

3160

14-540 #373

Adams-Moore, Denise

From: Kathie Hoffer <khoffer@acmeproviders.com>
Sent: Friday, September 15, 2017 1:36 PM
To: PW, RateSetting; PW, ODPComment
Subject: advance notice of final rulemaking Fee Schedule
Attachments: ODP 6400 FY 7 Comments.docx

Re: Comments.for Final Rule Fee Schedule

Thank you for giving me the opportunity to comment on the very important topic.

Kathie Hoffer
Founder / Administrator
Acme Providers Inc
724-593-2222

khoffer@acmeproviders.com



Come visit us on our website www.AcmeProviders.com
or on Facebook. www.facebook.com/AcmeProviders

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED.

This email may contain Protected Health Information that is of a sensitive and confidential nature. It is being emailed to you with the authorization of the patient or under circumstances where authorization is not required. You are required to maintain this information in a secure and confidential manner and are prohibited from re-disclosing it without first obtaining the patient's consent or as otherwise permitted by law. Unauthorized re-disclosure may subject you to federal and state law penalties.



9/15/2017

RECEIVED
IRRC

2017 SEP 20 A 10:30

239 Thompson Rd
Acme, PA 15610

www.AcmeProviders.com
KHoffer@acmeproviders.com

Ms. Julie Mochon Human Service Program Specialist Supervisor
Office of Development Programs
Department of Human Services Room 502
Health & Welfare Building 625
Forster Street
Harrisburg, PA 17120

Re: Comments on Rate Setting Methodology for Consolidated Waiver-Funded Services for Individuals Participating in the Office of Developmental Programs Service System.

Dear Ms. Mochon:

As a providers of services under the Waiver Programs, we are dependent upon Medical Assistance reimbursement to provide both quality supports for individuals who rely on this funding stream

We at Acme Providers, Inc., provider's residential habilitation eligible services. We are experiencing high employee vacancies and staff turnover due directly to the fundamentally flawed Rate Setting Methodology that is set forth in 55 Pa. Code Chapter 51.

The Rate Setting Methodology, first adopted on June 9, 2012 (42 Pa. B. 3230) and unchanged since its initial publication, by design, understates the reasonable, allowable costs that providers will incur from July 1, 2017 – December 31, 2017.

The depiction of the proposed methodology as "cost based" is a false impression in that the costs on which the payment rates are developed reflect costs that are two years old, costs taken from approved FY 2015-16 cost reports that are not adjusted to reflect the actual relevant cost experiences of our programs. Nor are the rates brought forward to December 31, 2017 to reflect projected cost increases consistent with nationally recognized economic indexes.

The cumulative impact and loss on Acme as a providers due to the Rate Setting Methodology for FYs 2013-14, 2014-15, and 2015-16 is estimated to total over \$150M.

Given the undisputed inadequacies of the Rate Setting Methodology, including its budget driven outcomes and its material understatement of the actual and reasonable costs incurred by providers to render Waiver Program services, please explain why ODP asserts that the Rate Setting Methodology will enable providers of residential habilitation eligible, life sharing eligible and transportation trip services to render quality care and to meet the documented needs of individuals from their Individual Support Plans and to comply with the CMS-approved Pennsylvania HCBS Community Settings Initial State Transition Plan from July 1, 2017 through December 31, 2017.

The Department must explain, in establishing payment rates for residential habilitation eligible, lifesharing eligible and transportation trip services, why it did not bring the costs forward from FY 2015-16 using a nationally recognized index, such as the Medicare Home Health Market Basket Index, and why it did not apply the same index to bring the rates forward from July 1, 2017 to December 31, 2017. The Department must explain how Waiver Program providers can retain and recruit qualified staff to provide "cost based services" under a rate setting methodology that fails to account for the routine, common, reasonable costs that providers must incur in which we operate, on a current basis, and that instead reflects outdated historical costs with no adjustments whatsoever to account for increased costs incurred during the two year lag period (particularly employee wage and healthcare costs) and the additional costs to be incurred in the projected fiscal year.

The Department must explain why Waiver Program providers, due solely to the inadequate and intentionally depressed payment rates that are the outcome of the Rate Setting Methodology, must continue to secure and incur (unreimbursed) deficit financing to assure the provision of quality care and services to that places them in jeopardy of insolvency.

Principle Recommendation from Acme Providers urges the Department to adjust the Rate Setting Methodology and apply the Medicare Home Health Market Basket Index to the FY 2015-16 provider incurred costs, as reported in ODP-approved cost reports, through June 30, 2017 and to apply the same index to bring the resulting rates forward through December 31, 2017. In so doing, the Department will help to mitigate the perpetual annual deficit financing experienced by Acme Providers, Inc. as a Waiver Program providers.

Sincerely,

A handwritten signature in cursive script that reads "Kathie Hoffer".

Kathie Hoffer

Founder/Administrator