

Adams-Moore, Denise

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14-540 (#426)

From: mkasenchak@stepbystepusa.com
Sent: Monday, September 18, 2017 5:59 PM
To: PW, ODPCcomment
Subject: Home and Community-Based supports and Licensing; Fee Schedule Rates; Advance Notice of Final Rulemaking
Attachments: COMMENTS TO ADVANCE NOTICE OF FINAL RULE MAKING.docx

Ms. Julie Mochon

Please see below.

Mike Kasenchak
 Vice President Finance/CFO
 Step By Step, Inc.
 (570) 829-3477, ext. 7936

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From: Kasenchak, Michael
Sent: Monday, September 18, 2017 5:24 PM
To: RA-odpcomments@pa.gov
Cc: Kasenchak, Michael; Bobeck, James
Subject: Comments on Advance Notice of Final Rulemaking

Ms. Julie Mochon, Policy director
 Office of Developmental Programs
 Room 502, Health and Welfare Building
 625 Forster Street
 Harrisburg, PA. 17120

Ms. Mochon,

Attached please find our comments on the Advance Notice of Final Rulemaking that was published in the Pennsylvania Bulletin on August 19, 2017.

Thank you in advance for your consideration of this information.

Mike Kasenchak
 Vice President Finance/CFO
 Step By Step, Inc.
 (570) 829-3477, ext. 7936

COMMENTS TO 47 PA. BULLETIN 4831, AUGUST 19, 2017 PUBLIC NOTICE
ADVANCE NOTICE OF FINAL RULEMAKING
TITLE 55 CHAPTER 6100.571, FEE SCHEDULE RATES
SEPTEMBER 18, 2017

COMMENT:

The Department needs to adopt in regulation a nationally recognized market index to adjust to adjust fee schedule rates on an annual basis

PROPOSED CHANGE:

As Published;

(b) The Department will [refresh the market-based data used] examine and use the data sources set forth in subsection (a) to establish fee schedule rates at least every 3 years.

Proposed Revision;

(b) The Department will [refresh the market-based data used] examine and use the data sources set forth in subsection (a) to establish fee schedule rates at least every 3 years. In the years where the data sources are not used to perform the comprehensive review of the rates, the rates will be adjusted using the nationally recognized market index that is part of the data sources set.

REASONING:

The present system utilized by ODP to establish reimbursement rates has failed to apply a consistent methodology to adjust rates for the effects of inflation and other market and regulatory changes. The cost based rate setting system that will be replaced by the new fee schedule rate system, set rates based on cost data that was 2 years old and never adjusted for overall inflation. The same can largely be said for fee schedule rates. The omission of this critical factor in setting rates was somewhat mitigated by the 2008 recession which largely froze wages and prices for a number of years as the economy recovered. Fast forward to 2017 the landscape has changed dramatically. Our economy is closing in on full employment and wages are being pressured upward as businesses compete with each other for quality employees. The proposed regulation to adjust the new fee schedule rates "at least every three years" falls far short of what is needed to allow the Provider community to attract competent and caring staff. The establishment of fee schedule rates as proposed in the regulation places providers in a situation where service reimbursement rates will be based on stale data that is at best 6 months old and more likely, 12 months or more old at inception and, can range up to four years old before being adjusted. This is not acceptable. Rates need to be adjusted annually based on a recognized market index consistently applied with a comprehensive review every 3 years. The new service definitions have raised the expectations for Provider staff and in order to recruit, train, and retain these staff Providers will need to be able to respond to market wage pressures. With salaries and benefits constituting 80% of Provider operating budgets the ability of Providers to continue to deliver quality care to the intellectually disabled and autistic populations will be severely compromised unless a responsible and responsive rate-setting system is established.