

ID/A COALITION

THE INTELLECTUAL DISABILITIES AND AUTISM SERVICES COALITION OF PENNSYLVANIA

January 17, 2012

The Honorable Tom Corbett
Governor of Pennsylvania
225 Main Capitol Building
Harrisburg, PA 17120

Re: DPW's proposed policy on uniform rates for group home food and mortgages

Dear Governor Corbett,

We are appealing to you to protect both state taxpayers and the lives of people with intellectual disabilities in Pennsylvania by reversing the policy proposal recently announced by officials of the Department of Public Welfare to establish uniform payment rates for food and mortgages for group homes for people with intellectual disabilities, beginning July 1, 2012. Such a policy would waste state taxpayer funds by paying some providers more than their costs. At the same time, a statewide uniform payment rate would be unfair and inequitable for other providers who would not be able to continue to make their mortgage payments on some group homes, potentially disrupting the lives of people with intellectual disabilities who have developed roots in the communities in which they have lived for many years.

A uniform payment rate for food and housing costs would result in significant and wasteful windfall payments to those providers whose group homes are mostly debt-free, while those providers who have opened new group homes in recent years would not be able to meet their mortgage commitments, potentially resulting in the closure of some group homes, and potentially entire organizations. The alternative of forcing some providers to sell their group home properties in today's real estate market, and look for replacement homes in less safe neighborhoods, would be a human tragedy.

This approach would disrupt the roots that it has taken years for people with intellectual disabilities to grow in their present neighborhoods: their knowledge of bus routes, neighborhood churches they attend, shopping malls in which they are comfortable, and the understanding of friends and neighbors that takes years to develop.

Over the years, providers have entered into long-term, binding financial commitments for the purchase of group home properties, a policy that has saved the Commonwealth hundreds of millions of dollars compared to the alternative of paying market-based rent for these homes. The Commonwealth, through regulations adopted by the Thornburgh Administration on January 19, 1986 after approval by the Independent Regulatory Review Commission, promised full reimbursement of group home debt service costs to providers who purchased group homes for people with intellectual disabilities only with the approval of duly-authorized county MH/MR agencies.

The Legislature listened to these same concerns a few months ago when DPW officials made a similar proposal, and through the negotiations over this year's budget, rejected the proposed imposition of a uniform approach (statewide caps) to paying for housing and food costs in group homes for people with intellectual disabilities. Federal Medicaid rules do not require the adoption of a uniform payment policy, since these costs are outside of the Department's agreement with the federal government. States have full authority to establish payment policies for the costs of providing food and housing for people with intellectual disabilities living in group homes.

If the purpose of establishing a uniform payment rate, known as an "ineligible" rate since room and board expenditures in group homes are ineligible for federal matching funds, is to reduce these costs, we recommend that DPW officials instead act on the extensive, detailed list of cost savings proposals submitted to the Department by stakeholders on June 6, 2011 (see enclosure). No action has been taken to date by the Department to implement any of these savings proposals.

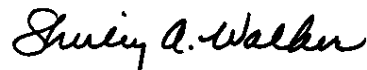
People with intellectual disabilities and their families have benefited from the stability that the current system has provided. We urge you to talk about this issue with family members, including Senator Bob Mensch, the proud parent of a son who lives in one of these homes, and also with providers who have worked so hard to create stable living environments in the community for people with intellectual disabilities in Pennsylvania.

We are asking you to intervene in this matter by advising the Secretary of Public Welfare to retain the existing regulatory policies governing payment for the food and housing costs for existing group homes for people with intellectual disabilities. Thank you for your consideration.

Sincerely yours,



Mark Murphy, Chief Executive Officer
Disability Rights Network of PA



Shirley A. Walker, President and CEO
Pennsylvania Advocacy and Resources for
Autism and Intellectual Disabilities



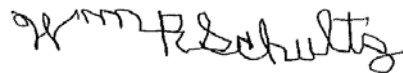
George J. Kimes, Executive Director
Pennsylvania Community Providers Association



Eugene Bianco, President and CEO
Pennsylvania Association of
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Maureen Cronin
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William R. Schultz, Board President
United Cerebral Palsy of Pennsylvania

cc: The Honorable Gary D. Alexander, Secretary, Department of Public Welfare;
Deputy Secretary Kevin Friel