July 2, 2012

Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th St., S.W.
Room 10276
Washington, D.C. 20410-0500

Re: Docket No. FR-5465-P-01
Federal Housing Administration (FHA): Section 232 Healthcare Facility Insurance Program- Strengthening Accountability and Regulatory Revisions Update

To Whom It May Concern:

The American Health Care Association and the National Center for Assisted Living (AHCA/NCAL) is a federation of state associations representing over 11,000 non-profit and proprietary long term care providers, including nursing and assisted living facilities, as well as developmental disabilities (DD) services providers. We appreciate the opportunity to comment on this proposed rule, and are focusing our feedback on our support of the proposed changes to Section 200.855(c), which include:

1) No longer requiring routine Real Estate Assessment Center (REAC) inspections of assisted living and board and care facilities if state or local government has a reliable and adequate inspection system in place; and

2) For properties that are routinely inspected by the Centers for Medicare and Medicaid Services (CMS)-- including nursing facilities and certain DD services providers-- to only have REAC inspections if HUD determines, on a case by case basis and on the basis of information received, that inspection is needed to assure protection of residents or the adequate preservation of the project.

As you are aware, REAC standards are multifamily requirements left over from when Section 232 was run by the Office of Multifamily Housing within the federal Housing Administration, and were drafted for apartment buildings, not healthcare facilities. An example of the differences between REAC and CMS inspections is the REAC standard that fire exits not be locked or controlled. While this makes sense in an apartment building, in a healthcare facility with Alzheimer’s patients, this can be dangerous for the
residents. As HUD’s physical inspection requirements differ substantially from those mandated by CMS, long term care providers have had to repeatedly seek waivers to HUD’s requirements, which is a significant administrative burden. We therefore fully support HUD’s proposed changes to “narrow and streamline the scope of Section 232 properties that are routinely inspected by REAC.”

AHCA/NCAL appreciates the opportunity to comment on this proposed rule. If you have any questions, please feel free to contact us.

Sincerely,

Mark Parkinson
President & CEO
American Health Care Association

Dave Kyllo
Executive Director
National Center for Assisted Living