



Pennsylvania Compensation Rating Bureau

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July 14, 2015

PCRB CIRCULAR NO. 1646

To All Members of the PCRB:

Re: **MANUAL REVISIONS TO SECTIONS 1 and 2 – PCRB FILING NO. 266**
APPROVED EFFECTIVE APRIL 1, 2016

- (1) Code 941, Social Rehabilitation Facility**
- (2) Code 986, Shelter Or Halfway House – Residential – Non-Medical**

The PCRB has filed and the Insurance Commissioner has approved Manual revisions to Sections 1 and 2 intended to clarify the scopes of Code 941 and Code 986. These revisions become **effective as of 12:01 a.m., April 1, 2016** with respect to new and renewal policies having normal anniversary rating dates on or after that date.

This effective date makes the implementation of these changes concurrent with the PCRB's normal annual loss cost filing revision, which will be filed separately at a later date. This coordination continues the practice of consolidating necessary changes that our members and other constituents must make to policies, forms and systems so that they occur less frequently than would otherwise be the case.

Each of the revisions included in this filing are discussed in sequence below.

(1) Code 941, Social Rehabilitation Facility

PCRB Filing No. 266 was based in part on a class study of Code 941. The PCRB undertook that class study of Code 941 to determine the feasibility of eliminating Code 941 and creating a series of new, separate residential social service classifications structured in the same manner as the Pennsylvania Department of Human Services (DHS) uses in that agency's licensing of residential social rehabilitation facilities.

Based on the code 941 class study, the PCRB found and/or proposed the following:

- That, based upon the applicable statistical testing, elimination of Code 941 was not feasible. Also, based in part upon underwriting considerations, PCRB found the overall scope of Code 941 to be sound.
- That the Section 2 Manual language should be amended to clarify the scope of Code 941, and to provide a listing of the specific DHS residential facility license types as a reference for assignment to Code 941. The Manual language changes also updated the Underwriting Guide entries to better describe the types of present day social rehabilitation facilities operated in Pennsylvania.

The approved Manual revisions are shown below.

SECTION 2 CLASSIFICATIONS

ADDITIONS

UNDERWRITING GUIDE

To 941:

Child Residential Facilities

Long Term Structured Residence For The Mentally Ill

CHANGES

941 SOCIAL REHABILITATION FACILITY – For adults or children – all employees including office.

Applicable to non-medical residential care facilities providing a [transitional non-institutional environment in a] group setting which emphasizes through guidance and counseling the social rehabilitation and the eventual reintegration of the resident into the community or reuniting the resident with family. [Such facilities include: Community Residential Rehabilitation Services (CRRS) for mentally ill clients regardless of client count per facility.] The residents of such facilities will normally be either adults or children diagnosed with intellectual disabilities and/or developmental disabilities, adults or children diagnosed with mental illness, adults or children with traumatic brain injuries, children who have been neglected or abused, children with behavioral disorders or court adjudicated children who have been removed from their homes. Clients in these facilities may access daily community based programs appropriate to their condition.

[Residential facilities for children provide a non-institutional environment focusing on socialization and reintegration into the community. Residents in these facilities are usually pre-teen to 18 years of age. At these facilities individualized programs are designed to rehabilitate the child. Emphasis is placed upon reuniting children with their families, placing children in foster care or moving them into a group home where independent living skills are stressed.]

[Community Residential Facilities operating group homes with 8 or fewer mentally disabled residents which are not licensed as intermediate care facility for the mentally retarded (ICF/MR) are community based residential programs providing supportive services for a more highly functional client. Clients in these group homes access community based programs for the mentally retarded. These clients do not require the health care provided at a ICF/MR group home. Many of these clients will become self-sufficient enough to move into minimal supervision apartments.]

[Additional programs, e.g., daycare, respite care and prevocational training programs, provided by group home operators shall be included within the scope of this class. Training programs that pay the trainees for services rendered (including sheltered workshops) shall be separately classified.]

Facilities assigned to Code 941 will typically be licensed by the Pennsylvania Department of Human Services (DHS) under Title 55 of the Pennsylvania Code. The following types of DHS licensed residential facilities are contemplated by Code 941 and are listed below. The listing is provided for reference purposes and does not supersede any other Manual language.

Chapter 3800, Child Residential And Day Treatment Facilities

Chapter 5310, Community Residential Rehabilitation Services For The Mentally Ill (CRRS).

Chapter 5320, Long Term Structured Residence (LTSR)

Chapter 6400, Community Homes For Individuals With Mental Retardation

Chapter 6500, Family Living Homes

OPERATIONS ALSO INCLUDED:

1. Additional programs, e.g., daycare, respite care and prevocational training programs, provided by group home operators primarily for their residential clients shall be included within the scope of Code 941.
2. Family living homes for one or two intellectually or developmentally disabled residents licensed under Title 55, Chapter 6500.
3. Group homes for the intellectually or developmentally disabled housing eight or fewer residents which are not intermediate care facilities and which are licensed under Title 55, Chapter 6400.
4. Group homes for the mentally ill regardless of client count and which are licensed under Title 55, Chapter 5310.
5. Residential facilities for children regardless of client count which are licensed under Title 55, Chapter 3800.

OPERATIONS NOT INCLUDED:

1. Training programs that pay the trainees for services rendered shall be separately classified as provided in this Manual.
2. Assign Code 894 to educational facilities that include on-site residential units for youth who cannot cope in or who have been removed from the standard school setting for behavioral reasons or who are juvenile delinquents or other court adjudicated youth.
3. Assign Code 940 to group homes for the intellectually disabled licensed under Title 55, Chapter 6400 with 9 or more residents per home.
4. Assign Code 940 to facilities licensed as Intermediate Care Facilities (ICF/MR) licensed under Title 55, Chapter 6600 regardless of client count.
5. Assign Code 964 to the separate staff of a work center/sheltered workshop.
6. Assign Code 986 to [D]drug and alcohol halfway houses, adult shelters for the homeless, victims of domestic abuse, [unwed mothers] maternity homes or pre-parole halfway houses [shall be assigned to Code 986].

UNDERWRITING GUIDE

To 941:

Community Living Arrangement For The [Mentally] Intellectually Or Developmentally Disabled (CLA) - 8 Or Fewer Residents Per Facility

Community Residential Rehabilitative [Facility] Services (CRRS) – Group Homes For The Mentally Ill

Family Living Home For The Intellectually or Developmentally Disabled

Group Home – Intellectually Or Developmentally Disabled (Not Intermediate Care Facility) - 8 Or Fewer Clients

DELETIONS

UNDERWRITING GUIDE

From 941:

Child Care Service, Residential - (Neglected, Deprived Or Abused)

Community Residential Facility - Off Campus - With 8 Or Fewer Clients Per Facility

Home For Orphans

Orphanage

Residential Child Care Service - (Neglected, Deprived Or Abused)

(2) Code 986, Shelter Or Halfway House – Residential – Non-Medical

A class study of Code 986 also provided a part of the basis for PCRB Filing No. 266. The PCRB undertook that study of Code 986 for two reasons. The study's first objective was to determine whether the Commonwealth's Department of Human Services (DHS) or another Commonwealth Department had developed regulations and licenses for any type of shelter for adults. The study's second objective was to determine whether PCRB can place any time parameters on the average client's residence in a Code 986 facility and to more precisely define the use of "short term" in the Code 986 class description. Based on the class study, the PCRB found and/or proposed the following:

- PCRB determined that DHS does not license facilities assigned to Code 986.
- After separating Code 986 facilities based on average length of stay (e.g., less than 90 days vs. more than 90 days), there was no consistent or significant difference in the experience of the two groups of facilities established based on length of stay.
- Based upon analysis of pure premiums and T-Test results, the overall scope of Code 986 was sound, and no Code 986 employer groups were recommended for reclassification from Code 986 to a new and separate classification.
- That the Section 2 Manual language should be amended to clarify the scope of Code 986 and to remove the existing reference to "short term stay".

The approved Manual revisions are shown below.

SECTION 2

CLASSIFICATIONS

CHANGES

986 ADULT SHELTER OR HALFWAY HOUSE – RESIDENTIAL – NON-MEDICAL – all employees including office.

Applicable to shelters for [the] adults who are homeless, victims of domestic abuse or unwed mothers or to halfway houses for prison release programs or drug and alcohol residential facilities not otherwise classified. Such are [short term] non-medical residential facilities providing in a non-institutional environment counseling and training in daily living skills aimed at reintegrating residents into the community. The residents of these facilities are adults, but residents of domestic violence shelters and homeless shelters may be accompanied by their minor children. Services provided to clients may also include but are not necessarily limited to: counseling for specific client needs, advocacy services, job training, child care and help in seeking services available to the clients in the community. All provided services and the insured's administrative staff (regardless of location) are included within the scope of this class.

OPERATIONS NOT INCLUDED:

1. Assign Code 940 to residential facilities licensed as intermediate care facilities (ICF/MR or ICF/IID) which house any number of intellectually or developmentally disabled clients or to group homes not licensed as intermediate care facilities which house 9 or more intellectually or developmentally disabled clients per facility. See the Code 940 class description for additional information.

2. Assign Code 941 to children and youth residential services, [F]facilities providing non-medical residential care [such as community Residential Rehabilitation Services (CRRS)] for mentally ill clients or group homes not licensed as intermediate care facilities [for developmentally disabled clients having] which house eight or fewer intellectually or developmentally disabled clients per facility[shall be assigned to Code 941]. See the Code 941 class description for additional information.
3. Assign Code 958 to residential drug or alcohol addiction detoxification facilities licensed as an Inpatient Non-Hospital Detoxification or to drug or alcohol treatment and rehabilitation facilities licensed as Inpatient Non-Hospital Drug-Free by the Pennsylvania Dept. of Drug and Alcohol Programs.

UNDERWRITING GUIDE

Shelter[s] For Victims Of Domestic Abuse

The Basic Manual will be updated on our website (www.pcrb.com) at a later date.

Timothy L. Wisecarver
President

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Remember to visit our web site at www.pcrb.com for more information about this and other topics.