Regulatory Analysis Form

(Completed by Promulgating Agency)

(All Comments submitted on this regulation will appear on IRRC's website)

INDEPENDENT REGULATORY REVIEW COMMISSION

RECEIVED

Independent Regulatory Review Commission
September 25, 2024

IRRC Number: 3416

(1) Agency

Department of Human Services
Office of Long-Term Living

(2) Agency Number: 14-556

Identification Number:

(3) PA Code Cite:

55 Pa. Code Chapter 1187
55 Pa. Code Chapter 1189

(4) Short Title:

Transition to Patient-Driven Payment Model (PDPM)

(5) Agency Contacts (List Telephone Number and Email Address):

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(6) Type of Rulemaking (check applicable box):

- ☒ Proposed Regulation
- ☐ Final Regulation
- ☐ Final Omitted Regulation
- ☐ Emergency Certification Regulation;
  - ☐ Certification by the Governor
  - ☐ Certification by the Attorney General

(7) Briefly explain the regulation in clear and nontechnical language. (100 words or less)

The purpose of this proposed rulemaking is to amend a data element in the Department's case-mix payment system for nursing facilities and county nursing facilities to utilize the Patient Driven Payment Model (PDPM) in place of the Resource Utilization Groups, Version III (RUG-III) classification system to set

Medical Assistance (MA) payment rates for nursing facilities. The regulation will provide for the health and safety of individuals residing in nonpublic and county nursing facilities by supporting rate setting payment methodologies for services provided to MA beneficiaries.

(8) State the statutory authority for the regulation. Include specific statutory citation.

The statutory authority for the regulation is sections 201(2), 403(b) and 443.1(7) of the Human Services Code (62 P.S. §§ 201(2), 403(b) and 443.1(7)).

(9) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action.

Changes made by the Centers for Medicare & Medicaid Services (CMS) make the amendments necessary. CMS has replaced the existing RUG-based acuity system (which is a data element used by the Department in nursing facility reimbursement regulations) with the PDPM. The proposed regulation aligns nursing facility reimbursement with the PDPM.

There are not any relevant state or federal court decisions that relate to this proposed regulation.

(10) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

The Federal Centers for Medicare & Medicaid Services (CMS) is ending support for RUG-III and RUG-IV classification system on Federally-required assessments for residents in nursing facilities. Previously, CMS provided states additional resources to continue to use RUGs called "Optional State Assessment," or OSA, to gather the needed assessment data. However, CMS will only allow the use of the OSA until October 1, 2025. CMS released State Medicaid Director Letter #22-005, which provides an alternative to the current RUGs classification system; states may choose to utilize the classification called the Patient Driven Payment Model (PDPM).

For Pennsylvania, RUG-III is a material element of rate-setting in the nursing facility case-mix payment system; therefore, a regulatory amendment is needed as CMS will no longer support Pennsylvania's current rate setting process. The Department will move from the RUG-III model to the PDPM. The PDPM aims to utilize each individual resident's characteristics and needs based on diagnosis as opposed to the RUG system which relies on the volume of services. The proposed regulation provides for the health and safety of individuals residing in nursing facilities and county nursing facilities by supporting rate setting payment methodologies for services for MA beneficiaries.

All nursing facilities that accept MA reimbursement for services will be affected by this change. There are approximately 592 nonpublic nursing facilities and 15 county nursing facilities in Pennsylvania enrolled in the MA Program. There are an average of 41,777 MA recipients who receive nursing facility services in a

typical year. This proposed regulatory amendment will allow Pennsylvania to continue the case-mix payment system based on the PDPM Nursing Component for all MA funded nursing facilities.

(11) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulations.

There are no provisions that are more stringent than the federal standards.

(12) How does this regulation compare with those of the other states? How will this affect Pennsylvania's ability to compete with other states?

The RUG classification system will no longer be available to all states effective October 1, 2025, and CMS will no longer support, maintain or update the RUG system. The promulgation of these regulations will bring the Commonwealth into alignment with planned regulatory changes in other states in order to utilize case-mix adjusted reimbursement that aligns with federally available data.

(13) Will the regulation affect any other regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

This regulation will not affect other regulations of the Department of Human Services or other state agencies.

(14) Describe the communications with and solicitation of input from the public, any advisory council/group, small businesses and groups representing small businesses in the development and drafting of the regulation. List the specific persons and/or groups who were involved. ("Small business" is defined in Section 3 of the Regulatory Review Act, Act 76 of 2012.)

Associations that represent Pennsylvania's nursing facilities and hospitals were asked for input in drafting this proposed regulation. The specific groups are: Leading Age PA, the Pennsylvania Health Care Association (PHCA), the Pennsylvania Coalition of Affiliated Healthcare & Living Communities, Hospital Association of PA and the Pennsylvania Association of Nurse Assessment Coordinators. The draft Annex was sent to the associations on September 7, 2023; comments were due September 21, 2023. The Department reviewed and considered the twenty-two comments that were received. After evaluating the comments, OLTL made three substantive changes to the Annex as follows:

- OLTL had proposed to delete text in § 1187.92(d), however, commenters requested the language not be removed in order to explain that the PDPM Nursing Component case-mix group and PDPM case-mix index scores will be announced by notice in the *Pennsylvania Bulletin.* In response to the comments, the language was not deleted. Similarly, in response to the comments, the Department added language back into § 1187.92(e) to clarify that the PDPM case-mix index scores will remain in effect until a subsequent notice is published in the *Pennsylvania Bulletin.*
- In § 1187.96(a)(7), it is clarified that beginning with the fourth quarter (not the second quarter, as originally proposed) of rate year 2025-2026, and thereafter, the Department will calculate each nursing facility's resident care rate in accordance with PDPM.

- The effective date of the proposed rulemaking was changed from October 2025 to August 2025 in response to the comments. This change ensures the November picture date for rate setting will contain only PDPM data.

(15) Identify the types and number of persons, businesses, small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012) and organizations which will be affected by the regulation. How are they affected?

This regulation applies to MA funded nursing facilities and their staff. There are 592 nonpublic nursing facilities and 15 county nursing facilities. In each facility, nurse assessment coordinators complete the MDS for each resident. Since the MDS is currently completed for residents, nursing facilities and staff should not be affected.

Of the 592 nursing facilities subject to this regulation, 556 (approximately 94%) qualify as small businesses as defined by 13 CFR §121.104. This figure is based on an analysis of nursing facilities' net revenues as reported on the most recent available (as of October 2023) Schedule D, Revenues and Adjustments to Revenues, of the MA-11 cost report. Of these 556 nursing facilities, all but one would see an increase to their case-mix per diem rates under the proposed PDPM methodology. The average increase among the 555 nursing facilities is 27.43%. One nursing facility that qualifies as a small business would see a decrease (-3.15%) to its case-mix per diem rate under the proposed PDPM methodology. The analysis of potential increases and decreases to nursing facilities' per diem rates using the PDPM methodology is based on a comparison of calculated per diem rates using the current RUG-based methodology and the proposed PDPM methodology for the most recent available rate quarter as of November 1, 2023 (rate quarter beginning April 1, 2023). There would be no additional MDS assessments required for a facility other than what is already federally required and, therefore, no additional administrative costs for nursing facilities that qualify as small businesses to comply with this regulation.

The Department reviewed whether nursing facility residents would be affected by this proposed rulemaking, and it was determined that they would not be affected because this proposed rulemaking makes no revisions to the nursing facility services provided to residents and it does not increase or reduce any staffing requirements.

(16) List the persons, groups or entities, including small businesses, that will be required to comply with the regulation. Approximate the number that will be required to comply.

MA funded nursing facilities and their staff will be required to comply with this regulation. As of November 1, 2023, there are approximately 607 MA funded nursing facilities in Pennsylvania that are subject to the provisions in chapters 1187 and 1189. This includes 592 nonpublic nursing facilities and 15 county nursing facilities.

(17) Identify the financial, economic and social impact of the regulation on individuals, small businesses, businesses and labor communities and other public and private organizations. Evaluate the benefits expected as a result of the regulation.

A preliminary evaluation of Case-Mix Index (CMI) calculations for quarters beginning November 1, 2021, and ending January 31, 2023, indicates that CMIs under the PDPM system would be higher than under the current RUG-based acuity system. This preliminary evaluation shows that the quarterly CMI average for all

residents in nursing facilities increases between 0.24 and 0.27 using PDPM; the quarterly CMI average for MA residents in nursing facilities also increases between 0.24 and 0.27 using PDPM. The preliminary analysis shows that the quarterly CMI average for all residents in county nursing facilities increases between 0.24 and 0.28 using PDPM; the quarterly CMI average for MA residents in county nursing facilities increases between 0.24 and 0.27 using PDPM.

Act 54 of 2022 directs the Department to apply a revenue adjustment neutrality factor, commonly referred to as a budget adjustment factor (BAF), through June 30, 2026, that limits the average payment rate in effect in a fiscal year to the amount permitted by the funds appropriated by the General Appropriations Act for the fiscal year. The fiscal impact in this analysis assumes the BAF is not reauthorized beyond June 30, 2026. However, reauthorization of the BAF beyond June 30, 2026, would make the overall fiscal impact budget neutral to the Department because final case-mix per diem rates would be limited to the amount permitted by the funds appropriated by the General Appropriations Act for each fiscal year.

The proposed regulation will have a fiscal impact to individual nursing facilities. If the BAF is not reauthorized, the increased CMI scores resulting from the PDPM methodology will result in higher case-mix per diem rates for approximately 99% of nursing facilities compared to the RUG-based methodology. The average increase in case-mix per diem rates for nursing facilities in this scenario is 28.92%, with the three nursing facilities with the highest CMI acuity scores having rate increases of more than 100%. As noted, however, this scenario results in a significant overall cost increase to the Department. By contrast, if the BAF is reauthorized beyond June 30, 2026, the overall fiscal impact to the Department is neutral and the impact to individual nursing facility rates varies. In this scenario, the PDPM methodology results in higher BAF-adjusted rates for approximately 40% of nursing facilities compared to the RUG-based methodology. The four nursing facilities with the highest CMI acuity scores will see BAF-adjusted rate increases of between 73% and 81%. Approximately 359 nursing facilities will see BAF-adjusted rates decrease. However, it is important to note that by definition, the BAF-adjusted per diem rates under the current RUG-based methodology also result in increases in rates for some nursing facilities and decreases in rates for others. In this analysis, the nursing facility with the largest gain has an 80.26% BAF-adjusted per diem rate increase, while the nursing facility with the largest loss has a 24.91% BAF-adjusted per diem rate decrease.

Nursing facilities have already made required systems and procedural changes needed to implement collection of PDPM data elements. There would be no additional MDS assessments required for a facility other than what is already federally required. Likewise, there is no impact to county nursing facilities because the case-mix rate methodology for county nursing facilities does not rely on CMI scores.

There are no social impacts with this proposed regulation.

The benefits expected as a result of the regulation would be the rate setting methodology is more appropriate because it is based on the characteristics of the individual resident as opposed to the volume of services.

(18) Explain how the benefits of the regulation outweigh any cost and adverse effects.

This regulation will benefit the Commonwealth's nursing facility residents enrolled in MA by ensuring they have access to medically necessary nursing facility services while providing for reasonable and adequate payment rates to MA funded nursing facility providers consistent with the fiscal resources of the

Commonwealth. Without a valid, approved methodology for calculating case-mix per diem rates, the Department risks the loss of the federal share of MA payments for nursing facility services, which is estimated at approximately $1.59 billion per year. The ability to continue drawing this federal funding outweighs the potential cost increase that would result without reauthorization of the BAF and ensures MA enrolled residents continue to have access to medically necessary nursing facility services. The changes proposed to this regulation ensure Pennsylvania continues to have a valid, approved case-mix rate methodology.

(19) Provide a specific estimate of the costs and/or savings to the **regulated community** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

CMS implemented the use of PDPM in 2019 for nursing facility residents who have Medicare but gave states flexibility to use an optional state assessment (OSA) to capture the data elements needed for the calculation of RUG-based case-mix per diem rates. Although Pennsylvania chose to use an OSA and continue RUG-based case-mix per diem rates, nursing facilities have been completing MDS submissions that include PDPM data elements for Medicare residents since 2019. As a result, nursing facilities have already made required systems and procedural changes needed to implement collection of PDPM data elements. There would be no additional MDS assessments required for a facility other than what is already federally required. Likewise, there is no impact to county nursing facilities because the case-mix rate methodology for county nursing facilities does not rely on CMI scores.

(20) Provide a specific estimate of the costs and/or savings to the **local governments** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

There is no impact to county nursing facilities because the case-mix rate methodology for county nursing facilities does not rely on CMI scores.

(21) Provide a specific estimate of the costs and/or savings to the **state government** associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.

Act 54 of 2022 directs the Department to apply a revenue adjustment neutrality factor, commonly referred to as a budget adjustment factor (BAF), through June 30, 2026, that limits the average payment rate in effect in a fiscal year to the amount permitted by the funds appropriated by the General Appropriations Act for each fiscal year. Reauthorization of the BAF beyond June 30, 2026, would make the overall fiscal impact budget neutral to the Department because final case-mix per diem rates would be limited to the amount permitted by the funds appropriated by the General Appropriations Act for each fiscal year.

(22) For each of the groups and entities identified in items (19)-(21) above, submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

There will be no additional reporting or forms required for the implementation of this regulation. Nursing facilities have already made required systems and procedural changes needed to implement collection of PDPM data elements. There would be no additional MDS assessments required for a facility other than what is already federally required. Likewise, there is no impact to county nursing facilities because the case-mix rate methodology for county nursing facilities does not rely on CMI scores.

(22a) Are forms required for implementation of the regulation?

There will be no additional reporting or forms required for the implementation of this regulation. Nursing facilities have already made required systems and procedural changes needed to implement collection of PDPM data elements.

(22b) If forms are required for implementation of the regulation, **attach copies of the forms here.** If your agency uses electronic forms, provide links to each form or a detailed description of the information required to be reported. **Failure to attach forms, provide links, or provide a detailed description of the information to be reported will constitute a faulty delivery of the regulation.**

There will be no additional reporting or forms required for the implementation of this regulation.

Gloria K. Gilligan 4/30/2024

(23) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year 2023-2024	FY +1 Year 2024-2025	FY +2 Year 2025-2026	FY +3 Year 2026-2027	FY +4 Year 2027-2028	FY +5 Year 2028-2029
SAVINGS:	**$**	**$**	**$**	**$**	**$**	**$**
Regulated Community	0	0	0	0	0	0
Local Government	0	0	0	0	0	0
State Government	0	0	0	0	0	0
Total Savings	0	0	0	0	0	0
COSTS:						
Regulated Community	0	0	0	0	0	0
Local Government	0	0	0	0	0	0
State Government	0	0	0	0	0	0
Total Costs	0	0	0	0	0	0
REVENUE LOSSES:						
Regulated Community	0	0	0	0	0	0
Local Government	0	0	0	0	0	0
State Government	0	0	0	0	0	0
Total Revenue Losses	0	0	0	0	0	0

(23a) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3 2020-2021	FY -2 2021-2022	FY -1 2022-2023	Current FY 2023-2024
DHS Office of Long-Term Living[1,2]	Long-Term Living $208,841,000 CHC $3,165,550,000	Long-Term Living $121,346,000 CHC $4,251,550,000	Long-Term Living $131,981,000 CHC $4,460,046,000	Long-Term Living $149,645,000 CHC $5,388,889,000

[1] FFS expenditures obtained from OLTL Monthly Management Reports, SFY 2020-21 through SFY 2023-24.
[2] CHC expenditures obtained from MCO financial report #5, Line 8

(24) For any regulation that may have an adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), provide an economic impact statement that includes the following:

(a) An identification and estimate of the number of small businesses subject to the regulation.
(b) The projected reporting, recordkeeping and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record.
(c) A statement of probable effect on impacted small businesses.
(d) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

Of the 592 nursing facilities subject to this regulation, 556 (approximately 94%) qualify as small businesses as defined by 13 CFR §121.104. This figure is based on an analysis of nursing facilities' net revenues as reported on the most recent available (as of October 2023) Schedule D, Revenues and Adjustments to Revenues, of the MA-11 cost report. Of these 556 nursing facilities, all but one would see an increase to their case-mix per diem rates under the proposed PDPM methodology. The average increase among the 555 nursing facilities is 27.43%. One nursing facility that qualifies as a small business would see a decrease (-3.15%) to its case-mix per diem rate under the proposed PDPM methodology. The analysis of potential increases and decreases to nursing facilities' per diem rates using the PDPM methodology is based on a comparison of calculated per diem rates using the current RUG-based methodology and the proposed PDPM methodology for the most recent available rate quarter as of November 1, 2023 (rate quarter beginning April 1, 2023). There would be no additional MDS assessments required for a facility other than what is already federally required and, therefore, no additional administrative costs for nursing facilities that qualify as small businesses to comply with this regulation.

The Department reviewed other alternatives but chose to move to the PDPM classification system because it would maintain the resident assessment process that nursing facilities already complete and there will be no additional forms, technology or software changes needed; therefore, the Department and nursing facilities would not need to purchase those items which makes it a less costly option.

(25) List any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, the elderly, small businesses, and farmers.

No special provisions have been developed for minorities, the elderly, small businesses or farmers since this proposed rulemaking relates to updating the model for nursing facility rate setting. However, the PDPM system classifies residents into case-mix categories based on clinical characteristics, resident assessments, resident diagnosis and predicted resources needed to care for a resident during their stay; therefore, the PDPM acuity scores are more accurate based on the resident's characteristics which leads to more accurate rate setting.

(26) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

The Department reviewed other alternatives but chose to move to the PDPM classification system because it would maintain the resident assessment process that nursing facilities already complete and there will be no additional forms, technology or software changes needed; therefore, the Department and nursing facilities would not need to purchase those items which makes it a less costly option.

(27) In conducting a regulatory flexibility analysis, explain whether regulatory methods were considered that will minimize any adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), including:

a) The establishment of less stringent compliance or reporting requirements for small businesses;

As stated above, the majority of nursing facilities are small businesses, and this proposed rulemaking does not establish less stringent compliance or reporting requirements for small businesses. Further, the Department chose to move to the PDPM classification system because it would maintain the resident assessment process that nursing facilities already complete and there will be no additional forms, technology or software changes needed.

b) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;

As stated above, the majority of nursing facilities are small businesses, and this proposed rulemaking does not establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses. In addition, there are no additional reporting requirements.

c) The consolidation or simplification of compliance or reporting requirements for small businesses;

As stated above, the majority of nursing facilities are small businesses, and this proposed rulemaking does not consolidate or simplify compliance or reporting requirements for small businesses. However, as noted above, the Department chose to move to the PDPM classification system because it would maintain the resident assessment process that nursing facilities already complete and there will be no additional forms, technology or software changes needed.

d) The establishment of performance standards for small businesses to replace design or operational standards required in the regulation; and

As stated above, the majority of nursing facilities are small businesses, and this proposed rulemaking does not establish performance standards for small businesses to replace design or operational standards required in the regulation.

e) The exemption of small businesses from all or any part of the requirements contained in the regulation.

As stated above, the majority of nursing facilities are small businesses, and this proposed rulemaking does not establish an exemption for small businesses for all or any part of the requirements contained in the regulation. This proposed regulation supports rate setting payment methodologies for services provided to MA beneficiaries.

(28) If data is the basis for this regulation, please provide a description of the data, explain in detail how the data was obtained, and how it meets the acceptability standard for empirical, replicable and testable data that is supported by documentation, statistics, reports, studies or research. Please submit data or supporting materials with the regulatory package. If the material exceeds 50 pages, please provide it in a searchable electronic format or provide a list of citations and internet links that, where possible, can be accessed in a searchable format in lieu of the actual material. If other data was considered but not used, please explain why that data was determined not to be acceptable.

By way of background, PDPM was initially established by CMS for Medicare payments under the prospective payment system (PPS). The Pennsylvania Medical Assistance Program is basing their payment system categorization on the nursing component of PDPM. The initial data used to calculate the PDPM payment was based on information from a study conducted for CMS by Acumen.

Acumen, LLC. (April 2018). Skilled Nursing Facilities Patient-Driven Payment Model Technical Report. (Research Brief). Retrieved from https://www.cms.gov/medicare/medicare-fee-for-service-payment/snfpps/downloads/pdpm_technical_report_508.pdf

The Department obtained CMI data from providers' MDS records and converted them to the associated closest PDPM category to estimate the potential impact under the proposed rulemaking.

(29) Include a schedule for review of the regulation including:

A. The length of the public comment period:	30 days
B. The date or dates on which any public meetings or hearings will be held:	N/A
C. The expected date of delivery of the final-form regulation:	April 2025
D. The expected effective date of the final-form regulation:	August 1, 2025
E. The expected date by which compliance with the final-form regulation will be required:	August 1, 2025
F. The expected date by which required permits, licenses or other approvals must be obtained:	N/A

(30) Describe the plan developed for evaluating the continuing effectiveness of the regulations after its implementation.

The Department will review the regulation on an ongoing basis to ensure compliance with Federal and State law and to assess the appropriateness and effectiveness of the regulation. In addition, if specific regulatory issues are raised by members of the Medical Assistance Advisory Committee (MAAC) and the Long-Term Services and Supports Delivery System Subcommittee of the MAAC, the Department will research and address those issues as appropriate. The Department will also monitor the effect of the regulation through regular audits and utilization management reviews to determine the effectiveness of the regulation with respect to consumers of long-term care services and the industry.

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Independent Regulatory Review Commission

September 25, 2024

CDL-1

FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE BUREAU

(Pursuant to Commonwealth Documents Law)

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General

By: Amy M. Elliott
Digitally signed by Amy M. Elliott
DN: cn=Amy M. Elliott, o=Pennsylvania Office of Attorney General, ou=Chief Deputy Attorney General, email=aelliott@attorneygeneral.gov, c=US

(Deputy Attorney General)

9/17/2024
Date of Approval

☐ Check if applicable
Copy not approved.
Objections attached.

Copy below is hereby certified to be a true and correct copy of a document issued, prescribed or promulgated by:

DEPARTMENT OF HUMAN SERVICES
(Agency)

LEGAL COUNSEL: _____

DOCUMENT/FISCAL NOTE NO. 14-556

DATE OF ADOPTION: _____

BY: _____

TITLE: SECRETARY OF HUMAN SERVICES
(Executive Officer, Chairman or Secretary)

Copy below is hereby approved as to form and legality. Executive or Independent Agencies.

BY: _____

7/8/2024
Date of Approval

(Deputy General Counsel)
(Chief Counsel, Independent Agency)
(Strike inapplicable title)

☐ Check if applicable. No Attorney General approval or objection within 30 days after submission.

NOTICE OF PROPOSED RULEMAKING

DEPARTMENT OF HUMAN SERVICES

OFFICE OF LONG-TERM LIVING

[55 Pa. Code Chapter 1187 Nursing Facility Services]
[55 Pa. Code Chapter 1189 county Nursing Facility Services]

Transition to Patient-Driven Payment Model (PDPM)

Statutory Authority

Notice is hereby given that the Department of Human Services (Department) under the authority of sections 201(2), 403(b) and 443.1(7) of the Human Services Code (62 P.S. §§ 201(2), 403(b) and 443.1(7)) proposes to amend Chapters 1187 (relating to nursing facility services) and 1189 (relating to county nursing facility services) to read as set forth in Annex A.

Purpose of Proposed Rulemaking

The purpose of this proposed rulemaking is to amend a data element in the Department's case-mix payment system for nonpublic and county nursing facilities to utilize the Patient Driven Payment Model (PDPM) in place of the Resource Utilization Groups, Version III (RUG-III) classification system in setting Medical Assistance (MA) payment rates for nursing facilities. This proposed rulemaking is to ensure the health and safety of individuals residing in nonpublic and county nursing facilities by supporting rate setting methodologies for payment of the services in nursing facilities.

Background

Chapters 1187 and 1189 govern the MA payments to nursing facilities based on the Commonwealth's approved State Plan for reimbursement. The MA Program pays for nursing facility services provided to MA eligible recipients by participating nursing facilities at per diem rates that are computed using the case-mix payment system implemented in January 1996. Currently, the case-mix rate setting methodology for nonpublic and county nursing facilities uses the RUG-III classification system. RUG-III is a category-based resident classification system used to classify nursing facility

residents into groups based on their characteristics and clinical needs. Case-mix payments are developed using a Case-Mix Index (CMI), a number value score that describes the relative resource use for the average resident in each of the groups under the RUG-III classification system based on the assessed needs of the resident. As part of the RUG-III classification system, the MA Program uses the RUG-III utilization group as the data element on the Federally-approved Pennsylvania specific Minimum Data Set (MDS), which is used for the classification of a resident into one of the RUG-III categories.

The Federal Centers for Medicare & Medicaid Services (CMS), however, is ending support for RUG-III and RUG-IV[1] classification systems on Federally-required assessments for residents in nursing facilities and skilled nursing facilities. Previously, CMS provided states additional resources to continue to use RUGs called "Optional State Assessment," or OSA, to gather the needed assessment data. However, CMS will only allow the use of the OSA until October 1, 2025.

CMS released State Medicaid Director Letter #22-005,[2] which provides an alternative to the current RUGs classification system; states may choose to utilize the classification called the Patient Driven Payment Model (PDPM).

The Department, with this proposed rulemaking, announces its intent to adopt the PDPM beginning August 1, 2025. This proposed rulemaking is needed to allow the Department to continue to make payments to nursing facilities participating in the MA program. Absent this rulemaking, the Department would not have a regulation in place to

[1] Pennsylvania uses only the RUG-III in nursing facility rate setting.
[2] https://www.medicaid.gov/sites/default/files/2023-02/smd22005.pdf

allow for CMS-supported rate setting methodologies and payment since the RUGs classification system and OSA will no longer be supported after October 1, 2025.

Requirements

The specific regulatory changes to Chapters 1187 and 1189 included in this proposed rulemaking are set forth as follows:

§ 1187.2. Definitions.

Under the proposed rulemaking, the Department proposes to:

- Amend the definitions of "CMI – Case-Mix Index," "CMI Report" and "Classifiable data element" to remove reference to RUG-III classification system and RUG category and replace them with the PDPM classification system and PDPM Nursing Component case-mix groups.
- Add definitions for "Case-Mix Group", "Nursing Component" and "PDPM – Patient Driven Payment Model." These newly provided definitions describe elements of the PDPM classification system and are based on federal guidance at https://www.cms.gov/medicare/payment/prospective-payment-systems/skilled-nursing-facility-snf/patient-driven-model.
- Delete the definition of "RUG-III—Resource Utilization Group, Version III" as it is the basis for a rate setting methodology that will no longer be supported by CMS or used by Pennsylvania. As provided previously, the Department proposes to use the PDPM in place of the RUG-III classification system to set MA payment rates for nursing facilities.

§ 1187.33. Resident data and picture date reporting requirements.

All references to RUG-III are proposed to be removed and replaced with PDPM.

§ 1187.92. Resident classification system

In § 1187.92(a), the Department is proposing to remove RUG-III and replace it with PDPM Nursing Component to adjust payment for resident care services based on the case-mix classification of nursing facility residents.

In § 1187.92(b), the Department is proposing to remove RUG-III and state that each resident be included in the PDPM Nursing Component and be assigned into the first case-mix group for which the resident meets the criteria.

The Department is proposing to delete § 1187.92(c) because it refers to RUG-III and will become obsolete with the proposed rulemaking, as the Department will no longer use RUG-III.

In § 1187.92(d), the Department explains how the PDPM Nursing Component case-mix group and PDPM CMI scores will be announced. Specifically, since the Department is proposing to delete Appendix A and replace it with Appendix D, the Department will be announcing, by notice, the PDPM Nursing Component case-mix group, PDPM CMI scores in Appendix D.

In § 1187.92(e) the Department is proposing to remove the reference to "PA normalized RUG-III index scores" and replace it with the updated language, "PDPM CMI scores."

In § 1187.92(f), the Department is proposing to remove the reference to RUG-III and replace it with PDPM Nursing Component.

§ 1187.93. CMI calculations.

In § 1187.93(1), the Department is proposing to remove references to "RUG-III" and replace it with the revised terminology, "PDPM Nursing Component".

In § 1187.93(4), the Department is proposing to indicate that picture dates for rate setting, beginning April 1, 2026, will be based on the PDPM CMIs in Appendix D.

§ 1187.96. Price- and rate-setting computations.

The Department is proposing to delete § 1187.96(a)(3) as it addresses past rate years and will be obsolete.

The Department is also proposing to delete § 1187.96(a)(6) as it addresses past rate years.

In § 1187.96(a)(7), the Department is proposing to amend this section by removing outdated text because it will be obsolete. Under the proposed rulemaking, the Department proposes to replace with text to provide that the Department will calculate the nursing facility's resident care rate in accordance with the PDPM.

The Department is proposing to delete § 1187.96(b)(3), (c)(3) and (e)(2) and (3) as they address past rate years.

§ 1187.97. Rates for new nursing facilities, nursing facilities with a change of ownership, reorganized nursing facilities and former prospective payment nursing facilities.

Under this section, the Department proposes to remove references to "RUG-III" and replace the text with the PDPM Nursing Component. Specifically, beginning April 1,

2026, the Statewide average MA CMI assigned to a new nursing facility will be calculated using the PDPM Nursing Component case-mix group values in Appendix D. Further, beginning July,1 2026, a new nursing facility will be assigned the peer group price for resident care using the PDPM Nursing Component case-mix group values in Appendix D.

§ 1187.98. Phase-out median determination.

The Department is proposing to reserve this section as it applies to past rate years and will be obsolete.

Appendix A. Resource Utilization Group Index Scores for Case-Mix Adjustment in the Nursing Facility Reimbursement System.

As previously provided, the Department is proposing to reserve Appendix A because it provided RUG-III scores and will be obsolete.

Appendix D. Patient Driven Payment Model for Case-Mix Adjusted Nursing Categories in the Nursing Facility Reimbursement System.

The Department is proposing to add Appendix D. Appendix D is a chart that lists the PDPM Nursing Component case-mix groups and PDPM CMI scores that the Department will use to set each nursing facility's PDPM resident care rate beginning April 1, 2026, and thereafter. The CMS Fact Sheets provide additional details on the groupers and each classification, available at: https://www.cms.gov/medicare/payment/prospective-

payment-systems/skilled-nursing-facility-snf/patient-driven-model (Nursing Component begins on page 5 on PDPM Patient Classification Fact Sheet).

§ 1189.105. Incentive payments.

In § 1189.105(b), references to "RUG-III" are removed and replaced with "PDPM Nursing Component case-mix group values".

Affected Individuals and Organizations

This proposed rulemaking affects nonpublic and county nursing facilities enrolled in the MA Program. There are approximately 592 nonpublic nursing facilities and 15 county nursing facilities in Pennsylvania enrolled in the MA Program. There is an average of 41,777 MA recipients who receive nursing facility services in a typical year. In each facility, the nurse assessment coordinators complete the MDS for each resident. Nursing facilities have already made required systems and procedural changes needed to implement collection of PDPM data elements. There would be no additional MDS assessments required for a nursing facility other than what is already federally required. Likewise, there is no impact to county nursing facilities because the case-mix rate methodology for county nursing facilities does not rely on CMI scores. Moving to the PDPM classification system may increase payments to some nursing facilities and decrease payments to other nursing facilities.

The Department reviewed whether nursing facility residents would be affected by this proposed rulemaking, and it was determined that they would not be affected because

this proposed rulemaking makes no revisions to the nursing facility services provided to residents and it does not increase or reduce any staffing requirements.

Accomplishments and Benefits

The PDPM system classifies residents into case-mix categories based on clinical characteristics, resident assessments, resident diagnosis and predicted resources needed to care for a resident during their stay; therefore, the PDPM acuity scores are more accurate than RUG-III based on the resident's characteristics which leads to more accurate rate setting.

Fiscal Impact

Act 54 of 2022 directs the Department to apply a revenue adjustment neutrality factor, commonly referred to as a budget adjustment factor (BAF), through June 30, 2026, that limits the average payment rate in effect in a fiscal year to the amount of funds appropriated by the General Appropriations Act for each fiscal year. 72 P.S. § 1602-T. The reauthorization of the BAF beyond June 30, 2026, would make the overall fiscal impact budget neutral to the Department because final case-mix per diem rates would be limited to the amount permitted by the funds appropriated by the General Appropriations Act for each fiscal year.

If, however, the General Assembly does not continue to reauthorize the BAF, the increased CMI scores resulting from the PDPM methodology will result in higher case-mix per diem rates for 591 of 592 nursing facilities (99%) compared to the RUG-based

methodology. The average increase in case-mix per diem rates for nursing facilities in this scenario is 28.92%, with four nursing facilities having rate increases of more than 100%. This scenario results in an overall cost increase to the Department of $3.9 billion ($1.8 billion in state funds) between State Fiscal Year 2026-2027 and State Fiscal Year 2029-2030.

If the BAF is reauthorized beyond June 30, 2026, the overall fiscal impact to the Department is neutral and the impact to individual nursing facility rates varies. In this scenario, the PDPM methodology results in higher BAF-adjusted rates for approximately 40% of nursing facilities compared to the RUG-based methodology. The four nursing facilities with the highest CMI acuity scores will see BAF-adjusted rate increases of between 73% and 81%. Approximately 359 nursing facilities will see BAF-adjusted rates decrease. It is important to note that by definition, the BAF-adjusted per diem rates under the current RUG-based methodology also result in increases in rates for some nursing facilities and decreases in rates for others. In this analysis, the nursing facility with the largest gain has an 80.26% BAF-adjusted per diem rate increase, while the nursing facility with the largest loss has a 24.91% BAF-adjusted per diem rate decrease.

Paperwork Requirements

Under the proposed rulemaking, there will be no increase or decrease in paperwork requirements as nursing facilities will continue to do the same number of assessments. Nursing facilities have already made required systems and procedural changes needed to implement collection of PDPM data elements. There would be no additional MDS

assessments required for a facility other than what is already federally required. Likewise, there is no impact to county nursing facilities because the case-mix rate methodology for county nursing facilities does not rely on CMI scores.

Effective Date

The proposed rulemaking, if approved on final-form rulemaking, will take effect August 1, 2025.

Public Comment

Interested persons are invited to submit written comments, suggestions, or objections regarding the proposed rulemaking to the Department of Human Services, Office of Long-Term Living, Bureau of Policy and Regulatory Management, Attention: Jennifer Hale, P.O. Box 8025, Harrisburg, PA 17105-8025 or at RA-PWOLTLNFPUBLICCOM@pa.gov within 30 calendar days after the date of publication of this proposed rulemaking in the *Pennsylvania Bulletin*. Reference Regulation No. 14-556 when submitting comments.

Persons with a disability who require an auxiliary aid or service may submit comments using the Pennsylvania Hamilton Relay Service at (800) 654-5984 (TDD users) or (800) 654-5988 (voice users).

Regulatory Review Act

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on September 25, 2024, the Department submitted a copy of this proposed rulemaking to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the

House Committees on Human Services and the Senate Committee on Health and Human Services. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, IRRC may convey comments, recommendations or objections to the proposed rulemaking within 30 days after the close of the public comment period. The comments, recommendations or objections must specify the regulatory review criteria in section 5.2 of the Regulatory Review Act (71 P.S. § 745.5(b)) which have not been met. The Regulatory Review Act specifies detailed procedures for review prior to final publication of the rulemaking by the Department, the General Assembly and the Governor.

ANNEX A

TITLE 55. HUMAN SERVICES

PART III. MEDICAL ASSISTANCE MANUAL

CHAPTER 1187. NURSING FACILITY SERVICES

* * * * *

Subchapter A. GENERAL PROVISIONS

* * * * *

§1187.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

* * * * *

Benefits, nonstandard or *nonuniform*—Employe benefits provided to selected individuals, which are not provided to all nursing facility employes in conjunction with their employment status, or benefits which are not normally provided to employes.

***Case-Mix Group*—A patient classification system that aggregates nursing facility residents by clinical similarities and resource use.**

CMI—Case-Mix Index—A number value score that describes the relative resource use for the average resident **[in each of the groups under the RUG-III classification system]** **utilizing the PDPM Nursing Component classification methodology and associated weights** based on the assessed needs of the resident.

CMI Report—A report generated by the Department from submitted resident assessment records and tracking forms and verified by a nursing facility each calendar quarter that identifies the total facility and MA CMI average for the picture date, the residents of the nursing facility on the picture date and the following for each identified resident:

(i) The resident's payor status.

(ii) The resident's **[RUG category]** **PDPM Nursing Component case-mix group** and CMI.

(iii) The resident assessment used to determine the resident's **[RUG category and CMI and the date and type of the assessment]** **PDPM Nursing Component case-mix group, PDPM CMI, the date** and type of the assessment.

Classifiable data element—A data element on the Federally Approved Pennsylvania Specific Minimum Data Set (PA specific MDS) which is used for the classification of a resident into **[one of the RUG-III categories]** **PDPM Nursing Component case-mix group**.

* * * * *

***Nursing Component*— An element of PDPM used to determine a resident's acuity to assign a resident to a case-mix group.**

* * * * *

***PDPM—Patient Driven Payment Model*—A case-mix classification system for classifying nursing facility residents into payment groups based on their characteristics and clinical needs. The system includes five case-mix adjusted components: Physical Therapy, Occupational Therapy, Speech Language Pathology, Nursing, and Non-Therapy Ancillary.**

* * * * *

[*RUG-III—Resource Utilization Group, Version III*—A category-based resident classification system used to classify nursing facility residents into groups based on their characteristics and clinical needs.]

* * * * *

Subchapter D. DATA REQUIREMENTS FOR NURSING FACILITY APPLICANTS AND RESIDENTS

* * * * *

§ 1187.33. Resident data and picture date reporting requirements.

* * * * *

(b) Failure to comply with the submission of resident assessment data.

(1) If a valid assessment is not received within the acceptable time frame for an individual resident, the resident will be assigned the lowest individual **[RUG-III]** **PDPM** CMI value for the computation of the facility MA CMI and the highest **[RUG-III]** **PDPM** CMI value for the computation of the total facility CMI.

(2) If an error on a classifiable data element on a resident assessment is not corrected by the nursing facility within the specified time frame, the assumed answer for purposes of CMI computations will be ‘‘no/not present.’’

(3) If a valid CMI report is not received in the time frame outlined in subsection (a)(5), the facility will be assigned the lowest individual **[RUG-III]** **PDPM** CMI value for the computation of the facility MA CMI and the highest **[RUG-III]** **PDPM** CMI value for the computation of the total facility CMI.

* * * * *

Subchapter G. RATE SETTING

* * * * *

§ 1187.92. Resident classification system.

(a) The Department will use the **[RUG-III to adjust payment for resident care services based on the classification of nursing facility residents into 44 groups]** **PDPM Nursing Component to adjust payment for resident care services based on the case-mix classification of nursing facility residents.**

(b) Each resident shall be included in the **[RUG-III category with the highest numeric CMI for which the resident qualifies]** **PDPM Nursing Component and assigned into the first case-mix group for which the resident meets the criteria. Each resident will qualify for only one case-mix group.**

(c) [The Department will use the RUG-III nursing CMI scores normalized across all this Commonwealth's nursing facility residents.] **Reserved.**

(d) The Department will announce, by notice submitted for recommended publication in the *Pennsylvania Bulletin* and suggested codification in the *Pennsylvania Code* as Appendix **[A, the RUG-III nursing CMI scores, and the PA normalized RUG-III index scores]** **D, the PDPM Nursing Component case-mix group and PDPM CMI scores.**

(e) The [PA normalized RUG-III index] **PDPM CMI** scores will remain in effect until a subsequent notice is published in the *Pennsylvania Bulletin***.**

(f) Resident data for **[RUG-III]** **PDPM Nursing Component** classification purposes shall be reported by each nursing facility under § 1187.33 (relating to resident data reporting requirements).

§ 1187.93. CMI calculations.

The Pennsylvania Case-Mix Payment System uses the following CMI calculations:

(1) An individual resident's CMI shall be assigned to the resident according to the **[RUG-III] PDPM Nursing Component** classification system.

* * * * *

(4) Picture dates that are used for rate setting beginning **[July 1, 2010, and thereafter will be calculated based on the RUG versions and CMIs set forth in Appendix A] April 1, 2026, and thereafter will be calculated based on the PDPM CMIs in Appendix D.**

* * * * *

§ 1187.96. Price- and rate-setting computations.

(a) Using the NIS database in accordance with this subsection and § 1187.91 (relating to database), the Department will set prices for the resident care cost category.

* * * * *

(3) [For rate years 2006-2007, 2007-2008, 2009-2010, 2010-2011 and 2011-2012, the median used to set the resident care price will be the phase-out median as determined in accordance with § 1187.98 (relating to phase-out median determination).] Reserved.

(4) The median of each peer group will be multiplied by 1.17, and the resultant peer group price assigned to each nursing facility in the peer group.

(5) The price derived in paragraph (4) for each nursing facility will be limited by § 1187.107 (relating to limitations on resident care and other resident related cost centers) and the amount will be multiplied each quarter by the respective nursing facility MA CMI to determine the nursing facility resident care rate. The MA CMI picture date data used in the rate determination

are as follows: July 1 rate—February 1 picture date; October 1 rate—May 1 picture date; January 1 rate—August 1 picture date; and April 1 rate—November 1 picture date.

(6) [For rate years 2010-2011, 2011-2012 and 2012-2013, unless the nursing facility is a new nursing facility, the resident care rate used to establish the nursing facility's case-mix per diem rate will be a blended resident care rate.

(i) The nursing facility's blended resident care rate for the 2010-2011 rate year will equal 75% of the nursing facility's 5.01 resident care rate calculated in accordance with subparagraph (iv) plus 25% of the nursing facility's 5.12 resident care rate calculated in accordance with subparagraph (iv).

(ii) The nursing facility's blended resident care rate for the 2011-2012 rate year will equal 50% of the nursing facility's 5.01 resident care rate calculated in accordance with subparagraph (v) and 50% of the nursing facility's 5.12 resident care rate calculated in accordance with subparagraph (v).

(iii) The nursing facility's blended resident care rate for the 2012-2013 rate year will equal 25% of the nursing facility's 5.01 resident care rate calculated in accordance with subparagraph (v) and 75% of the nursing facility's 5.12 resident care rate calculated in accordance with subparagraph (v).

(iv) For the rate year 2010-2011, each nursing facility's blended resident care rate will be determined based on the following calculations:

(A) For the first quarter of the rate year (July 1, 2010—September 30, 2010), the Department will calculate each nursing facility's blended resident care rate as follows:

(I) The Department will calculate a 5.12 resident care rate for each nursing facility in accordance with paragraphs (1)—(5). The CMI values the Department will use to

determine each nursing facility's total facility CMIs and facility MA CMI, computed in accordance with § 1187.93 (relating to CMI calculations), will be the RUG-III version 5.12 44 group values as set forth in Appendix A. The resident assessment that will be used for each resident will be the most recent classifiable resident assessment of any type.

(II) The Department will calculate a 5.01 resident care rate for each nursing facility in accordance with paragraphs (1)—(5). The CMI values the Department will use to determine each nursing facility's total facility CMIs and facility MA CMI, computed in accordance with § 1187.93, will be the RUG-III version 5.01 44-group values as set forth in Appendix A. The resident assessment that will be used for each resident will be the most recent comprehensive resident assessment.

(III) The nursing facility's blended resident care rate for the quarter beginning July 1, 2010, and ending September 30, 2010, will be the sum of the nursing facility's 5.01 resident care rate multiplied by 0.75 and the nursing facility's 5.12 resident care rate multiplied by 0.25.

(B) For the remaining 3 quarters of the 2010-2011 rate year (October 1 through December 31; January 1 through March 31; April 1 through June 30), the Department will calculate each nursing facility's blended resident care rate as follows:

(I) The Department will calculate a quarterly adjusted 5.12 resident care rate for each nursing facility in accordance with paragraph (5). The CMI values used to determine each nursing facility's MA CMI, computed in accordance with § 1187.93, will be the RUG-III version 5.12 44 group values as set forth in Appendix A. The resident assessment that will be used for each resident will be the most recent classifiable resident assessment of any type.

(II) The Department will calculate a quarterly adjusted 5.01 resident care rate for each nursing facility by multiplying the nursing facility's prior quarter 5.01 resident care rate by the percentage change between the nursing facility's current quarter 5.12 resident care rate and the nursing facility's previous quarter 5.12 resident care rate. The percentage change will be determined by dividing the nursing facility's current quarter 5.12 resident care rate by the nursing facility's previous quarter 5.12 resident care rate.

(III) The nursing facility's blended resident care rate for the 3 remaining quarters of the rate year will be the sum of the nursing facility's quarterly adjusted 5.01 resident care rate multiplied by 0.75 and the nursing facility's quarterly adjusted 5.12 resident care rate multiplied by 0.25.

(v) For rate years 2011-2012 and 2012-2013, each nursing facility's blended resident care rate will be determined based on the following calculations:

(A) For the first quarter of each rate year (July 1—September 30), the Department will calculate each nursing facility's blended resident care rate as follows:

(I) The Department will calculate a 5.12 resident care rate for each nursing facility in accordance with paragraphs (1)—(5). The CMI values used to determine each nursing facility's total facility CMIs and facility MA CMI, computed in accordance with § 1187.93, will be the RUG-III version 5.12 44 group values as set forth in Appendix A. The resident assessment that will be used for each resident will be the most recent classifiable resident assessment of any type.

(II) The Department will calculate a 5.01 resident care rate for each nursing facility by multiplying the nursing facility's prior April 1st quarter 5.01 resident care rate by the percentage change between the nursing facility's current 5.12 resident care rate and the

nursing facility's prior April 1st quarter 5.12 resident care rate. The percentage change will be determined by dividing the nursing facility's current 5.12 resident care by the nursing facility's April 1st quarter 5.12 resident care rate.

(III) The nursing facility's blended resident care rate for the quarter beginning July 1, 2011, and ending September 30, 2011, will be the sum of the nursing facility's 5.01 resident care rate multiplied by 0.50 and the nursing facility's 5.12 resident care rate multiplied by 0.50.

(IV) The nursing facility's blended resident care rate for the quarter beginning July 1, 2012, and ending September 30, 2012, will be the sum of the nursing facility's 5.01 resident care rate multiplied by 0.25 and the nursing facility's 5.12 resident care rate multiplied by 0.75.

(B) For the remaining 3 quarters of each rate year (October 1 through December 31; January 1 through March 31; April 1 through June 30), the Department will calculate each nursing facility's blended resident care rate as follows:

(I) The Department will calculate a quarterly adjusted 5.12 resident care rate for each nursing facility in accordance with paragraph (5). The CMI values used to determine each nursing facility's MA CMI, computed in accordance with § 1187.93, will be the RUG-III version 5.12 44 group values as set forth in Appendix A. The resident assessment that will be used for each resident will be the most recent classifiable resident assessment of any type.

(II) The Department will calculate a quarterly adjusted 5.01 resident care rate for each nursing facility by multiplying the nursing facility's prior quarter 5.01 resident care rate by the percentage change between the nursing facility's current quarter 5.12 resident

care rate and the nursing facility's previous quarter 5.12 resident care rate. The percentage change will be determined by dividing the nursing facility's current quarter 5.12 resident care rate by the nursing facility's previous quarter 5.12 resident care rate.

(III) For the remaining 3 quarters of rate year 2011-2012 (October 1 through December 31; January 1 through March 31; April 1 through June 30), each nursing facility's blended resident care rate will be the sum of the nursing facility's quarterly adjusted 5.01 resident care rate multiplied by 0.50 and the nursing facility's quarterly adjusted 5.12 resident care rate multiplied by 0.50.

(IV) For the remaining 3 quarters of rate year 2012-2013 (October 1 through December 31; January 1 through March 31; April 1 through June 30), each nursing facility's blended resident care rate will be the sum of the nursing facility's quarterly adjusted 5.01 resident care rate multiplied by 0.25 and the facility's quarterly adjusted 5.12 resident care rate multiplied by 0.75.] **Reserved.**

(7) **[Beginning with rate year 2013-2014, and thereafter, the Department will calculate each nursing facility's resident care rate in accordance with paragraphs (1)—(5). The CMI values used to determine each nursing facility's total facility CMIs and facility MA CMI, computed in accordance with § 1187.93, will be the RUG-III version 5.12 44 group values as set forth in Appendix A.]** **Beginning with the fourth quarter of rate year 2025-2026, and thereafter, the Department will calculate each nursing facility's resident care rate in accordance with the PDPM. The CMI values used to determine each nursing facility's total facility CMI and facility MA CMI, computed in accordance with § 1187.93 (relating to CMI calculations), will be the PDPM Nursing Component case-mix group values as set**

forth in Appendix D. The resident assessment that will be used for each resident will be the most recent classifiable resident assessment of any type.

(b) Using the NIS database in accordance with this subsection and § 1187.91, the Department will set prices for the other resident related cost category.

* * * * *

(2) The average other resident related cost per diem for each nursing facility will be arrayed within the respective peer groups and a median determined for each peer group.

(3) [For rate years 2006-2007, 2007-2008, 2009-2010, 2010-2011 and 2011-2012, the median used to set the other resident related price will be the phase-out median as determined in accordance with § 1187.98.] Reserved.

(4) The median of each peer group will be multiplied by 1.12, and the resultant peer group price assigned to each nursing facility in the peer group. This price for each nursing facility will be limited by § 1187.107 to determine the nursing facility other resident related rate.

(c) Using the NIS database in accordance with this subsection and § 1187.91, the Department will set prices for the administrative cost category.

* * * * *

(2) The average administrative cost per diem for each nursing facility will be arrayed within the respective peer groups and a median determined for each peer group.

(3) [For rate years 2006-2007, 2007-2008, 2009-2010, 2010-2011 and 2011-2012, the median used to set the administrative price will be the phase-out median as determined in accordance with § 1187.98.] Reserved.

* * * * *

(e) The following applies to the computation of nursing facilities' per diem rates:

(1) The nursing facility per diem rate will be computed by adding the resident care rate, the other resident related rate, the administrative rate and the capital rate for the nursing facility.

(2) [For each quarter of the 2006-2007 and 2007-2008 rate-setting years, the nursing facility per diem rate will be computed as follows:

(i) ***Generally*****. If a nursing facility is not a new nursing facility or a nursing facility experiencing a change of ownership during the rate year, that nursing facility's resident care rate, other resident related rate, administrative rate and capital rate will be computed in accordance with subsections (a)—(d) and the nursing facility's per diem rate will be the sum of those rates multiplied by a budget adjustment factor determined in accordance with subparagraph (iv).**

(ii) ***New nursing facilities*****. If a nursing facility is a new nursing facility for purposes of § 1187.97(1) (relating to rates for new nursing facilities, nursing facilities with a change of ownership, reorganized nursing facilities and former prospective payment nursing facilities) that nursing facility's resident care rate, other resident related rate, administrative rate and capital rate will be computed in accordance with § 1187.97(1), and the nursing facility's per diem rate will be the sum of those rates multiplied by a budget adjustment factor determined in accordance with subparagraph (iv).**

(iii) ***Nursing facilities with a change of ownership and reorganized nursing facilities*****. If a nursing facility undergoes a change of ownership during the rate year, that nursing facility's resident care rate, other resident related rate, administrative rate and capital rate**

will be computed in accordance with § 1187.97(2), and the nursing facility's per diem rate will be the sum of those rates multiplied by a budget adjustment factor determined in accordance with subparagraph (iv).

(iv) *Budget adjustment factor*. The budget adjustment factor for the rate year will be determined in accordance with the formula set forth in the Commonwealth's approved State Plan.] **Reserved**

(3) [For rate years 2010-2011, 2011-2012 and 2012-2013, unless the nursing facility is a new nursing facility, the nursing facility per diem rate will be computed by adding the blended resident care rate, the other resident related rate, the administrative rate and the capital rate for the nursing facility.] **Reserved.**

§ 1187.97. Rates for new nursing facilities, nursing facilities with a change of ownership, reorganized nursing facilities and former prospective payment nursing facilities.

The Department will establish rates for new nursing facilities, nursing facilities with a change of ownership, reorganized nursing facilities and former prospective payment nursing facilities as follows:

(1) New nursing facilities.

(i) The net operating portion of the case-mix rate is determined as follows:

(A) A new nursing facility will be assigned the Statewide average MA CMI until assessment data submitted by the nursing facility under § 1187.33 (relating to resident data and picture date reporting requirements) is used in a rate determination under § 1187.96(a)(5) (relating to price- and rate-setting computations). Beginning, **[July 1, 2010]** **April 1, 2026**, the Statewide average MA CMI assigned to a new nursing facility will be calculated using the

[RUG-III version 5.12 44 group values in Appendix A] **PDPM Nursing Component case-mix group values in Appendix D** and the most recent classifiable assessments of any type. When a new nursing facility has submitted assessment data under § 1187.33, the CMI values used to determine the new nursing facility's total facility CMIs and MA CMI will be the **[RUG-III version 5.12 44]** **PDPM Nursing Component case-mix** group values and the resident assessment that will be used for each resident will be the most recent classifiable assessment of any type.

(B) The nursing facility will be assigned to the appropriate peer group. The peer group price for resident care, other resident related, and administrative costs will be assigned to the nursing facility until there is at least one audited nursing facility cost report used in the rebasing process. Beginning **[July 1, 2010]** **July 1, 2026**, a new nursing facility will be assigned the peer group price for resident care that will be calculated using the **[RUG-III version 5.12 44 group values in Appendix A]** **PDPM Nursing Component case-mix group values in Appendix D** and the most recent classifiable assessments of any type.

* * * * *

§ 1187.98. **[Phase-out median determination.]** **Reserved.**

[(a) For rate years 2006-2007 and 2007-2008, the Department will determine a phase-out median for each net operating cost center for each peer group to calculate a peer group price. The Department will establish the phase-out median as follows:

(1) Peer groups will be established in accordance with §§ 1187.91 and 1187.94 (relating to database; and peer grouping for price setting).

(2) County nursing facilities will be included when determining the number of nursing facilities in a peer group in accordance with § 1187.94(1)(iv).

(3) Audited county nursing facilities' costs from the 3 most recent audited cost reports audited in accordance with this chapter, will be included in the established peer groups when determining a median in accordance with § 1187.96 (relating to price- and rate-setting computations).

(b) For rate years, 2009-2010, 2010-2011 and 2011-2012, the Department will determine a phase-out median for each net operating cost center for each peer group to calculate a peer group price. The Department will establish the phase-out median as follows:

(1) The Department will establish an interim phase out median for the rate year as specified in subsection (a).

(2) The phase-out median for the 2009-2010 rate year will equal 75% of the interim median calculated in accordance with paragraph (1) plus 25% of the median calculated in accordance with § 1187.96.

(3) The phase-out median for the 2010-2011 rate year will equal 50% of the interim median calculated in accordance with paragraph (1) plus 50% of the median calculated in accordance with § 1187.96.

(4) The phase-out median for the 2011-2012 rate year will equal 25% of the interim median calculated in accordance with paragraph (1) plus 75% of the median calculated in accordance with § 1187.96.

(c) For the rate year, 2012-2013 and thereafter, county nursing facility MA allowable costs will not be used in the rate-setting process for nonpublic nursing facilities.]

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Subchapter L. NURSING FACILITY PARTICIPATION REQUIREMENTS AND REVIEW PROCESS

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BED REQUESTS

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APPENDIX A Reserved.

[Resource Utilization Group Index Scores for Case-Mix Adjustment in the Nursing Facility Reimbursement System

The following chart is a listing by group of the RUG-III index scores that the Department will use to set each nursing facility's 5.01 resident care rate for the quarter beginning July 1, 2010, and ending September 30, 2010, as set forth in § 1187.96 (relating to price- and rate-setting computations). The table has one column that is the RUG-III nursing CMI scores and a second column that is the RUG-III PA normalized index scores.

RUG-III VERSION 5.01 INDEX SCORES

RUG-III Group	*RUG-III Nursing CMI*	*RUG-III PA Normalized Index*
RLA	**1.14**	**1.13**
RLB	**1.36**	**1.35**
RMA	**1.25**	**1.24**
RMB	**1.38**	**1.37**
RMC	**2.09**	**2.07**
RHA	**1.06**	**1.05**
RHB	**1.31**	**1.30**

RHC	**1.50**	**1.49**
RHD	**1.93**	**1.91**
RVA	**0.82**	**0.81**
RVB	**1.18**	**1.17**
RVC	**1.79**	**1.77**
SE1	**1.78**	**1.76**
SE2	**2.65**	**2.62**
SE3	**3.97**	**3.93**
SSA	**1.28**	**1.27**
SSB	**1.47**	**1.46**
SSC	**1.61**	**1.59**
CA1	**0.67**	**0.66**
CA2	**0.76**	**0.75**
CB1	**0.94**	**0.93**
CB2	**1.08**	**1.07**
CC1	**1.16**	**1.15**
CC2	**1.19**	**1.18**
CD1	**1.37**	**1.36**
CD2	**1.46**	**1.45**
IA1	**0.49**	**0.49**
IA2	**0.60**	**0.59**
IB1	**0.80**	**0.79**

IB2	**0.88**	**0.87**
BA1	**0.41**	**0.41**
BA2	**0.58**	**0.57**
BB1	**0.78**	**0.77**
BB2	**0.87**	**0.86**
PA1	**0.39**	**0.39**
PA2	**0.52**	**0.51**
PB1	**0.66**	**0.65**
PB2	**0.68**	**0.67**
PC1	**0.77**	**0.76**
PC2	**0.86**	**0.85**
PD1	**1.00**	**0.99**
PD2	**1.01**	**1.00**
PE1	**1.13**	**1.12**
PE2	**1.19**	**1.18**

The following chart is a listing by group of the RUG-III index scores that the Department will use to set each nursing facility's 5.12 resident care rate for rate years 2010-2011, 2011-2012 and 2012-2013 and each nursing facility's resident care rate beginning with rate year 2013-2014, and thereafter, as set forth in § 1187.96. The table has one column that is the RUG-III nursing CMI scores and a second column that is the RUG-III PA normalized index scores.

RUG-III VERSION 5.12 INDEX SCORES

RUG-III 44 Grouper	*RUG-III Nursing Only CMIs*	*RUG-III PA Normalized Index*
RLA	**0.87**	**0.82**
RLB	**1.22**	**1.15**
RMA	**1.06**	**1.00**
RMB	**1.20**	**1.13**
RMC	**1.48**	**1.39**
RHA	**0.96**	**0.90**
RHB	**1.16**	**1.09**
RHC	**1.30**	**1.22**
RVA	**0.89**	**0.84**
RVB	**1.14**	**1.07**
RVC	**1.24**	**1.16**
RUA	**0.85**	**0.80**
RUB	**1.05**	**0.99**
RUC	**1.43**	**1.34**
SE1	**1.28**	**1.20**
SE2	**1.52**	**1.43**
SE3	**1.86**	**1.75**

SSA	**1.11**	**1.04**
SSB	**1.15**	**1.08**
SSC	**1.24**	**1.16**
CA1	**0.82**	**0.77**
CA2	**0.91**	**0.85**
CB1	**0.92**	**0.86**
CB2	**1.00**	**0.94**
CC1	**1.08**	**1.01**
CC2	**1.23**	**1.15**
IA1	**0.58**	**0.54**
IA2	**0.63**	**0.59**
IB1	**0.73**	**0.69**
IB2	**0.76**	**0.71**
BA1	**0.52**	**0.49**
BA2	**0.61**	**0.57**
BB1	**0.71**	**0.67**
BB2	**0.75**	**0.70**
PA1	**0.51**	**0.48**
PA2	**0.53**	**0.50**
PB1	**0.55**	**0.52**
PB2	**0.56**	**0.53**
PC1	**0.70**	**0.66**

PC2	**0.72**	**0.68**
PD1	**0.73**	**0.69**
PD2	**0.78**	**0.73**
PE1	**0.84**	**0.79**
PE2	**0.86**	**0.81]**

* * * * *

APPENDIX D

PATIENT DRIVEN PAYMENT MODEL FOR CASE-MIX ADJUSTED NURSING CATEGORIES IN THE NURSING FACILITY REIMBURSEMENT SYSTEM

The following chart is a listing by group of the PDPM CMI scores that the Department will use to set each nursing facility's PDPM resident care rate.

PDPM Nursing Component: Case-Mix Group and CMI Scores

PDPM Nursing Component Case-Mix Group	*PDPM Case-Mix Index Scores*
ES3	**3.95**
ES2	**2.99**
ES1	**2.85**
HDE2	**2.33**
HDE1	**1.94**

HBC2	**2.18**
HBC1	**1.81**
LDE2	**2.02**
LDE1	**1.68**
LBC2	**1.67**
LBC1	**1.39**
CDE2	**1.82**
CDE1	**1.58**
CBC2	**1.51**
CA2	**1.06**
CBC1	**1.30**
CA1	**0.91**
BAB2	**1.01**
BAB1	**0.96**
PDE2	**1.53**
PDE1	**1.43**
PBC2	**1.19**
PA2	**0.69**
PBC1	**1.10**
PA1	**0.64**

* * * * *

CHAPTER 1189. COUNTY NURSING FACILITY SERVICES

* * * * *

Subchapter E. PAYMENT CONDITIONS, LIMITATIONS AND ADJUSTMENTS

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§ 1189.105. Incentive payments.

* * * * *

(b) Pay for performance incentive payment. The Department will establish pay for performance measures that will qualify a county nursing facility for additional incentive payments in accordance with the formula and qualifying criteria in the Commonwealth's approved State Plan. For pay for performance payment periods beginning on or after July 1, 2010, in determining whether a county nursing facility qualifies for a quarterly pay for performance incentive, the facility's MA CMI for a picture date will equal the arithmetic mean of the individual CMIs for MA residents identified in the facility's CMI report for the picture date. An MA resident's CMI will be calculated using the **[RUG-III version 5.12 44 group values in Chapter 1187, Appendix A (relating to resource utilization group index scores for case-mix adjustment in the nursing facility reimbursement system)]** **PDPM Nursing Component case-mix group values in Chapter 1187, Appendix D (relating to patient driven payment model for case-mix adjusted nursing categories in the nursing facility reimbursement system)** and the most recent classifiable assessment of any type for the resident.

* * * * *

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES

September 25, 2024

Mr. David Sumner, Executive Director
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, Pennsylvania 17101

Dear Executive Director Sumner:

Enclosed is a proposed regulation that will amend a data element in the Department's case-mix payment system for nonpublic and county nursing facilities to utilize the Patient Driven Payment Model (PDPM) in place of the Resource Utilization Groups, Version III (RUG-III) classification system in setting Medical Assistance (MA) payment rates for nursing facilities.

Currently, the case-mix rate setting methodology for nonpublic and county nursing facilities uses RUG-III. RUG-III is a category-based resident classification system used to classify nursing facility residents into groups based on their characteristics and clinical needs. The federal Centers for Medicare & Medicaid Services (CMS) is ending support for RUG-III; therefore, the Department must update its regulations for continued payment. PDPM is a CMS-supported rate setting methodology that classifies skilled nursing facility residents into case-mix categories based on clinical characteristics, resident assessments, resident diagnosis, and predicted resources needed to care for a resident during their stay.

This proposed regulation, which amends the ***Pennsylvania Code***, Title 55, amends Chapters 1187 (relating to nursing facility services) and 1189 (relating to county nursing facility services) and is submitted for review by your commission pursuant to the Regulatory Review Act.

The Department of Human Services will provide any assistance required to facilitate a thorough review of this proposal.

Sincerely,

Valerie A. Arkoosh, MD, MPH
Secretary

Enclosure

From:	Annmarie Robey
To:	Curley, Maeve
Cc:	Whare, Jennifer (GC); Dietrich, Dawn; Kranz, Hannah; Duckett, Danielle A.; Serafin, Kenneth; Madden, Victoria
Subject:	Re: [EXTERNAL]: Reg. No 14-556 - PDPM (Proposed Rulemaking)
Date:	Wednesday, September 25, 2024 9:15:00 AM

The rulemaking was received. Annmarie

Get Outlook for Android

From: Curley, Maeve <macurley@pa.gov>
Sent: Wednesday, September 25, 2024 9:00:18 AM
To: Annmarie Robey <Arobey@pahousegop.com>
Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Dietrich, Dawn <dadietrich@pa.gov>; Kranz, Hannah <hkranz@pa.gov>; Duckett, Danielle A. <dduckett@pa.gov>; Serafin, Kenneth <kserafin@pa.gov>; Madden, Victoria <vmadden@pa.gov>
Subject: [EXTERNAL]: Reg. No 14-556 - PDPM (Proposed Rulemaking)

Good morning,

DHS is submitting Reg. No. 14-556, Transition to Patient-Driven Payment Model (PDPM) (Proposed Rulemaking) to the Senate Health and Human Services Committee and the House Human Services Committee.

Please provide written (email) confirmation that this rulemaking was received by the Committee chair's office.

Best,
Maeve

Maeve Curley | Regulatory Coordinator
Pennsylvania Department of Human Services | Office of Policy Development
Phone: 717.265.8039 | Mobile: 445.895.5882| macurley@pa.gov
https://www.dhs.pa.gov
Pronouns: She/Her

From:	Bulletin
To:	Curley, Maeve
Cc:	Whare, Jennifer (GC); Dietrich, Dawn; Kranz, Hannah; Duckett, Danielle A.; Serafin, Kenneth; Madden, Victoria; Adeline E. Gaydosh; Alyssa M. Burns
Subject:	[External] Re: Reg. No 14-556 - PDPM (Proposed Rulemaking)
Date:	Wednesday, September 25, 2024 9:24:53 AM

Good morning, Maeve,

Thank you for sending this proposed rulemaking. It is scheduled for publication in the 10/12 issue of the *Pennsylvania Bulletin.*

Have a terrific day!
Adeline

Adeline Gaydosh | Legal Assistant
agaydosh@palrb.us | 717.783.3984
Legislative Reference Bureau
Pennsylvania Code & Bulletin Office
647 Main Capitol Building
Harrisburg, PA 17120

From: Curley, Maeve <macurley@pa.gov>
Sent: Wednesday, September 25, 2024 9:04 AM
To: Bulletin <bulletin@palrb.us>
Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Dietrich, Dawn <dadietrich@pa.gov>; Kranz, Hannah <hkranz@pa.gov>; Duckett, Danielle A. <dduckett@pa.gov>; Serafin, Kenneth <kserafin@pa.gov>; Madden, Victoria <vmadden@pa.gov>
Subject: Reg. No 14-556 - PDPM (Proposed Rulemaking)

Good morning,

DHS is submitting Reg. No. 14-556, Transition to Patient-Driven Payment Model (PDPM) (Proposed Rulemaking) to the Legislative Reference Bureau.

Please provide written (email) confirmation that this rulemaking was received by the Committee chair's office.

Best,
Maeve

Maeve Curley | Regulatory Coordinator
Pennsylvania Department of Human Services | Office of Policy Development
Phone: 717.265.8039 | Mobile: 445.895.5882| macurley@pa.gov
https://www.dhs.pa.gov
Pronouns: She/Her

RECEIVED

Independent Regulatory
Review Commission

September 25, 2024

From:	Wright, Imogen L.
To:	Curley, Maeve
Cc:	Whare, Jennifer (GC); Dietrich, Dawn; Kranz, Hannah; Duckett, Danielle A.; Serafin, Kenneth; Madden, Victoria
Subject:	RE: Reg. No 14-556 - PDPM (Proposed Rulemaking)
Date:	Wednesday, September 25, 2024 9:30:10 AM

Good morning,

This is my confirmation that I have received the regulations.

Thank you,
Imogen

Imogen Wright | Executive Director
House Human Services Committee (D)
303 Irvis Office Building, Harrisburg PA
Office: (717) 705-1925 |Cell: (717) 317-2197
iwright@pahouse.net

From: Curley, Maeve <macurley@pa.gov>
Sent: Wednesday, September 25, 2024 9:01 AM
To: Wright, Imogen L. <IWright@pahouse.net>
Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Dietrich, Dawn <dadietrich@pa.gov>; Kranz, Hannah <hkranz@pa.gov>; Duckett, Danielle A. <dduckett@pa.gov>; Serafin, Kenneth <kserafin@pa.gov>; Madden, Victoria <vmadden@pa.gov>
Subject: Reg. No 14-556 - PDPM (Proposed Rulemaking)
Importance: High

Good morning,

DHS is submitting Reg. No. 14-556, Transition to Patient-Driven Payment Model (PDPM) (Proposed Rulemaking) to the Senate Health and Human Services Committee and the House Human Services Committee.

Please provide written (email) confirmation that this rulemaking was received by the Committee chair's office.

Best,
Maeve

Maeve Curley | Regulatory Coordinator
Pennsylvania Department of Human Services | Office of Policy Development
Phone: 717.265.8039 | Mobile: 445.895.5882| macurley@pa.gov
https://www.dhs.pa.gov
Pronouns: She/Her

From: Burnett, David
To: Curley, Maeve
Cc: Whare, Jennifer (GC); Dietrich, Dawn; Kranz, Hannah; Duckett, Danielle A.; Serafin, Kenneth; Madden, Victoria
Subject: RE: Reg. No 14-556 - PDPM (Proposed Rulemaking)
Date: Wednesday, September 25, 2024 9:05:39 AM

Good morning,

I am confirming receipt on behalf of Chairwoman Brooks' office.

Best regards,
-David

David Burnett
Counsel and Executive Director
Senate Health & Human Services Committee
Harrisburg, PA 17120

From: Curley, Maeve <macurley@pa.gov>
Sent: Wednesday, September 25, 2024 9:01 AM
To: Burnett, David <dburnett@pasen.gov>
Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Dietrich, Dawn <dadietrich@pa.gov>; Kranz, Hannah <hkranz@pa.gov>; Duckett, Danielle A. <dduckett@pa.gov>; Serafin, Kenneth <kserafin@pa.gov>; Madden, Victoria <vmadden@pa.gov>
Subject: Reg. No 14-556 - PDPM (Proposed Rulemaking)
Importance: High

Good morning,

DHS is submitting Reg. No. 14-556, Transition to Patient-Driven Payment Model (PDPM) (Proposed Rulemaking) to the Senate Health and Human Services Committee and the House Human Services Committee.

Please provide written (email) confirmation that this rulemaking was received by the Committee chair's office.

Best,
Maeve

Maeve Curley | Regulatory Coordinator
Pennsylvania Department of Human Services | Office of Policy Development
Phone: 717.265.8039 | Mobile: 445.895.5882| macurley@pa.gov
https://www.dhs.pa.gov
Pronouns: She/Her

From:	Freeman, Clarissa
To:	Curley, Maeve
Cc:	Whare, Jennifer (GC); Dietrich, Dawn; Kranz, Hannah; Duckett, Danielle A.; Serafin, Kenneth; Madden, Victoria
Subject:	RE: Reg. No 14-556 - PDPM (Proposed Rulemaking)
Date:	Wednesday, September 25, 2024 9:02:14 AM

Received.

Thank you,

Clarissa L. Freeman, Esq.
Legal Counsel | Senate Democratic Caucus
Executive Director-Health and Human Services Committee
Office of the Democratic Leader
Room 535 MCB
Harrisburg, PA 17120-3043
717-783-1220

From: Curley, Maeve <macurley@pa.gov>
Sent: Wednesday, September 25, 2024 9:00 AM
To: Freeman, Clarissa <Clarissa.Freeman@pasenate.com>
Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Dietrich, Dawn <dadietrich@pa.gov>; Kranz, Hannah <hkranz@pa.gov>; Duckett, Danielle A. <dduckett@pa.gov>; Serafin, Kenneth <kserafin@pa.gov>; Madden, Victoria <vmadden@pa.gov>
Subject: Reg. No 14-556 - PDPM (Proposed Rulemaking)
Importance: High

Good morning,

DHS is submitting Reg. No. 14-556, Transition to Patient-Driven Payment Model (PDPM) (Proposed Rulemaking) to the Senate Health and Human Services Committee and the House Human Services Committee.

Please provide written (email) confirmation that this rulemaking was received by the Committee chair's office.

Best,
Maeve

Maeve Curley | Regulatory Coordinator
Pennsylvania Department of Human Services | Office of Policy Development
Phone: 717.265.8039 | Mobile: 445.895.5882| macurley@pa.gov
https://www.dhs.pa.gov
Pronouns: She/Her