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The leader in care and services for ventilator patients

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BUREAU OF POLICY

September 11, 2013

Marilyn Yocum
Department of Public Welfare
Office of Long-Term Living
Bureau of Policy and Regulatory Management
P. O. Box 8025
Harrisburg, PA 17805-8025

2013 SEP 18 PM 3:14

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IRRC

Re: Regulation No. 14-535 (Supplemental Ventilator Care
Payment for Medical Assistance Nursing Facilities)

Dear Ms Yocum:

I am the Chief Financial Officer of Fox Subacute Management, Inc., a family owned business, which is the umbrella company for the three Fox Subacute Centers ("Fox") located in the Commonwealth which specialize in the care and treatment of ventilator dependent patients. Fox has provided this specialized care to Medical Assistance patients for more than twenty-five years. Over those years, the number of MA patients as a percentage of total census has risen from an average of 31% in 2002 to 85% in 2013.

The ability of the Fox facilities to remain financially viable and continue to provide quality care has become more and more dependent upon the level of reimbursement it receives from the Pennsylvania Department of Public Welfare ("DPW".) Unfortunately, for a variety of reasons all of which were outside the control of Fox, that reimbursement has been on a steady decline since July 1, 2006. In 2006, when the average MA payor mix was only 60%, the facilities' average daily MA rate was \$570. Now, in 2013, when the MA payor mix has topped 85%, the facilities' average daily MA rate is only \$428, a decline of \$142/day, or 25%. Very few nursing homes could be expected to survive with such a severe drop in revenue.

It is for this reason that the new proposed supplemental ventilator care payment is so important to the Fox facilities. It will provide some of the additional revenue so desperately needed to keep pace with the rising costs of labor and supplies in the healthcare industry. Fox is grateful that DPW has implemented this method of recognizing the additional costs incurred by those providers who care for ventilator patients, a segment of the nursing home population which is growing each year.

However, Fox would ask that DPW make a further recognition of the specialized care provided by these providers by including in the formula used to determine the amount of the new supplemental daily payment, those MA patients who, while once on a ventilator, are no longer dependent on the machine to breathe but who nonetheless require the use of trach collar and who receive physician and

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nursing services virtually identical to those received by the ventilator patient. There is no measurable medical difference and very little cost difference between the needs of the patient on a ventilator and the needs of a patient on a trach collar. Thus, it would appear that, for reimbursement purpose, these patients should be treated equally by DPW.

Accordingly, please consider this letter as a formal request to consider amending the criteria for the supplemental ventilator care payment to include trach collar patients in the formula used to compute the per diem payment amount.

Thank you for your consideration in this matter. Fox considers itself a committed and valuable partner in the Department's efforts to provide the highest quality healthcare to the citizens of Pennsylvania and looks forward to doing so for many years in the future.

Very truly yours,

A handwritten signature in black ink, appearing to read "Walter B. Dunsmore", is written over a horizontal line.

Walter B. Dunsmore
Chief Financial Officer

WBD/hs