

# MEDICAL ASSISTANCE ADVISORY COMMITTEE

TEMPLE UNIVERSITY HARRISBURG CAMPUS

## INTRODUCTORY REMARKS

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Secretary Mackereth was in attendance and gave an update on the budget. Sans a PowerPoint due to technical difficulties, Mackereth will provide the overview with the deputy secretaries getting into the details in later reports.

- \$28.376 billion General Fund Budget
- Close to the entire DPW budget with federal, state and other funds
- Highlights
  - o Gives dollars to high quality education, noting the record high investment and the absence of ARRA dollars
  - o Delivers services to the neediest citizens
  - o Creates job growth opportunities, noting her children's experiences in California, where the recession hit earlier than that of Pennsylvania – seeing recovery in the Commonwealth
  - o Does not raise taxes
- DPW Overall Budget
  - o Increase of \$10.956 billion, largely due to MA
  - o MA Expansion is still being discussed, but need to ensure it is sustainable and address the growth that continues in this area
    - Ideas are being discussed, but mentioned the dual eligible population examination, LTC,
    - Discussions continue with CMS, who have said the populations need to be examined to determine more cost efficient means because the growth is unsustainable
  - o Funding for those with intellectual disabilities, a commitment to get people off the waiting list
    - Research on what would happen if the waiting list disappeared...what would it cost?
    - Not necessarily those without service, but might just not be at the right level
    - \$1 billion estimate
  - o Human Services Block Grant
    - Expanded from the original 20 counties to 10 more
    - Controversial...
    - Funding mechanism, that's what it is about
    - As ED in York, Mackereth had 10 departments and noted her own phone call to the then DPW Secretary Richman to utilize left over money elsewhere...which was not possible at the time and forced her to return the left over money to the state
    - Most of those served within County Human Services have contact with multiple systems
    - To deal with a family in a more holistic way makes sense
    - The Block Grant roll-out may not have been the best approach, but it is a funding mechanism meant to serve people the best way possible
    - If priorities and planning do not occur, there will never be enough money to fit the needs
    - Very interested in health care and looking at the medical home model – should there be a human services “home” for people to come and determine what services are needed?
  - o Autism & Intellectual Disabilities
    - Additional monies for the waiting lists
    - Waivers
    - Hope to take the list and begin planning on what can be done affordability
  - o Older Pennsylvanians
    - \$21 million for 1550 to receive in-home care
    - Comes from Lottery Fund
    - Mentioned the PMA for the Lottery – if there is a way to bring in more money for older Pennsylvanians she'd like to see it since the population is 4<sup>th</sup> in the country for seniors...**we have to prepare for that** since the rebalancing has not happened

- CMS is willing to work with the state on the rebalancing efforts; don't need to recreate the wheel here and just look at other states to determine what will work the best here
- Helping at-risk children and families
  - \$1.75 million for over 1000 children in subsidized child care
  - Helping people to get to jobs means helping with child care too if the Department is to help people sustain jobs
  - High quality child care and increasing the star-levels of these centers
- Early Childhood Teachers
  - \$3.5 million to increase resources for educators
  - Help with training
  - Pay people with the toughest jobs the least amount of money – welfare investigators, those dealing with children and the elderly, etc.
- Domestic Violence: 10.8% increase
- Rape-Crisis: Over 13% increase

- Q&A

- **Elephant in the room is MA Expansion. Is there anything to share on the conversations in DC?** Mackereth said the Department is working through so many things. The current program is not sustainable, that is why the conversations are taking so long. The feds are waiting on the state to provide a concept paper, a plan. When MA makes up 30% of the entire budget and 75% of the entire DPW budget, a plan makes sense. Each time, however, it changes due to assumptions changing constantly. Mackereth mentioned the final activities in the budget related to MA Expansion and the Department is working with both chambers on agreeable concepts. It's not easy; attempting to move the concept forward. Fiscal analyses are being done.
- **Hoak asked about a time frame.** Mackereth said the first step is to show the plan to the Governor. She estimated within the next few weeks a meeting with Corbett will take place to discuss a possible plan. Right now, it is not ready. Some things the federal government will likely not agree to – we'll see.
- **LaValle mentioned the challenge of LTC services. Managing care for these individuals, mentioning HealthChoices and dual eligible individuals, he asked if Mackereth could discuss the state's approach and stakeholders.** Mackereth said the conversations have not been held yet but there is a commitment to do it. At this time, it appears that it will be two groups, many of the members will be consumers and stakeholders, but she is not sure. She expects movement on the issue within 90 days and asked for recommendations for those who could be a part of the groups because it cannot be everyone. Who *should* be in the group? The state must be ready for PPACA by October 1<sup>st</sup>. Meetings with the feds have led to concerns with the state's preparedness. With limited resources at the DPW level, in the CAOs, job fairs are being held and helping people get jobs. Also, there is a state health improvement grant, which is another priority. The state is a partner and if the delivery and measurement of health care can be done to ensure quality and affordability, that is what we are all looking for...90 days
- **Mentioned the interest in medical homes – opportunity to draw some federal dollars on this. Are you evaluating?** Gordon mentioned a document from CMS dated yesterday. The grants are coordinated out of the Governor's Policy Office and it is being discussed in terms of the SIMS grant. Mackereth is very interested in the medical home idea and has had people in her office to educate her on it. Mentioning Wellspan and their efforts to address high-cost individuals, people are making connections for multiple service delivery. **Unsure if the grants are separate, but likely 90% match for two years for each person enrolled in a health home.**
- **Young elaborated on the earlier comment related to the difficulty of child care and the training required of those individuals. Some of the salaries are abysmal.** Mackereth would appreciate suggestions on how to fix this system, adding the difficulty of those examining child safety issues.
- **Edley discussed the conjoining of LTC and funding for intellectual disabilities.** Mackereth said for LTC, the Department isn't just looking at seniors, but children and others – all populations. Managed care for that population will be out there. It doesn't mean managed care is the best option, but it will be discussed. What should it look like? The state spends \$2000 more per person on MA than other states. The populations where the state spends the most are on seniors and those with intellectual disabilities. If the populations aren't addressed, the state cannot expand MA – otherwise it will drop out in two years.

- **Office of Developmental Programs looking at a pilot on this issue. Will they be folded into the other groups?** Mackereth said the information and recommendations may be folded in – ODP is going through a plan for the future, looking at all the issues and utilizing state holders.
- **\$1 billion to eliminate the waiting list...does that include all 15,000 on the waiting list?** Mackereth said it was all of the waiting list.
- CHIP
  - Explaining the history and Pennsylvania's success
  - Concern of the Governor that when PPACA was passed that the law didn't consider existing quality programs
  - Everyone needs as much access as possible
  - Some insurers may have CHIP but not MA
  - Is a real concern to move all the kids to MA that there is a chance a child will have to switch doctors or providers? How many will it impact?
  - It is a stumbling block because the Governor doesn't want to see any child to not have their current quality of care
  - Waiting on a letter from CMS since other parts of PPACA have been changed or pushed back
  - Looking at about 50,000 kids that might need to be transferred...
  - Conversations are continuing...

## OMAP UPDATE

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### *Budget Briefing – Vince Gordon*

- Medicaid is about \$20.2 billion
- \$11.3 billion of it goes to the capitation line
- \$5 billion for long term living
- \$1 billion each for inpatient and outpatient
- Still have 500,000 enrolled in FFS under Medicaid
- Remaining money spent on other services
- Projected enrollment, without expansion, 2.3 million individuals
- Maintain provider payments
- Maintain existing service levels
- Hospitals: continue to fund the supplemental payments for specialized services
- Reflects a full year of Medicaid Managed Care expansion
- For MCOs, rates reflect actuarially sound rates – about 2% increase
- Extends the hospital assessment – statewide and Philadelphia through June 30, 2016
- PPACA, ongoing discussions with CMS
- Nothing specific on MA Expansion, but conversations continue
- Q&A
  - **Glinka asked about the growth in enrollment. What about the wood-work effect?** Gordon replied the growth doesn't include CHIP or wood-work expansion.
  - **LaValle mentioned the increased capitation, asking for the numbers on the increased costs related to Health Choices.** Gordon will provide that information later. LaValle would like to continue conversations on the Health Choices since it has had a full year of implementation now.

## OLTL UPDATE

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### *Budget Briefing – Bonnie Rose and staff*

- Line items for nursing facilities, home and community based services, etc.
- Budget demonstrates the commitment to those OLTL services
- Increase of 5% of state funding over what was needed as of March 2013 - \$1.4 billion
- For all OLTL, with all funding sources accounted for, \$5.2 billion – 16.5% increase
- LTC
  - o Grants, contracts
  - o Nursing home funding
  - o \$3.8 million or 16.5% increase
  - o 2% nursing facilities rate increase
  - o Incentive payment of \$8 million in state funds for non-public facilities dealing with a disproportionate share of patients
- LTC-Managed Care line item - \$185.5 million or 6% increase
- Home and Community-Based Services - \$541 million or 24% increase
- Disability Services – 15% increase and \$14 million in new state money
- Attendant Care :\$217.5 million or 13% increase
- Those on waiting list have been on there for some time; the office is trying to determine some demographics and determine if they are receiving services in other areas
- Developing a bulletin on the criteria to remove those from the waiting list, some of which have been on there for over a year
- Will have more updates at the September meeting
- Q&A
  - o **Monies for those with disabilities, will they allow the waiting list to be addressed and let others come into the waiver?** Rose is unsure – need to be equitable in the distribution.

## ODP UPDATE

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### *Budget Briefing*

- Increase of \$119 million or 8.8% increase
- Pleased the Governor recognized the waiting list
- \$18.5 million for home and community-based services
- \$1.4 million for home and community-based services related to those leaving the state centers
- \$1.5 million for home and community-based services to 118 adults with autism
- \$737,000 for those transferring from programs
- \$17.92 million to analyze the 2012-2013 waiting list
- \$38 million for increased rate and immunization estimates
- Changes to FMAP, which impacted all programs, requiring the state to put in more to fill the gap
- Autism, \$15.5 million or 20% increase
- \$400,000 for increases to grants added by the Legislature
- Q&A
  - o **PPL, are they still being monitored?** Will obtain information.

## OMHSAS UPDATE

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### *Budget Briefing*

- \$3.9 billion budget
- 650,000 individuals will be reached in the coming year
  - o 20,000 over the age of 75
  - o 138,000 under the age of 12
  - o Need to be attentive to the full spectrum
- Planning focus is on transition periods and challenges facing those with mental health or other disorders
- Will travel around the state and participate in focus groups regarding the strengths and gaps
- Looking at rural communities, is there are some joint efforts developing
- Mental Health Matters funding, \$10,000 per county – 40 counties applied so far
- \$2.9 billion of the money is coming from Health Choices program, noting the various CMS letters
  - o PA did not get the Washington State CMS letter
  - o PA is proud of what has been achieved in the Health Choices strategy
  - o Question of some very technical elements
  - o PA's letter different from WA's letter in terms of directives
    - Need to talk more with CMS
    - Hoping it takes place by August
    - Circular *may* apply to PA
    - Exploring other states similar to PA – Michigan and California run a similar program
- Q&A
  - o **Regarding Health Choices, likes how the counties contract with the states. Look at where the contract can still be done with the counties and continue to think out of the box.** Really a technical question in terms of how the money is administered.
  - o **Update on guidance to counties about MATP and update on the last presentation on Olmstead Planning.** Expectation that each of the departments have to think through plans and updating – with regular interactions with sister agencies and organizations.
  - o **Hoak would like updates.** Happy to meet and participate in any meetings.

## SUBCOMMITTEE REPORTS

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### CONSUMER SUBCOMMITTEE (MET JULY 24) – LAVALLE

- Discussed MAGI and income changes, which will be discussed later
- Continue concerns about Medicaid benefit limits on adults, related to the implementation by MCOs on dental and pharmacy limits
- Mentioned the exceptions, focusing on dental and the information received from the department on various procedures...will share information with MAAC members
- Health Choices appeals processes, ensuring that if a consumer is denied home health care or skilled nursing that a challenge may be utilized in their area
- Increase in capitation related to MCOs – concerned of seeing the benefits and savings to be realized from Health Choices...
- Next meeting September 25

**FEE-FOR-SERVICE SUBCOMMITTEE (MEETS AUGUST 14) – LYNCH, NO UPDATE**

**LONG TERM CARE DELIVERY SYSTEM SUBCOMMITTEE (MEETS AUGUST 13) – HOAK, NO UPDATE**

**MANAGED CARE DELIVERY SYSTEM SUBCOMMITTEE (MET JULY 11) – GLINKA**

- Awaiting review related to behavioral health
- Sharing of minutes to be ADA compliant
- Presentation at future meeting on creation of statewide guidelines on the use of **Suboxone®**
- No update on regulations
- Enhanced fees for MCOs...discussion on various plans and their status
- Gateway not taking any money from PCPs
- Update on health exchanges on the website
- Emergency five-day supply of medications, concerns by pharmacies about payment

## **MEDICAL ASSISTANCE BULLETINS AND REGULATIONS**

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*List of Bulletins – Robert Gardner*

Refer to attachment, specifically mentioned the preferred drug list update, issued July 24

*Feedback documents – Robert Gardner*

None for July

## **OLD BUSINESS**

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*Update on 1115 Waiver for Early Adoption of MAGI Standards – Jerry Koerner, OIM*

- Implementation on October 1, 2013 based on the eligibility rules in effect January 1, 2014
- Notice in the Bulletin
- Working with CMS on the implementation and strategy
- On the Waiver, comments are due by August 12, 2013
- Rules explain the implementation the new federal poverty income limits
- Income conversion was submitted to CMS as of yesterday
- Revising the COMPASS application related to electronic notices through their online account and submitted email rather than using USPS if that option is selected by the applicant – safeguards in place for email failures...
- Updating COMPASS with tax filer information and adding premium tax credit information as well
- Updating the plans to switch out the 600 CH applications to add the ACA requirements
- Q&A
  - o **Ability to transfer data to cell phones since some have limited computer access?** Koerner said not right now.
  - o **LaValle talked about the 27,000 that could be impacted. Could consumers lose their eligibility?** Koerner said there isn't an actual number, but it would be very rare for someone to lose MA eligibility.
  - o **LaValle has concerns about the plans not changing their systems to ensure the correct benefit delivery.** Koerner said all the system designs have had detailed collaboration with OMAP. The health care benefit packages are not changing. LaValle understands, but the plans are making the determinations. If we're shifting to a new way of categorizing Medicaid, to what degree do they need to change?
  - o **Will the redetermination notices also go out electronically?** Koerner said yes, also mentioning renewals.

## **NEW BUSINESS**

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### *Birth Center Regulations – Robert Gardner*

- Separate payments to free standing birth centers, but that will have to change under PPACA regulations
- Referred to many attachments, further including nurses and midwives
- Completed a public notice – Bulletin of July 13 with a public comment period ending August 11
- Drafting a MA Bulletin to announce changes
- Regulations provision will include separate payments
- Effective September 1

**NEXT MEETING ON THURSDAY, SEPTEMBER 26, 2013**