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## INDEPENDENT REGULATORY REVIEW COMMISSION

333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

July 21, 2011

Honorable Gary Alexander, Secretary  
Department of Public Welfare  
333 Health and Welfare Building  
Harrisburg, PA 17120

Re: Regulation #14-520 (IRRC #2881)  
Department of Public Welfare  
Transition to RUG-III Version 5.12 and Latest Assessment

Dear Secretary Alexander:

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,

Silvan B. Lutkewitte, III  
Chairman  
sfh  
Enclosure

cc: Honorable Patricia H. Vance, Majority Chairman, Senate Public Health and Welfare  
Committee  
Honorable Shirley M. Kitchen, Minority Chairman, Senate Public Health and Welfare  
Committee  
Honorable Matthew E. Baker, Majority Chairman, House Health Committee  
Honorable John Myers, Minority Chairman, House Health Committee

**INDEPENDENT REGULATORY REVIEW COMMISSION  
APPROVAL ORDER**

Commissioners Voting:

Public Meeting Held July 21, 2011

Silvan B. Lutkewitte, III, Chairman  
George D. Bedwick, Vice Chairman  
Arthur Coccodrilli  
John F. Mizner, Esq.  
Lawrence J. Tabas, Esq.

Regulation No. 14-520 (#2881)  
Department of Public Welfare  
Transition to RUG-III Version 5.12 and Latest  
Assessment

On October 28, 2010, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Department of Public Welfare (Department). This rulemaking amends 55 Pa. Code Chapters 1187 and 1189. The proposed regulation was published in the November 13, 2010 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on June 16, 2011.


This regulation amends the Department's payment methodology to phase-in the use of the most updated version of the resident classification system, and applies the most recent resident assessments in determining the case-mix indices.

We have determined this regulation is consistent with the statutory authority of the Department (62 P.S. §§ 201(2), 206(2), 403(b) and 443.1) 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.



  
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Silvan B. Lutkewitte, III, Chairman