STATEMENTS OF POLICY

Title 4—ADMINISTRATION

PART II. EXECUTIVE BOARD
[4 PA. CODE CH. 9]
Reorganization of the Department of Corrections

The Executive Board approved a reorganization of the Department of Corrections effective June 9, 2016.

The organization chart at 46 Pa.B. 3260 (June 25, 2016) is published at the request of the Joint Committee on Documents under 1 Pa. Code § 3.1(a)(9) (relating to contents of *Code*).

(*Editor's Note*: The Joint Committee on Documents has found organization charts to be general and permanent in nature. This document meets the criteria of 45 Pa.C.S. § 702(7) (relating to contents of *Pennsylvania Code*) as a document general and permanent in nature which shall be codified in the *Pennsylvania Code*.)

[Pa.B. Doc. No. 16-1068. Filed for public inspection June 24, 2016, 9:00 a.m.]

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PART II. EXECUTIVE BOARD
[4 PA. CODE CH. 9]
Reorganization of the Department of Health

The Executive Board approved a reorganization of the Department of Health effective June 3, 2016.

The organization chart at 46 Pa.B. 3261 (June 25, 2016) is published at the request of the Joint Committee on Documents under 1 Pa. Code § 3.1(a)(9) (relating to contents of *Code*).

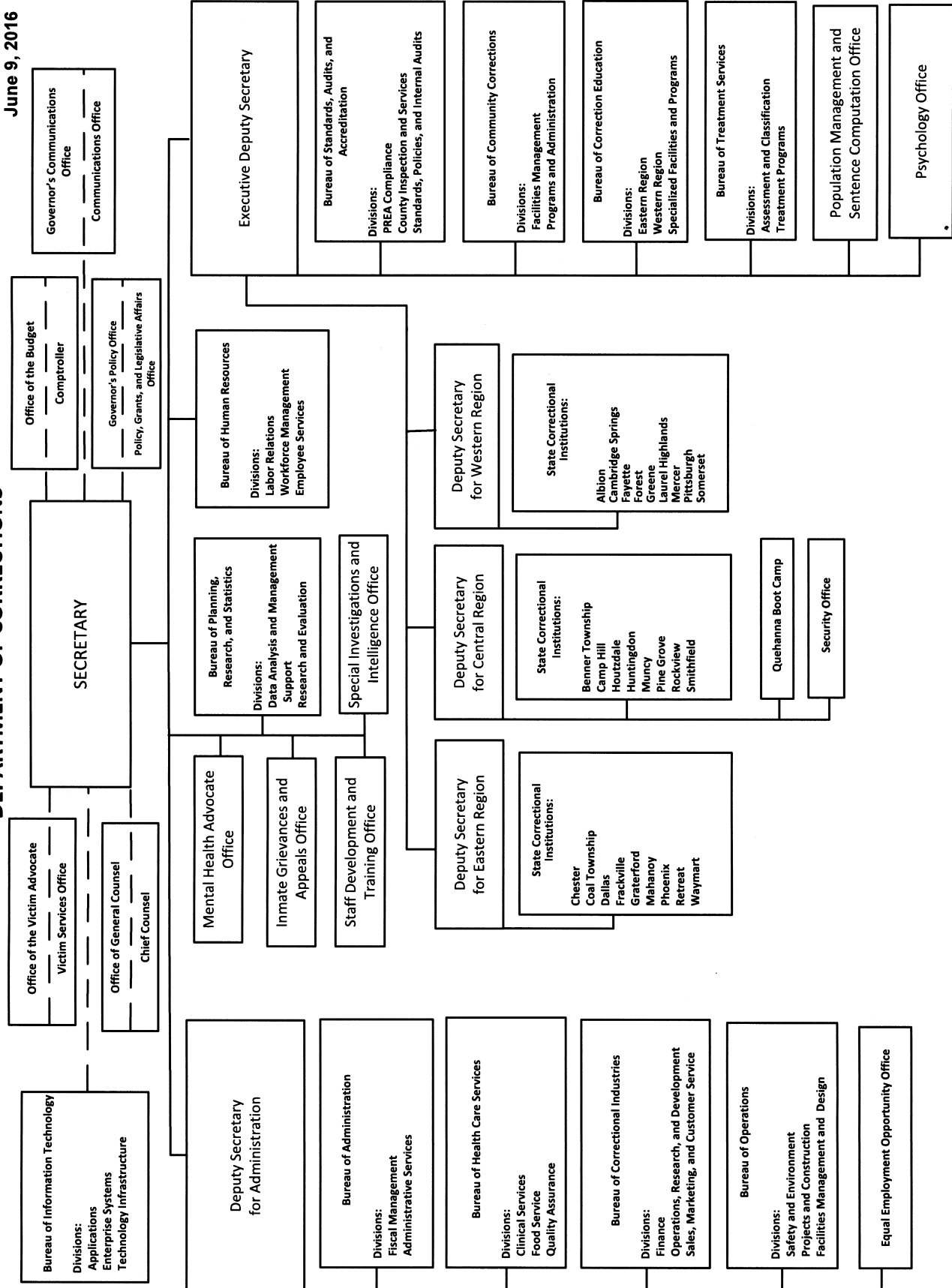(*Editor's Note*: The Joint Committee on Documents has found organization charts to be general and permanent in nature. This document meets the criteria of 45 Pa.C.S. § 702(7) (relating to contents of *Pennsylvania Code*) as a document general and permanent in nature which shall be codified in the *Pennsylvania Code*.)

[Pa.B. Doc. No. 16-1069. Filed for public inspection June 24, 2016, 9:00 a.m.]
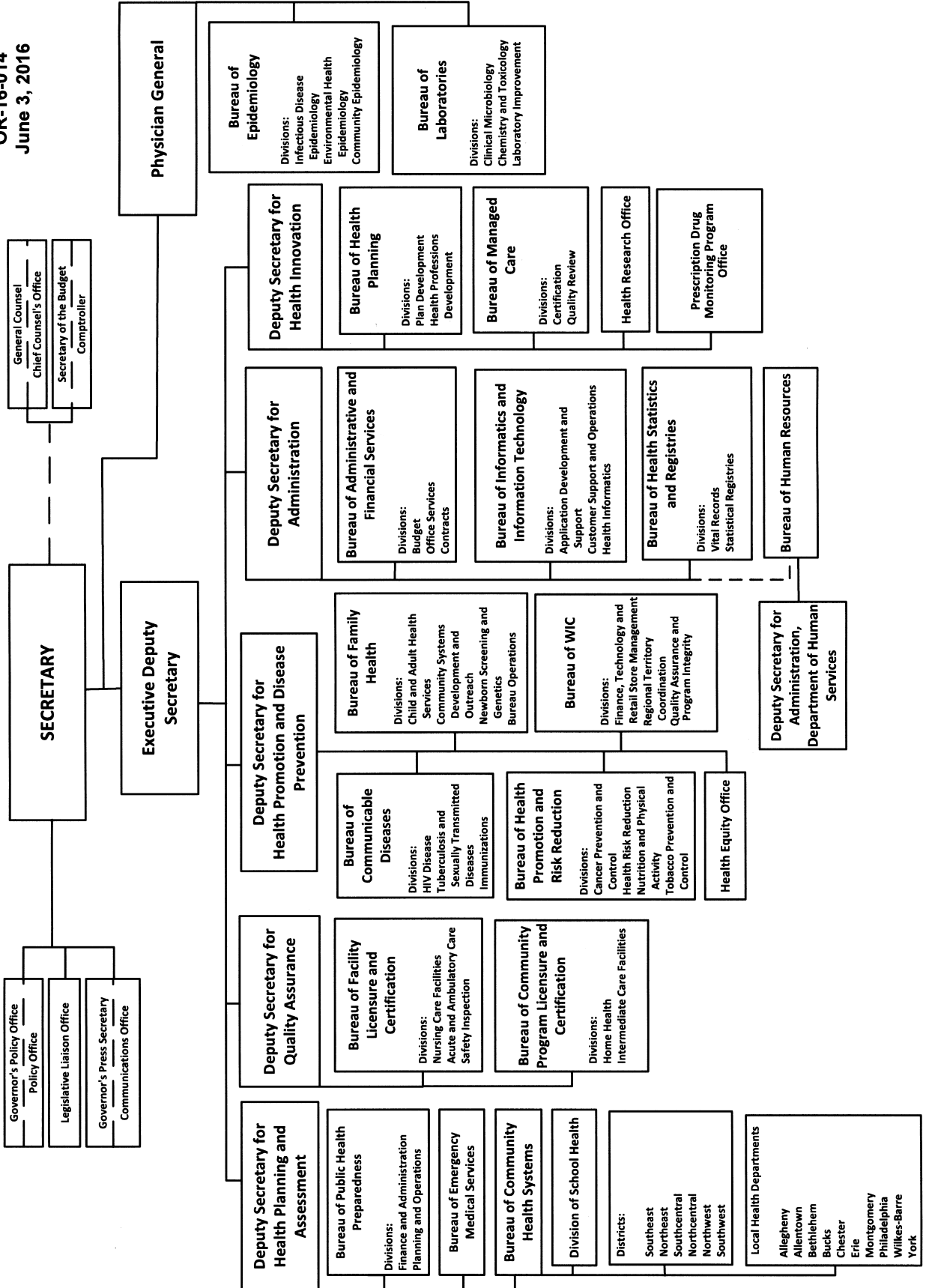
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OR-16-016
June 9, 2016

DEPARTMENT OF CORRECTIONS

SECRETARY

Office of the Budget
Comptroller

Governor's Communications Office
Communications Office

Governor's Policy Office
Policy, Grants, and Legislative Affairs Office

Office of the Victim Advocate
Victim Services Office

Office of General Counsel
Chief Counsel

Bureau of Information Technology
Divisions:
Applications
Enterprise Systems
Technology Infrastructure

Executive Deputy Secretary

Bureau of Standards, Audits, and Accreditation
Divisions:
PREA Compliance
County Inspection and Services
Standards, Policies, and Internal Audits

Bureau of Community Corrections

Bureau of Correction Education
Divisions:
Facilities Management
Programs and Administration

Bureau of Treatment Services
Divisions:
Eastern Region
Western Region
Specialized Facilities and Programs

Population Management and Sentence Computation Office
Divisions:
Assessment and Classification
Treatment Programs

Psychology Office

Bureau of Human Resources
Divisions:
Labor Relations
Workforce Management
Employee Services

Bureau of Planning, Research, and Statistics
Divisions:
Data Analysis and Management Support
Research and Evaluation

Special Investigations and Intelligence Office

Mental Health Advocate Office

Inmate Grievances and Appeals Office

Staff Development and Training Office

Deputy Secretary for Western Region
State Correctional Institutions:
Albion
Cambridge Springs
Fayette
Forest
Greene
Laurel Highlands
Mercer
Pittsburgh
Somerset

Deputy Secretary for Central Region
State Correctional Institutions:
Benner Township
Camp Hill
Houtzdale
Huntingdon
Muncy
Pine Grove
Rockview
Smithfield

Quehanna Boot Camp

Security Office

Deputy Secretary for Eastern Region
State Correctional Institutions:
Chester
Coal Township
Dallas
Frackville
Graterford
Mahanoy
Phoenix
Retreat
Waymart

Deputy Secretary for Administration

Bureau of Administration
Divisions:
Fiscal Management
Administrative Services

Bureau of Health Care Services
Divisions:
Clinical Services
Food Service
Quality Assurance

Bureau of Correctional Industries
Divisions:
Finance
Operations, Research, and Development
Sales, Marketing, and Customer Service

Bureau of Operations
Divisions:
Safety and Environment
Projects and Construction
Facilities Management and Design

Equal Employment Opportunity Office

OR-16-014
June 3, 2016

DEPARTMENT OF HEALTH

SECRETARY

General Counsel
Chief Counsel's Office
Secretary of the Budget
Comptroller

Governor's Policy Office
Policy Office
Legislative Liaison Office
Governor's Press Secretary
Communications Office

Physician General

Bureau of Epidemiology
Divisions:
Infectious Disease Epidemiology
Environmental Health Epidemiology
Community Epidemiology

Bureau of Laboratories
Divisions:
Clinical Microbiology
Chemistry and Toxicology
Laboratory Improvement

Executive Deputy Secretary

Deputy Secretary for Health Innovation

Bureau of Health Planning
Divisions:
Plan Development
Health Professions Development

Bureau of Managed Care
Divisions:
Certification
Quality Review

Health Research Office

Prescription Drug Monitoring Program Office

Deputy Secretary for Administration

Bureau of Administrative and Financial Services
Divisions:
Budget
Office Services
Contracts

Bureau of Informatics and Information Technology
Divisions:
Application Development and Support
Customer Support and Operations
Health Informatics

Bureau of Health Statistics and Registries
Divisions:
Vital Records
Statistical Registries

Bureau of Human Resources

Deputy Secretary for Administration, Department of Human Services

Deputy Secretary for Health Promotion and Disease Prevention

Bureau of Family Health
Divisions:
Child and Adult Health Services
Community Systems Development and Outreach
Newborn Screening and Genetics
Bureau Operations

Bureau of WIC
Divisions:
Finance, Technology and Retail Store Management
Regional Territory Coordination
Quality Assurance and Program Integrity

Bureau of Communicable Diseases
Divisions:
HIV Disease
Tuberculosis and Sexually Transmitted Diseases
Immunizations

Bureau of Health Promotion and Risk Reduction
Divisions:
Cancer Prevention and Control
Health Risk Reduction
Nutrition and Physical Activity
Tobacco Prevention and Control

Health Equity Office

Deputy Secretary for Quality Assurance

Bureau of Facility Licensure and Certification
Divisions:
Nursing Care Facilities
Acute and Ambulatory Care
Safety Inspection

Bureau of Community Program Licensure and Certification
Divisions:
Home Health
Intermediate Care Facilities

Deputy Secretary for Health Planning and Assessment

Bureau of Public Health Preparedness
Divisions:
Finance and Administration
Planning and Operations

Bureau of Emergency Medical Services

Bureau of Community Health Systems

Division of School Health

Districts:
Southeast
Northeast
Southcentral
Northcentral
Northwest
Southwest

Local Health Departments
Allegheny
Allentown
Bethlehem
Bucks
Chester
Erie
Montgomery
Philadelphia
Wilkes-Barre
York

Title 55—HUMAN SERVICES

DEPARTMENT OF HUMAN SERVICES

[55 PA. CODE CH. 1150]

Payment Policy for Observation Services

This statement of policy applies to physicians, dentists and podiatrists (practitioners), and acute care general hospitals (hospitals) enrolled in the Medical Assistance (MA) Program who provide observation services to MA beneficiaries under the Fee-for-Service (FFS) delivery system. Hospitals and practitioners that provide observation services to MA beneficiaries in the managed care delivery system should address any payment related questions to the appropriate managed care organization.

Purpose

The purpose of this statement of policy is to specify the conditions for payment of observation services pending adoption of regulations.

Background

The act of December 28, 2015 (P.L. 500, No. 92) (Act 92) amended the Human Services Code (code) (62 P.S. §§ 101—1503). Act 92 added several new provisions, including section 443.3(a)(1.1) of the code (62 P.S. § 443.3(a)(1.1)). Section 443.3(a)(1.1) of the code authorizes the Department to establish rates for observation services and to issue an MA Bulletin specifying the conditions for payment of observation services for dates of service on or after July 1, 2016, pending adoption of regulations.

The Department announced its intent to pay hospitals for observation services and provided the rates the Department will pay for these services. Additionally, the Department announced the addition of observation services to the MA Fee Schedule. See 46 Pa.B. 2475 (May 14, 2016).

Discussion

Clinically-appropriate and medically necessary observation services include short-term treatment, assessment and reassessment, which are furnished in the hospital outpatient setting while a decision is made as to whether to admit an MA beneficiary to the hospital inpatient setting for further treatment or to discharge the MA beneficiary from the hospital outpatient setting.

Currently, the Department does not pay hospitals or practitioners for the provision of observation services rendered in the hospital outpatient setting under the FFS delivery system. Effective with dates of service on and after July 1, 2016, the Department will pay for medically necessary observation services provided in the hospital outpatient setting when prescribed or ordered by a practitioner and provided for a minimum of 8 hours.

Consistent with Act 92, this statement of policy establishes the conditions for the payment of observation services provided by a hospital and practitioner for the care of eligible MA beneficiaries as described in Annex A.

Effective Date

This statement of policy is effective July 1, 2016.

Contact Person

Comments and questions regarding this statement of policy should be directed to the Department of Human Services, Office of Medical Assistance Programs, c/o Regulations Coordinator, Room 515, Health and Welfare Building, Harrisburg, PA 17120.

THEODORE DALLAS,
Secretary

(*Editor's Note*: Title 55 of the *Pennsylvania Code* is amended by adding a statement of policy in § 1150.56b to read as set forth in Annex A.)

Fiscal Note: 14-BUL-105. (1) General Fund;

(7) MA—Capitation; (2) Implementing Year 2015-16 is $0; (3) 1st Succeeding Year 2016-17 is $4,111,000; 2nd Succeeding Year 2017-18 through 5th Succeeding Year 2020-21 are $0; (4) 2014-15 Program—$3,823,000,000; 2013-14 Program—$3,995,000,000; 2012-13 Program—$3,631,000,000;

(7) MA—FFS; (2) Implementing Year 2015-16 is $0; (3) 1st Succeeding Year 2016-17 is $6,118,000; 2nd Succeeding Year 2017-18 through 5th Succeeding Year 2020-21 are $0; (4) 2014-15 Program—$564,772,000; 2013-14 Program—$428,041,000; 2012-13 Program—$718,947,000;

(8) recommends adoption. Funds have been included in the budget to cover this increase.

Annex A

TITLE 55. HUMAN SERVICES

PART III. MEDICAL ASSISTANCE MANUAL

CHAPTER 1150. MA PROGRAM PAYMENT POLICIES

PAYMENT FOR SERVICES

§ 1150.56b. Payment policy for observation services—statement of policy.

(a) The Department will pay for clinically-appropriate and medically necessary observation services while a decision is made as to whether an MA beneficiary requires admission for inpatient acute care services or may be discharged to a nonhospital setting.

(b) Clinically-appropriate and medically necessary observation services include short-term treatment, assessment and reassessment that are furnished in the acute care general hospital outpatient setting.

(c) Observation services shall be prescribed or ordered prior to the acute care general hospital or practitioner rendering the service.

(d) The Department will pay acute care hospitals a one-time support component fee for observation services for a period of observation. The support component fee includes payment for all ancillary and diagnostic services provided during the period of observation.

(e) An acute care general hospital shall provide a minimum of 8 hours of observation services to be paid the support component fee.

(f) The Department will pay physicians, dentists and podiatrists a visit fee for observation services. The Department will pay physicians, dentists and podiatrists a separate professional component fee for ancillary and diagnostic services provided during the period of observation.

(g) Payments to physicians, dentists and podiatrists are subject to the conditions and limitations established in Chapters 1141, 1143, 1149 and 1150.

(h) The Department will not make payment for observation services in conjunction with the following:

(1) Short procedure unit surgical procedures, including surgical recovery time.

(2) Inpatient acute care general hospital services.

(3) Emergency room services.

(4) Hospital clinic services.

(5) Hospital physical therapy, occupational therapy and speech therapy services provided on any day other than the first calendar day of the period of observation.

(6) Special treatment room services.

(i) Physicians, dentists, podiatrists and acute care general hospitals shall comply with the recordkeeping and general standards for medical records requirements in § 1101.51(e) (relating to ongoing responsibilities of providers). In addition, physicians, dentists, podiatrists and acute care general hospitals shall include the medical record entries that are dated, with hour of entry noted, and signed.

[Pa.B. Doc. No. 16-1070. Filed for public inspection June 24, 2016, 9:00 a.m.]

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