

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 113

Session of
1985

INTRODUCED BY IRVIS, MORRIS, ARTY, FEE, PISTELLA, DURHAM,
J. L. WRIGHT, BARBER, DAWIDA, LASHINGER, JOSEPHS, KUKOVICH,
STABACK, DIETZ, HALUSKA, OLIVER, LIVENGOOD, RUDY, KASUNIC,
STUBAN, GODSHALL, E. Z. TAYLOR, BLAUM, HARPER, MARKOSEK,
BELFANTI, PRATT, COHEN, STEIGHNER, SWEET, JAROLIN, LINTON,
TIGUE, HERSHEY, GAMBLE, FATTAH, DeLUCA, SHOWERS, PRESSMANN,
AFFLERBACH, MAIALE, HOWLETT, JOHNSON, FOX, DISTLER, RYBAK,
HAGARTY, McCALL, LAUGHLIN, VEON, ACOSTA, BOYES, FARGO, ITKIN
AND RICHARDSON, MAY 14, 1985

AS AMENDED, HOUSE OF REPRESENTATIVES, JUNE 5, 1985,

A RESOLUTION

1 Directing the ~~Speaker of the House of Representatives to appoint~~ <—
2 ~~a special select committee~~ HEALTH AND WELFARE COMMITTEE to <—
3 investigate all aspects of recent regulations adopted by the
4 State Department of Public Welfare in relation to the
5 reimbursement for both public and private nursing homes.

6 WHEREAS, Since October of 1978, there have been at least six
7 regulatory changes which have acted to link medical assistance
8 reimbursement for net operating costs to nursing homes; and

9 WHEREAS, On January 8, 1983, the Commonwealth of Pennsylvania
10 changed the definition of skilled nursing care ostensibly to
11 comply with Federal regulations, and as a result, numerous
12 patients of nursing homes throughout the State were decertified
13 for the skilled nursing level of care and certified for the
14 lower intermediate level of care; and

15 WHEREAS, As the result of this regulation, patients continued
16 to receive the same medical services that they had received

1 prior to decertification, but with less reimbursement to nursing
2 homes per patient per day; and

3 WHEREAS, The Department of Public Welfare has made less than
4 adequate adjustments for patient care in medicaid reimbursements
5 since October 1978, when the current cost-related reimbursement
6 system was implemented; and

7 WHEREAS, The Department of Public Welfare recently decided to
8 use the median per diem of net operating costs as a statistical
9 measure for determining the reimbursement ceilings, which
10 results in one-half of the facilities receiving full
11 reimbursement for their allowable costs while the other one-half
12 does not, irrespective of whether any or all of these facilities
13 are operating economically and efficiently; and

14 WHEREAS, Prior to 1982, the Department of Public Welfare used
15 a weighted average to calculate the ceiling, which, according to
16 various interpretations, was a fair and more reasonable
17 methodology of establishing a reimbursement ceiling; and

18 WHEREAS, In 1977 the Department of Public Welfare promulgated
19 limitations on reimbursement for depreciation and interest for
20 building and equipment expenses at \$22,000 per bed; and

21 WHEREAS, These ceilings on capital-related expenditures that
22 were enacted in 1977, using 1976 data, have never been revised
23 despite the fact that inflation has risen significantly; and

24 WHEREAS, The capital-related ceilings have penalized various
25 public and private nursing homes that built modern long term
26 care facilities at the time when construction costs and interest
27 rates were very high; and

28 WHEREAS, Reimbursement may no longer be sufficient to sustain
29 normal operating costs that would assure the delivery of
30 adequate and necessary care; therefore be it

1 RESOLVED, That the ~~Speaker of the House of Representatives~~ <—
2 ~~appoint a select committee, five members to be from the majority~~
3 ~~party and four members to be from the minority party, to HEALTH~~ <—
4 AND WELFARE COMMITTEE investigate all of the above-mentioned
5 Department of Public Welfare regulations affecting nursing
6 homes, as well as any other applicable regulations or actions by
7 the State, to determine if legislative action should be taken to
8 adopt legislation to repeal these regulations; and be it further
9 RESOLVED, That the committee may hold hearings, take
10 testimony and make its investigations at such places as it deems
11 necessary in this Commonwealth. Each member of the committee
12 shall have power to administer oaths and affirmations to
13 witnesses appearing before the committee; and be it further
14 ~~RESOLVED, That the committee is authorized to hire such staff~~ <—
15 ~~and assistants as it deems necessary, and the fees and expenses~~
16 ~~incurred by the committee shall be paid from accounts under the~~
17 ~~control of the Chief Clerk, in an amount not to exceed \$50,000;~~
18 ~~and be it further~~
19 RESOLVED, That the committee shall make a preliminary report
20 of its findings to the House of Representatives by November 30,
21 1985, and shall make a final report by February 1, 1986.