



TO: Intermediate Care Facilities for Persons with an Intellectual Disability (ICF/ID) Providers

FROM: Kristin Ahrens
Acting Deputy Secretary for the Office of Developmental Programs

RE: Waiver of Regulation (55 Pa. Code § 6211.4) that Defines Depreciable Assets as Equipment, Building, and Fixtures over \$500

DATE: November 20, 2018

ICF/ID providers provide comprehensive habilitation services to individuals to promote their functional status and independence.

As per 55 Pa. Code § 6211.4, in order to receive payment for services rendered to ICF/ID participants, ICF/ID providers are required to depreciate items, such as buildings, equipment, and fixtures over \$500, rather than expense them. 55 Pa. Code § 6211.4 defines depreciable assets as such, "Depreciable assets—Equipment, buildings and fixtures that have a purchase price of more than \$500 and are expected to have a useful life of more than 1 year." The \$500 threshold has been in place since the regulation was initially adopted in 1994. The current Medicare Provider Reimbursement Manual for Medicare reimbursement purposes contains a \$5,000 threshold for depreciation purposes.

The Office of Developmental Programs has received, reviewed, and approved numerous individual requests for review of assets, which would be impacted by waiver of this regulation. Most recently, the Pennsylvania Advocacy and Resources for Autism and Intellectual Disability ("PAR") requested that the depreciable asset threshold be waived and that \$5,000 be set as the replacement threshold amount.

Pursuant to 55 Pa. Code § 35.18, a petition to waive or repeal a regulation may be filed. The August 23, 2018 PAR letter (attached) constitutes a petition to waive the regulation on the basis that the current depreciable asset threshold is outdated and not manageable by the providers or the Department.

The authority to waive 55 Pa. Code § 6211.4 has been delegated to me by the Secretary of the Department of Human Services. *This memo conveys a waiver of the 55 Pa. Code § 6211.4 definition application of depreciable assets threshold of \$500 and allows ICF/ID providers to depreciate assets over \$5,000 until such time as the Department revokes this waiver or otherwise amends the regulation.*