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From: Sherbondy, Bill <bsherbondy@passavant.org>
Sent: Monday, September 11, 2017 3:11 PM
To: PW, ODPComment
Cc: Rick Senft; Grant, Carol; Senft, Zachary; Dougherty, Robert
Subject: Comment on Final Rulemaking - Fee Schedule
Attachments: Scanned from a Xerox Multifunction Device.pdf

Please find attached Passavant Memorial Homes comments in regard to Notice of Final Rulemaking regarding fee schedule for Home and Community-Based Supports. Thank you, Bill

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COMMENTS TO ODP BULLETINS

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ODP Communication Number 087-17: Notice of Final Rulemaking regarding fee schedule for Home and Community-Based Supports

- Subsection B on establish schedule at least every three years

Comment: the minimum three year reset of rates is too long, and does not provide regular changes in economic conditions. There needs to be a "cost of living" and/or market basket adjustor done on at least an annual basis to the fee schedules. This would be in addition to any periodic examination of all the data sources and methodologies used.

- Recommendation for additional language for subsection B. Please note that text in bold is proposed to be added by ODP and text in brackets is proposed to be deleted by ODP. Text in italics is proposed to be added by PMH.

(b) The Department will [**refresh the market-based data used**] **examine and use the independent market based data sources set forth** in subsection (a) to establish fee schedule rates at least *annually*.

- Subsection C on staff related expenses and geographic region language

Comments: the staff related expenses need to factor in actual expenses that are incurred by the providers and data sources need to reflect (and include) the cost report/survey data compiled annually by the provider. This would include expenses such as actual/current health and welfare benefit costs; actual workers comp factors and actual wage costs (with overtime factors). The expenses should also reflect realistic training costs/times, as well as PTO parameters. As importantly, there should be actual realistic admin costs as the 10% admin cost used in the methodology is not what has been reflected in cost reporting (where the admin costs are generally at least higher than 15%). With regards to the idea of geographic regions, this is contrary to the recent elimination of geographic area rates, and there needs to be a single Commonwealth area rate. There also needs to be flexibility in the rates as related to staffing ratios with Community Based activities.

With the above comments, the main factor is that data sources used need to be truly reflective of all the parameters that are encountered by the providers.

- Recommendation for additional language for subsection C. Please note that text in bold is proposed to be added by ODP and text in brackets is proposed to be deleted by ODP. Text in italics is proposed to be added by PMH.

(c) **[The market-based approach specified in subsection (a) will review and consider] In establishing the fee schedule rates in subsection (a) the Department will examine and use the following factors based on actual costs from the cost report/survey data compiled annually by the provider:**