth@panpha.org]  
**Sent:** Monday, December 13, 2010 5:04 PM  
**To:** Sanchez-Roberts, G. Yvette  
**Subject:** Comments on Regulation No. 14-520

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Attached are PANPHA's comments on the RUG-III 5.12 44 grouper regulation, No. 14-520. Thank you,



**Beth Greenberg, MPA**  
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CONNECT



12/14/2010



creating the future of aging services for pennsylvania

December 13, 2010

Department of Public Welfare  
Office of Long Term Living  
Attention: Yvette Sanchez-Roberts  
Forum Place 5<sup>th</sup> Floor  
555 Walnut Street  
Harrisburg, PA 17101-1919

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Re: 40 Pa.B. 6525—Transition to RUG-III Version 5.12 and Latest Assessment

Ms. Sanchez-Roberts:

In response to the Department's proposed rulemaking (Regulation 14-520) to amend the Department's payment methodology to phase in the use of the Resource Utilization Group III (RUG-III) classification system, version (v.) 5.12, 44 Grouper, and the most recent resident assessments in determining the case-mix indices that are used in setting case-mix per diem rates for nonpublic nursing facilities, PANPHA provides the following comments.


PANPHA is an association of Pennsylvania non-profit aging services providers, representing approximately 230 licensed nursing facilities in Pennsylvania. The vast majority of these facilities participate in the Medicaid program and will be impacted by the Department's proposed change.

In general, PANPHA is supportive of the concept of using the RUG III v. 5.12, 44-Grouper and the most recent assessment for rate-setting to better align resources with the most recently available data regarding the current needs of the residents. While this may have a negative short term impact on some nursing facilities, it should ultimately benefit residents by more accurately measuring resident acuity and therefore better reflecting the needs and necessary resources than do the current regulations. In addition, PANPHA supports the concept of phasing in these significant changes in reimbursement, however, it is requested that the Department and stakeholders continue to monitor the effects of the new system and the phase-in to determine if any of these components cause a degree of variability that is too unpredictable for effective operation of facilities or have other unanticipated effects should be addressed.

PANPHA would like to thank the Department for the opportunity to submit comment on this proposed regulatory revision. As members gain greater experience with the changes, PANPHA

will continue to examine the proposal and assess its impact and share any additional unintended consequences of these changes with the Department. We look forward to continuing to work with the Department as we advance through the regulatory process.

Sincerely,

A handwritten signature in black ink that reads "W. Russell McDaid". The signature is written in a cursive style with a large, stylized "W" and "M".

W. Russell McDaid  
V.P. of Public Policy  
[russ@panpha.org](mailto:russ@panpha.org)