



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
OFFICE OF MEDICAL ASSISTANCE PROGRAMS

LONG TERM CARE
NURSING HOME RATES

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HARRISBURG, PENNSYLVANIA 17105-2676

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March 9, 2005

Re: Pennsylvania Nursing Facility Assessment

Dear Administrator:

The Pennsylvania General Assembly authorized a monetary assessment on nursing facilities in Pennsylvania by amending the Public Welfare Code in September 2003. This legislation gave the Department the authority to implement a nursing facility assessment. On January 12, 2005, you were mailed a notice that the Centers for Medicare and Medicaid Services had approved the Pennsylvania (PA) Nursing Facility (NF) Assessment.

Since the January letter, the attached Public Notice was published on February 5, 2005. The Department has also continued to meet with representatives from the Pennsylvania Health Care Association (PHCA), Pennsylvania Non-Profit Healthcare Association (PANPHA), Pennsylvania Association of County Affiliated Homes (PACAH) and Hospital and Healthsystem Association of Pennsylvania (HAP) to discuss the assessment process.

The purpose of this follow-up letter is to provide nursing facility administrators with background information about the PA NF Assessment program authorized by the Pennsylvania General Assembly. Detailed instructions are also provided on the next steps you must take in anticipation of implementation of this program. While the assessment will not be implemented until after the final assessment notice is published, we do not anticipate changes in the process. Because we anticipate implementing the assessment immediately after the publication of the final notice we wanted to provide you with the necessary information to help prepare for the assessment.

Enclosed with this letter are several attachments. It is very important to read the attachments, complete the applicable forms and begin collecting your resident day data.

The enclosures include:

- Background Information

- Assessment Preparation Steps
- Public Notice
- Signature on File Form
- Continuing Care Retirement Community (CCRC) Listing
- Resident Day Data Submission Instructions
- Quarterly Assessment Payment Instructions by ACH Credit and
- Password and Connectivity Document (separately sealed envelope).

Please review these enclosures and take the actions identified in the “Assessment Preparation Steps” document to prepare for the implementation of the PA NF Assessment program. Particularly, the Signature on File Form should be completed and mailed as soon as possible to enable the Department to activate your submission password. The submission dates will be communicated in the final notice. However **we ask that you share the ACH Credit instructions with your banking institution and take steps to set up an ACH account since it may take some time to establish this payment method.**

This letter, with attachments, was mailed to individual nursing facilities. If your facility is part of a chain, you should forward this information to your corporate office for direction on the division of responsibilities for preparing for implementation of the assessment activities.

If you have general questions about the assessment program, please telephone (717) 787-1171. If you have questions concerning connection to the submission website or the submission of resident day data, call the Myers and Stauffer Helpdesk at (717) 541-5809.

Sincerely,

Joyce B. Haskins, CPA
Director

Enclosures

Pennsylvania Nursing Facility Assessment **Background Information**

On September 30, 2003, the Pennsylvania General Assembly authorized a monetary assessment on nursing facilities in Pennsylvania by amending the Public Welfare Code. The PA NF Assessment program is effective July 1, 2003, and will expire on July 1, 2007. The funds generated from the assessment will be used to draw additional Federal matching funds, and will permit the Department to maintain the current case-mix payment system, to reimburse the Medical Assistance (MA) allowable portion of the assessment costs and make a quarterly supplemental payment per MA day to qualified nursing facilities.

The Department submitted a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS) to provide for supplemental payments to qualified nursing facilities and applied for a waiver from CMS to implement the assessment program. While the Department sought approval of an assessment that only assessed MA facilities, CMS would not approve such a waiver. Consequently, the Department had to develop an assessment that provided the necessary revenue to avoid rate decreases but met CMS' requirements. After much discussion to minimize the negative impact, both the SPA and the waiver were approved by CMS on January 5, 2005. A Public Notice was published February 5, 2005, and a MA Bulletin will be published when the notice of assessment is published in the Pennsylvania bulletin as final.

Nursing facilities owned and operated by the Federal or state government, owned or operated or controlled by a county or county institution district or are a Veteran's Administration facility are exempt from the PA NF Assessment program. All other nursing facilities in Pennsylvania are subject to the provisions of the PA NF Assessment program, and are required to pay the Quarterly Assessment Payment.

The assessment will be calculated and paid quarterly, based on the number of resident days in the prior quarter (excluding Medicare Part A days) and an annual assessment rate per diem. Each year, the Secretary of Welfare will determine the assessment rate per diem for the year, subject to approval by the Governor. The attached Public Notice provides details on the formula approved by CMS for the first and second years (7/1/03 through 6/30/04 and 7/1/04 through 6/30/05) of the Assessment program.

Pennsylvania Nursing Facility Assessment
Preparation Steps

- Complete and mail the Signature on File Form** to the address listed on the form. The Signature on File of an original signature for each non-exempt nursing facility is required in order to activate your password for the www.PANFsubmit.com website. This signature serves as verification for each quarterly submission until such time as the facility indicates that the current signature is no longer valid and completes a subsequent Signature on file form and mails the subsequent form to the Department.

- Review the Continuing Care Retirement Community (CCRC) Listing** to determine if your nursing facility has been designated as a CCRC. A nursing facility's status of CCRC impacts the amount of assessment owed to the Commonwealth. The Department developed this list based on information from the Pennsylvania Insurance Department and Pennsylvania Department of Health. If you believe your facility is not properly designated, please provide us with documentation on the discrepancy. Such documentation should be mailed to the Division of Nursing Home Rates, P. O. Box 2675, Harrisburg, Pennsylvania 17105.

- Follow the Resident Day Data Submission Instructions.** After you have completed the Signature on File form and mailed the form to the Department and after the final assessment notice is published, the www.PANFsubmit.com website will be available for you to report your resident day data. More detailed instructions may be found in the draft PA NF Assessment and Quarterly Resident Day Reporting Form End User Manual located at www.PANFsubmit.com (you do not need a password to access the manual) or www.dpw.state.pa.us/omap. The final notice will communicate the dates the first eight quarters of resident day data must be submitted; however please be aware the Department intends to implement the assessment immediately after the publication of the final notice.

- Set up an ACH account** by providing your banking institution with the Quarterly Assessment Payment Instructions by ACH Credit document and establishing a transaction account. Read about the differences between the CCD+ and CTX transaction in order to direct your bank toward what type of payments you will be making. It is required that the addenda record of the transaction contain the Bill Number in the specified format in order for your nursing facility to be properly credited with your payment.

- Review the Payment and Due Date Information that will be included in the final notice** and make your Quarterly Assessment Payments on or before the due dates.

Insert Public Notice

[Insert Signature on File Form]

Pennsylvania Nursing Facility Assessment
Continuing Care Retirement Community Facilities

In its February 5, 2005 Notice, the Department proposed to assess CCRC nursing facilities at a rate of \$1.50/non-Medicare day of care. Using information obtained from the Pennsylvania Department of Insurance and the Pennsylvania Department of Health, we have preliminarily identified the following nursing facilities as CCRC facilities. If your facility is not included on our list but you believe it is a CCRC facility, please write to us explaining why the Department should treat your facility as a CCRC for purposes of the assessment. In addition, if you believe that your facility has been incorrectly included on our list of CCRC facilities, please write to us explaining why your facility is not a CCRC.

| Provider Name | Facility ID |
|--|--------------------|
| ARBOR VIEW AT WILLOW VALLEY | 233302 |
| ARBUTUS PARK MANOR | 012002 |
| ASBURY HEALTH CENTER | 132602 |
| ATTLEBORO NURSING AND REHAB CENTER | 014002 |
| BETHANY VILLAGE RETIREMENT CENTER | 024402 |
| BEVERLY HEALTHCARE - STROUD | 194002 |
| BRETHREN HOME COMMUNITY, THE | 022502 |
| BRETHREN VILLAGE | 282602 |
| CALVARY FELLOWSHIP HOMES, INC | 030102 |
| CARE CENTER AT MARTINS RUN, THE | 390102 |
| CATHEDRAL VILLAGE | 030402 |
| CHAPEL POINTE AT CARLISLE | 010602 |
| CHRIST THE KING MANOR | 290102 |
| CHRIST'S HOME RETIREMENT CENTER | 550202 |
| CHURCH OF GOD HOME, INC | 291602 |
| CONCORDIA AT REBECCA RESIDENCE | 860102 |
| CONCORDIA LUTHERAN MINISTRIES | 900202 |
| CORNWALL MANOR | 033902 |
| CROSSLANDS | 551202 |
| CUMBERLAND CROSSINGS RETIREMENT COMM | 016502 |
| DEER MEADOWS RETIREMENT COMMUNITY | 020202 |
| DEVON MANOR | 041202 |
| DOCK TERRACE | 044402 |
| ECC RETIREMENT VILLAGE-STONERIDGE CAMPUS | 055702 |
| ELM TERRACE GARDENS | 310802 |
| EVANGELICAL MANOR | 311202 |
| FAIRMOUNT HOMES | 060202 |
| FOREST VIEW | 054102 |
| FOULKEWAYS AT GWYNEDD | 060902 |
| FOXDALE VILLAGE | 063202 |
| FREDERICK MENNONITE COMMUNITY | 062002 |

| Provider Name | Facility ID |
|--|--------------------|
| FREY VILLAGE | 062102 |
| FRIENDSHIP VILLAGE OF SOUTH HILLS | 320102 |
| GARDEN SPOT VILLAGE | 14350200 |
| GETTYSBURG LUTHERAN NURSING REHAB | 124402 |
| GLEN AT WILLOW VALLEY, THE | 077902 |
| HEALTH CARE CENTER AT WHITE HORSE VILLAGE, THE | 235902 |
| HERITAGE TOWERS | 085502 |
| HIGHLANDS AT WYOMISSING, THE | 089602 |
| HOMESTEAD VILLAGE, INC | 085902 |
| HOMEWOOD AT MARTINSBURG PA INC | 340402 |
| HOMEWOOD AT PLUM CREEK | 342202 |
| INN AT FREEDOM VILLAGE, THE | 105502 |
| JULIA POUND CARE CENTER | 090402 |
| KENDAL AT LONGWOOD | 110402 |
| KIRKLAND VILLAGE | 055402 |
| LAKESIDE AT WILLOW VALLEY | 233602 |
| LANDIS HOMES | 120602 |
| LEBANON VALLEY BRETHREN HOME | 380602 |
| LONGWOOD AT OAKMONT | 017202 |
| LUTHER ACRES MANOR | 122402 |
| LUTHER CREST NURSING FACILITY | 125502 |
| LUTHERAN COMM AT TELFORD HLTHCRE CTR INC | 124502 |
| LUTHERAN HOME AT TOPTON | 643102 |
| LUTHERAN NRSG AND REHAB CTR-SPRENKLE DR | 015902 |
| MALTA HOME | 130302 |
| MASONIC HOMES | 131502 |
| MASONIC VILLAGE AT LAFAYETTE HILL | 137102 |
| MEADOWOOD | 392602 |
| MENNO-HAVEN PENN HALL, INC | 064902 |
| MENNO-HAVEN, INC. | 132202 |
| MENNONITE HOME, THE | 132102 |
| MESSIAH VILLAGE | 910802 |
| MONTICELLO HOUSE | 017302 |
| MORAVIAN MANOR | 135202 |
| MORAVIAN SPRINGS HEALTH CENTER | 392702 |
| MORRISONS COVE HOME | 133702 |
| NORMANDIE RIDGE | 250902 |
| OXFORD HEALTH CENTER | 410302 |
| PASSAVANT RETIREMENT AND HEALTH CENTER | 163602 |
| PAUL'S RUN | 161902 |
| PENN CENTER FOR REHABILITATION AND CARE | 180102 |
| PENNSWOOD VILLAGE | 164002 |
| PETER BECKER COMMUNITY | 160602 |
| PHILADELPHIA PROTESTANT HOME | 681002 |
| PLEASANT VIEW RETIREMENT COMMUNITY | 681902 |
| PRESBYTERIAN HOMES-PRESBYTERY-HUNTINGDON | 162302 |

| Provider Name | Facility ID |
|--|--------------------|
| QUADRANGLE, THE | 170702 |
| QUARRYVILLE PRESBYTERIAN HOME | 170102 |
| QUINCY UNITED METHODIST HOME | 170202 |
| REDSTONE HIGHLANDS HEALTH CARE CENTER | 073202 |
| RIVERWOODS | 121702 |
| ROCKHILL MENNONITE COMMUNITY | 182802 |
| RYDAL PARK OF PHILADELPHIA PRSBYTR HOMES | 182102 |
| SAINT PAUL HOMES | 971602 |
| SARAH A REED RETIREMENT CENTER, THE | 710402 |
| SHENANGO PRESBYTERIAN HOME | 191102 |
| SHERWOOD OAKS | 197002 |
| SIMPSON HOUSE, INC | 192802 |
| SOUDERTON MENNONITE HOMES | 050202 |
| SPRINGS AT THE FOUNTAINS, THE | 127502 |
| ST. BARNABAS, INC | 710302 |
| STAPELEY IN GERMANTOWN | 455502 |
| SWAIM HEALTH CENTER | 970502 |
| TEL HAI RETIREMENT COMMUNITY | 200102 |
| TRANSITIONAL CARE CENTER AT ST. CLAIR HOSPITAL | 450502 |
| TWINING HALL | 071202 |
| UNITED CHRISTIAN CHURCH HOME | 470802 |
| UNITED ZION RETIREMENT COMMUNITY | 470402 |
| VALLEY VIEW HAVEN, INC | 220402 |
| WAVERLY HEIGHTS | 233402 |
| WESBURY UNITED METHODIST COMMUNITY | 990902 |
| WESLEY VILLAGE | 750702 |
| WESTMINSTER VILLAGE | 124102 |
| WESTMINSTER WOODS AT HUNTINGDON | 077502 |
| WILLIAM HOOD DUNWOODY CARE CENTER | 041602 |
| WILLOWBROOKE COURT AT BRITTANY POINTE | 740902 |
| WILLOWBROOKE COURT AT FORT WASHINGTON ESTATES | 150102 |
| WILLOWBROOKE COURT AT GRANITE FARMS ESTATES | 073602 |
| WILLOWBROOKE COURT AT LIMA ESTATES | 151902 |
| WILLOWBROOKE COURT AT NORMANDY FARMS ESTATES | 142502 |
| WILLOWBROOKE COURT AT SOUTHAMPTON ESTATES | 151302 |
| WILLOWBROOKE COURT AT SPRING HOUSE ESTATES | 971502 |
| WOOD RIVER VILLAGE NURSING CENTER | 233802 |
| WYNCOTE CHURCH HOME | 232102 |
| ZERBE SISTERS NURSING CENTER, INC. | 260402 |

Pennsylvania Nursing Facility Assessment Program
Resident Day Data Submission Instructions
Start Up Procedures

The Pennsylvania (PA) Nursing Facility (NF) Assessment Program is effective July 1, 2003 and has been approved by the Centers for Medicare and Medicaid Services (CMS). The program will be implemented after the publication of the final assessment notice. The program is based on resident days reported on a quarterly basis by each non-exempt nursing facility.

This document explains the steps necessary for nursing facilities to successfully complete the initial submission process, which will be required after the publication of the final assessment notice. For more details, review the draft PA NF Assessment and Quarterly Resident Day Reporting Form End User Manual located on the www.PANFsubmit.com website under Instructions and Bulletins or the OMAP website at www.dpw.state.pa.us/omap.

STEP 1: Forward the envelope containing the Password and Connectivity Document to the person submitting the resident day information for your nursing facility.

STEP 2: Access the PA NF Submission System using the Internet address www.PANFsubmit.com. Select **Nursing Facility Assessment Resident Day Reporting** from the Main Menu. Key in the User Name and Password provided on your facility's Password and Connectivity Document.

STEP 3: Select **Submit New Quarter** and select the Resident Day Quarter ending 06/30/2003.

STEP 4: The Resident Day Reporting Form (RDR Form) will appear. Complete each item and select **Submit**. See "Form Completion and Validations" in Section 2, page 12 of the draft End User Manual for detailed information concerning each item and the steps necessary to complete the submission process.

Note: For periods covering the implementation period of the PA NF Assessment Program, if any particular MA or Other payor type cannot be separated among the detailed line items for that category due to recordkeeping limitations, record all types of MA days on Line 3 and both types of Other days on Line 11. It is assumed that the provider can determine Medicare days and report Medicare days on Line 14. This variation is allowed only during the implementation period. Going forward, it is expected that providers will be able to determine each payor type to the level of detail necessary to accurately complete the RDR Form.

STEP 5: Select **Generate Bill**. Print the bill for the Resident Day Quarter ending 06/30/2003. This quarterly assessment payment must be received by the date

specified in the final notice. Quarterly Assessment Payments are to be made electronically (ACH Credit) in either the CCD+ or CTX formats. **Check with your bank to establish an electronic payment system.** The process of setting up an electronic payment system may take approximately four weeks. More information on ACH Credit is available with this letter and in the End User Manual.

STEP 6: Repeat Steps 3, 4 and 5 for the Resident Day Quarters ending 09/30/2003, 12/31/2003, 3/31/2004, 6/30/2004, 9/30/2004, 12/31/2004, and 3/31/2005. Resident Day Quarters directly precede the Assessment Quarter. Please use the payment schedule in the final notice to determine the deadlines for submitting your quarterly information, receiving your supplemental payment, and remitting your assessment payments to the Department. Each Quarterly Assessment Payment should be made in a separate transaction if you have chosen the CCD+ format or identified separately if you have chosen the CTX format.

If you have any questions concerning the submission process, refer to the End User Manual or contact the Myers and Stauffer helpdesk at 717-541-5809.

Pennsylvania Nursing Facility Assessment Quarterly Assessment Payment Instructions by ACH Credit

Each Assessed Nursing Facility's Quarterly Assessment payment (QAP) will be calculated during the completion of the on-line RDR Form and is automatically noted on a bill generated for the Assessment Quarter. An Assessed Nursing Facility's QAP must be received by due dates, which will be provided in the final assessment notice.

Nursing facilities are required to remit their QAPs by direct payment through the Automated Clearing House (ACH) Credit system. The ACH Credit method allows for the transfer of funds by instructing your financial institution to debit your account and to credit the Commonwealth's bank account. In preparation for the assessment, please contact your financial institution regarding available ACH services. It is recommended that you obtain ACH Credit services at least four weeks prior to your first payment since financial institutions may have lengthy set up and qualifying requirements. Your financial institution may charge a fee for any setup costs and for each ACH Credit transaction initiated by your nursing facility. These fees are normally minimal and are the responsibility of the nursing facility.

Acceptable ACH Credit Formats

The Department has designated two acceptable ACH Credit transaction formats. The Cash Concentration Disbursement (CCD+) format accommodates one addenda record. Optionally, the Corporate Trade Payment (CTX) format may be used for entities wishing to make payments for more than one nursing facility or for multiple QAPS for the same facility in the same transaction. Addenda records that are blank or incorrectly formatted will prevent the correct matching of the payment and most likely will cause late payment interest and/or penalties.

The Bill Number seen on the quarterly Bill that is generated after completing the RDR Form is placed in the addenda record(s) for each of these payment formats to match the payment amounts to the correct nursing facility and Assessment Quarter in an automated manner.

Prenote Tests

You may initiate a prenotification (prenote) test to validate the state's bank transit number, bank account number and payor information. This should be done at least 10 calendar days prior to the due date of the first QAP and is a one-time test (unless you change banks or accounts). A prenote test is a zero-dollar transaction and should include all fields in each record.

Providers should initiate the payment with enough lead time so that the QAP amount is received by the Commonwealth on or before the due date. The date received is based on the settlement date, which is the date the payment was

credited to the Commonwealth's bank account. Each financial institution and the Federal Reserve have different processing deadlines. You must check with your financial institution to determine when you should originate your payment so that it will be deposited to the Commonwealth's account by the required due date to avoid the imposition of penalties and interest.

Receipt of QAPs by the Commonwealth may be verified by viewing the history page for your facility on the www.PANFSubmit.com website. The Payment Received column will identify the date the payment was received. The Amount Received column displays the amount of the payment. If a CTX type payment was made for more than one nursing facility, the amount displayed will only be the amount apportioned to the individual nursing facility by the Bill Number and payment amounts placed in the addenda record(s) and not the total transaction amount. Payments for interest and penalties do not appear on the history screen.

ACH Credit Transaction Record Details

The only acceptable record formats for payment of the QAPs are CCD+ or CTX. These file structures are designed according to the recommended industry standard format developed by NACHA, the Electronic Payments Association. Choose the appropriate type of payment for your situation based on the following information.

One Payment Per Transaction: CCD+ format accommodates one addenda record and may be used by facilities making only one QAP per transaction., i.e. one provider and one quarter's payment in each transaction.

Multiple Payments Per Transaction: CTX format accommodates multiple addenda records and is required by entities making payments for more than one facility in one transaction or more than one QAP for the same facility or a combination of these. The CTX should be in the 820 Payment Order/Remittance Advice Transaction Set.

For both types of electronic payments, the following bank account information must be used.

Bank Account Information

| Data Element Name | Contents |
|--------------------------------|------------------------------|
| Beneficiary | Commonwealth of Pennsylvania |
| Receiving Depository Financial | Wachovia Bank, N.A. |
| RDFI Transit Routing Number | 031000503 |
| Receiver Account Number | 2000012644119 |
| Type of Receiver Account | Checking |

The Department receives electronic payment information from Wachovia Bank for each electronic payment received (deposited). To allow the Department to process and properly apply payments to the appropriate provider, the nursing facility must use the addenda record format (type 7) to provide the Bill Number and payment amount. This information is placed in the Addenda Record Free Form portion of an electronic payment transmission using a separate EDI 820 Transaction Set.

Addenda Record Layout

The following is the layout of the Addenda Record used with the CCD+ or CTX payment transaction. When the CTX payment transaction is used for multiple payments, the set is placed, 80 characters at a time, into multiple CTX Addenda Record Free Form Fields.

| Data Element Name | Length | Contents |
|---------------------------------|--------|---|
| Record Type Code | 1 | '7' |
| Addenda Type Code | 2 | '05' |
| Free Form Field | 80 | RMT Segment (see below for layout detail) |
| Special Addenda Sequence Number | 4 | Numeric |
| Entry Detail Sequence Number | 7 | Numeric |

RMT Segment Layout

The RMT, Remittance Advice Segment, must be used. The following is the layout and specification of the Free Form field in the addenda record.

| Data Element Name | Length | Contents |
|----------------------------|--------|---|
| Segment Identifier | 3 | 'RMT' |
| Delimiter | 4 | '**' |
| Reference Number Qualifier | 2 | 'IV' |
| Delimiter | 4 | '**' |
| Reference Number | 1-30 | BILL NUMBER |
| Delimiter | 1 | '**' |
| Monetary Amount | 1-15 | QAP amount – Leading zeroes can be suppressed |
| Terminator | 1 | '\' |

The Bill Number is located on the quarterly Bill that is generated after completing the RDR Form and is located in the upper left-hand side in the header portion of the Bill.

Based on this sample information:

| | |
|--------------------|------------------|
| <i>Bill Number</i> | <i>1035008</i> |
| <i>QAP Amount</i> | <i>\$1000.52</i> |

The sample RMT segment would look like this:

RMT*IV*1035008*1000.52\

NOTE: Each RMT segment must begin on a new ACH addenda record.

Please contact your Financial Institution to initiate ACH payments.