

In This Issue

| | |
|---|----|
| Community HealthChoices Goes Forward | 3 |
| Much At Stake As New Administration Develops Health Care Proposals | 4 |
| Marketplace Open Enrollment Ends January 31, 2017 | 6 |
| Pennsylvania Awarded Innovative Behavioral Health Grant | 7 |
| DHS Working to Improve Access to Medicaid for Those Leaving Jails and Prisons | 9 |
| PA Budget Address Scheduled for February 7th | 10 |

Large Numbers of People Impacted By Change in Medicaid Physical Health Plans

There will be significant changes to the physical health managed care plans that participate in Pennsylvania’s Medicaid managed care program called HealthChoices*. After issuing a Request for Proposal for a new contract and soliciting bids, the Department of Human Services (DHS) recently announced it chose six managed care organizations to provide physical health and prescription drug coverage in one or more HealthChoices zones. The state intends to negotiate a three year contract with the selected insurers scheduled to **begin June 1, 2017** at an annual cost of \$12 billion. The selected insurers will serve 2.2 million Medicaid consumers. Of these, approximately 700,000 will have to move to a new plan because of the changes discussed further on the next page.

Most Pennsylvanians on Medicaid receive their physical health care coverage through a HealthChoices managed care plan. The main exceptions are people with both Medicare and Medicaid (dual eligibles), people receiving services through the Aging Waiver program, and people enrolled in the Health Insurance Premium Payment (HIPP) program. As a reminder, individuals have a choice of their physical health HealthChoices plan and they can change plans at any time during the year.

***NOTE: HealthChoices is different from Community HealthChoices.** Despite similarities in program names and insurer names, these are two different Medicaid delivery systems providing coverage to different groups of people.

Subscribe...

Online at phlp.org/emaillist or by emailing staff@phlp.org

Two existing managed care plans, Aetna Better Health and United Healthcare, were **not** selected to continue in HealthChoices. A new managed care organization, Centene, which operates nationally and in Pennsylvania will be called “Pennsylvania Health and Wellness,” was chosen to operate in three of the five HealthChoices zones. Some existing HealthChoices plans were approved to operate in new zones while others will operate in fewer zones. DHS officials have not yet reported timeframes for their “readiness review” process during which chosen plans are evaluated to determine whether they can meet requirements necessary to operate when their contract starts.

See the chart below for detailed information about the managed care plan changes in each HealthChoices Zone for 2017. Click [here](#) to find out which counties are included in the different zones.

| | | |
|---|---|---|
| <p><u>Lehigh/Capitol Zone</u></p> <p>Aetna Better Health AmeriHealth Caritas Gateway Health Plan United Healthcare UPMC for You</p> <p>Geisinger Health Plan HealthPartners PA Health and Wellness</p> | <p><u>Northeast Zone</u></p> <p>Aetna Better Health AmeriHealth Caritas North- east</p> <p>Geisinger Health Plan Gateway Health Plan UPMC for You</p> | <p><u>Northwest Zone</u></p> <p>Aetna Better Health AmeriHealth Caritas Gateway Health Plan UPMC for You</p> |
| <p><u>Southeast Zone</u></p> <p>Aetna Better Health HealthPartners Keystone First United Healthcare</p> <p>Gateway Health Plan PA Health and Wellness UPMC for You</p> | | <p><u>Southwest Zone</u></p> <p>Aetna Better Health Gateway Health Plan United Healthcare UPMC for You</p> <p>AmeriHealth Caritas PA Health and Wellness</p> |

Note: New plans in the zone as of 6/1/2017 are in bold; a strikethrough is for plans that will no longer be offered in the zone as of 6/1/2017.

The Impact on Consumers

Statewide, over 700,000 Medicaid consumers will need to choose a new managed care plan as a result of this selection process. Aetna and United, the two insurers not selected to continue in the program, currently have a combined membership of 430,000 members ([DHS enrollment report](#)). In the Lehigh/Capitol Zone, where only one of the five existing MCOs was selected to continue, two thirds of all the consumers in HealthChoices will be required to either choose or be auto-assigned to a new plan. The Medicaid continuity of care protections, as outlined in our [September 2012 newsletter](#),

will be extremely important in ensuring that consumers in an ongoing course of treatment will not have their care disrupted when they move to a new plan. DHS will provide advance notice to all consumers in the HealthChoices program outlining their managed care plan options and the process for enrolling into a new plan.

Health Plans Respond to Plan Selection

At least three managed care plans have filed bid protests challenging the HealthChoices selection decision. If the plans are unsuccessful in their administrative protests, they could appeal to Commonwealth Court and attempt to stop DHS from moving forward with the new HealthChoices contracts until their bid protest is resolved. As reported in a [previous newsletter](#), a successful court challenge by Aetna in June 2016 delayed the HealthChoices procurement process, which began in September 2015 and was initially intended to take effect January 2017.

Stay tuned to future newsletters for more information about other changes to HealthChoices physical health care coverage as the new contracts go into effect and for updates on the outcome of the bid protests.

Community HealthChoices Goes Forward

The Department of Human Services is moving forward with readiness review and contract negotiations with the three insurance companies chosen in late August to provide coverage under Pennsylvania's Community HealthChoices (CHC) program: **AmeriHealth Caritas**, **Centene**, which operates nationally and in Pennsylvania will be called "Pennsylvania Health and Wellness," and **UPMC**. The Department is resuming these actions after the Commonwealth Court [denied](#) United Healthcare's request for an ongoing stay of CHC while their legal challenge is considered by the Court. The Court previously granted a temporary stay to United which halted these actions for a period of time and led the Department to delay the start date for CHC until January 1, 2018 as we reported in our [previous newsletter](#).

As a reminder, Gateway Health Plan, Molina, and United Healthcare have each appealed to Commonwealth Court from DHS's denial of their bid protests and have pending cases. To date, both Molina's and now United's request for a stay has been denied. Gateway has not requested a stay as part of its legal challenge.

Much At Stake as New Administration Develops Health Care Proposals

Just days into President Trump's term in office, his Administration and Congress began focusing on efforts to repeal the Affordable Care Act (ACA) and developing plans to replace it. President Trump believes that the ACA should be repealed and simultaneously replaced; however, at this time, there is no agreed upon approach to replacing it. Although there have been some legislative actions taken, **nothing definite has been passed or changed at this time.**

The Affordable Care Act includes numerous provisions that impact many areas of the health care system and many types of health care coverage including Medicaid, Medicare, individual coverage, and employer coverage. Nearly everyone with health insurance is impacted in some way by the ACA. To remind readers, here are some highlights of changes made as a result of the ACA:

- Creating the Health Care Marketplace (HealthCare.gov also called "Obamacare") and making tax credits and subsidies available to help people pay for private coverage through the Marketplace. Last year, more than 439,000 Pennsylvanians enrolled in coverage through the Marketplace;
- Eliminating yearly or lifetime limits on coverage by insurers;
- Eliminating copays for preventive services and placing annual caps on people's out of pocket expenses for covered services;
- Prohibiting insurers from denying coverage to people with pre-existing conditions or from charging these people more for their coverage;
- Requiring health insurers to cover a minimum set of benefits including habilitation/rehabilitation and mental health and substance abuse services;
- Requiring employers offer coverage to dependents of insured employees until age 26; and
- Requiring individuals to have minimum essential coverage or pay a penalty.

Threats to Medicaid

Most significantly for Medicaid, the ACA allowed states to expand Medicaid to individuals age 19-64 with limited incomes. Since Pennsylvania expanded Medicaid in 2015, almost 700,000 adults have gained coverage. This coverage is at risk if the ACA is repealed.

Another threat to Medicaid includes the proposal in President Trump's replacement plan to block-grant the Medicaid program. This means that the federal government would give each state a fixed amount of money to use to administer its Medicaid program and give the states more flexibility to decide who to cover and what services to cover. Block grants will likely result in less federal dollars to the states than in the current system. This could mean fewer people being covered and reduced

services to those who are covered by Medicaid including low-income families, people with disabilities, and older adults. Currently, Pennsylvania's Medicaid program covers over 2.8 million people including 1.2 million children.

Governor Wolf recently issued a [press release](#) describing the devastating consequences block granting the Medicaid program could have on Pennsylvanians who rely on this important coverage including older adults in nursing homes and people receiving drug addiction treatment given the opioid epidemic facing our state and many others. He also further explained the consequences of repealing the ACA for Pennsylvanians noting the loss of coverage for over one million people (between the Marketplace and Medicaid Expansion) as well as the negative impact on safety net providers in his [response](#) to a Congressional Request for Information about ACA repeal and replacement.

Threats to Medicare

Medicare provisions of the ACA include: closing the Medicare Part D donut hole by 2020, providing coverage of preventive services including an annual wellness visit at no cost, and payment reforms that are aimed at saving money for both the Medicare program and for beneficiaries. Replacement proposals developed so far differ in terms of what, if any, of these provision are kept and what further changes will be made to the Medicare program that covers over 2.5 million older adults and persons with disabilities in Pennsylvania.

Many of the replacement proposals being offered include changes that could lead to Medicare beneficiaries having to pay higher out of pocket costs for their coverage and services. Some proposals advocate significantly altering the structure of the Medicare program by turning it into a voucher program—that is, giving Medicare beneficiaries a voucher that they would then use to buy health care coverage. Consumer advocates express concern that privatizing Medicare in this way would ultimately lead to people having significantly higher out of pocket expenses if the vouchers do not keep up with increasing health care costs and would likely mean the end of the Original Medicare program that exists today. As of October 2016, Original Medicare covered [more than two-thirds](#) of the over 57 million Medicare beneficiaries nationwide.

Administration Officials Picked to Lead Federal Agencies Support Changing Medicare and Medicaid

Tom Price, the nominee for Secretary of the U.S. Department of Health and Human Services (HHS), is an orthopedic surgeon and U.S. Representative from Georgia. He supports repealing the ACA, block granting Medicaid, and turning Medicare into a voucher program. At the time of this newsletter publication, he has had hearings before two Senate Committees and is currently moving through the nomination process.

In testimony before the Senate Finance Committee, Rep. Price repeatedly stated that Medicaid beneficiaries have health care coverage on paper only, and that they lacked access to quality care. To the

contrary, a recent report issued by the HHS Office of the Assistant Secretary for Planning and Evaluation, [Medicaid Expansion Impacts on Insurance Coverage and Access to Cares](#), shows significant health care gains under the ACA's Medicaid expansion to low income adults, including increased access to preventive services, prescription drugs, primary and specialty care.

Seema Verma, picked to run the federal agency that administers the Medicare and Medicaid programs, is a health care consultant. She has previously worked with Vice-President Mike Pence when he was Governor of Indiana to design that state's Medicaid Expansion. Indiana's Medicaid program received a federal waiver allowing it to require people eligible through the Medicaid expansion to make small monthly payments for their coverage with consequences of losing coverage for a period of time if they missed payments. Consumer advocates note that requiring people to pay for coverage can result in fewer people getting coverage and/or care.

Stay tuned to future newsletters as we will continue to report on developments in this area. Individuals wishing to voice their opinion about the proposed changes to these programs or who wish to share their stories about how these programs impact them are encouraged to contact their [U.S. Representatives](#) and [Senators](#).

Marketplace Open Enrollment Ends January 31, 2017

Individuals wanting to purchase health insurance through the Marketplace ([HealthCare.gov](#)) for 2017 must do so **by January 31st**. This is the last day of the 2017 Open Enrollment Period. Those enrolling by this date will have coverage beginning March 1st. Despite the uncertain future of the Affordable Care Act (ACA), individuals without insurance are encouraged to enroll before the deadline. Even if the ACA is repealed, it is unclear how soon any changes would take effect.

After January 31st, consumers will **only** be able to enroll in a Marketplace plan for 2017 **if** they qualify for a Special Enrollment Period based on certain circumstances, including, but not limited to:

- Losing health insurance including Medicaid, CHIP, or health coverage through an employer
- Having a baby or adopting a child
- Getting married
- Moving out of their plan's service area
- Leaving incarceration

Those who experience any of these life changing events (or others) must act quickly (generally within 60 days of the event) to enroll in a Marketplace Plan. Individuals can find out more about what circumstances allow someone to enroll in a Marketplace plan outside of Open Enrollment by going to [HealthCare.gov](#) or by contacting the Marketplace at 1-800-318-2596. Anyone who needs help joining a Marketplace plan or applying for premium tax credits and subsidies can find local help at [localhelp.healthcare.gov](#).

Pennsylvania Awarded Innovative Behavioral Health Grant

In December, Department of Human Services' (DHS) Secretary Ted Dallas announced that Pennsylvania was awarded a Certified Community Behavioral Health Clinic (CCBHC) demonstration grant by the federal government to improve services and care coordination for individuals on Medicaid and on CHIP with serious behavioral health needs. The Commonwealth is one of eight states selected out of 24 applicants to receive the grant. While the exact funding is dependent on the usage of the CCBHC program, DHS estimates it could receive an additional \$10 million in federal funding.

We first informed readers about this grant opportunity in our [November 2015 newsletter](#) when the state was awarded a one-year planning grant for the CCBHCs. Through this planning grant, Dr. Dale Adair, Medical Director for the Pennsylvania Office of Mental Health and Substance Abuse Services, worked with a team of stakeholders and identified new service delivery and payment structures to better serve certain populations: adults with serious mental illness; children with emotional disturbance; those with long-term and serious substance use disorders; and others with mental illness and substance use disorders. Although twenty-four states received a planning grant, only eight were awarded the two-year demonstration grants.

The federal demonstration grant encourages states to adopt innovative approaches in the delivery of community-based behavioral health services. According to the Substance Abuse and Mental Health Services Administration, the federal agency administering the grant, the demonstration is “part of a comprehensive effort to integrate behavioral health with physical health care, increase consistent use of evidence-based practices, and improve access to high-quality care for people with mental health and substance use disorders”.

DHS will receive an enhanced federal matching rate on the payments made to the CCBHCs, either by the behavioral health managed care plans or the Fee-For-Service program. The funding is used to improve access to high-quality, patient and family-driven behavioral health care using evidence-based practices and taking into consideration the needs of the whole person. This grant is also intended to increase community supports and decrease the use of institutional levels of treatment.

“This grant is one of the most significant investments in community behavioral health in decades and has the potential to transform the way these services are delivered in the Commonwealth,” said Secretary Dallas. He went on to note that “We are committed to providing Pennsylvanians with access to high-quality services in their communities and look forward to improving the way individuals with mental health and substance abuse disorders receive help.”

The following entities have been selected by DHS to operate as Certified Community Behavioral Health Clinics starting in July:

- Berks Counseling Center, Berks County
- Cen Clear Child Services, Clearfield County
- Cen Clear Punxsy, Jefferson County
- Community Council Health Systems, Philadelphia County
- NHS, Delaware County
- Northeast Treatment Centers, Philadelphia County
- Pittsburgh Mercy, Allegheny County
- Resources for Human Development, Montgomery County
- Safe Harbor Behavioral Health of UPMC Hamot, Erie County
- The Guidance Center, McKean County

According to DHS, these CCBHCs will:

- enhance access to behavioral health services for Medicaid and CHIP beneficiaries;
- help individuals with mental health and substance use disorders obtain the health care they need to maintain their health and well-being;
- allow individuals to have access to a wide array of services at one location; and
- remove the barriers that too often exist across physical and behavioral health systems.

More details on the planning grant can be found at: <http://www.dhs.pa.gov/provider/mentalhealth/CCBHC/index.htm>

DHS Working to Improve Access to Medicaid for Those Leaving Jails and Prisons

The Department of Human Services is continuing to develop processes to help inmates being released from Pennsylvania jails and prisons get quick access to Medicaid coverage and services. These efforts stem from the passage of [legislation](#) initiated by Senator Pat Vance (now retired) in July 2016 to assist those leaving correctional facilities keep or obtain Medicaid.

Having quick access to medical coverage and care upon release from jail or prison is essential, especially given the high percentage mental health and/or substance use disorders within the prison population. For example, 65 percent of the 19,998 inmates released by the Department of Corrections in 2015 were diagnosed with a substance use disorder. In the midst of an opioid abuse epidemic in Pennsylvania, immediate access to treatment is critical for this population.

Expedited Application Process for Inmates Not on Medicaid Prior to Incarceration

The Department of Human Services has been operating three pilot programs using an expedited application process at the Graterford State Correctional Institute and the Montgomery and Philadelphia County jails. Of the applications taken through these pilot programs, ninety-seven percent resulted in Medicaid enrollment. Expedited applications are being processed within five days.

When this effort is expanded statewide (targeted for February 2018), staff in the county jails and state correctional institutions will help inmates apply prior to their anticipated release date. The state has recently developed a shortened application and COMPASS workflow to expedite application completion and benefits authorization.

Suspension of Medicaid For Individuals Who Are Incarcerated

The state is currently developing the technology to allow its Medicaid eligibility system to suspend benefits when a person is incarcerated and then immediately re-activate the benefits upon the day of release, assuming there are no changes in a person's circumstances that would impact their eligibility. This suspension can last for up to two years of incarceration. At present, an individual's Medicaid benefits are terminated as soon as they are arrested and detained. Federal law prohibits those in jail or prison from receiving Medicaid. Once someone is released, determining their eligibility can take 45 to 90 days once an application is completed. In this coverage gap the person often cannot access to medical care, including life-saving prescriptions. The state is aiming to have the IT systems in place by May 2017 so it can begin suspending Medicaid for inmates.

Individuals interested in additional information about the suspension of Medicaid benefits and expedited enrollment for Pennsylvania inmates can contact Carl Feldman, DHS Office of Policy Development at carfeldman@pa.gov.

PA Budget Address Scheduled for February 7th

Governor Wolf will deliver his budget address on February 7th and outline his proposed FY2017-2018 budget. On January 30th, the Governor [announced](#) a budget initiative involving the creation of a Department of Health and Human Services to promote efficiency and effectiveness across currently separate departments-Department of Aging, Department of Drug and Alcohol Programs, Department of Health, and Department of Human Services. More details should become available when the Governor details his proposed budget.

The current budget deficit is expected to be \$1.7 billion dollars; however, this figure could double depending on what happens with the repeal of the Affordable Care Act (see page 4). During future months, the Governor and General Assembly will be looking for ways to close this gap. Advocates and others are concerned about cuts to social services and other programs that serve vulnerable populations that could be made to help achieve a balanced budget.

Throughout February and March, the House and Senate Appropriations Committees will hold hearings with every state agency about the Governor's proposed budget for FY 2017-18.

House Appropriations Committee Budget Hearings of note:

- Department of Aging – February 21st at 3 PM
- Dept of Health/Dept of Drug and Alcohol Programs – February 28th at 3 PM
- Department of Human Services – March 7th at 10 AM

Senate Appropriations Committee Budget Hearings of note:

- Department of Drug and Alcohol Programs – February 23rd at 3 PM
- Department of Aging – February 28th at 1 PM
- Department of Health – March 7th at 10 AM
- Department of Human Services – March 8th at 1 PM

More information about the budget hearings can be found at www.legis.state.pa.us. Stay tuned to upcoming newsletters to learn more about what the Governor's proposed budget means for health care programs that cover vulnerable Pennsylvanians.

Our Mission

Founded in the mid-1980s and incorporated in 1993, PHLP protects and advances the health rights of low-income and underserved individuals. Our talented staff is passionate about eliminating barriers to health care that stand in the way of those most in need.

We seek policies and practices that maximize health coverage and access to care, hold insurers and providers accountable to consumers, and achieve better outcomes and reduce health disparities.

PHLP advances its mission through individual representation, systemic litigation, education, training, and collaboration.

You can help

[DONATE TO PHLP](#)

Support Our Work

Please support PHLP by making a donation on our website at phlp.org. You can also donate through the United Way.

For Southeast PA, go to uwsepa.org and select donor choice number 10277.

For the Capital Region, go to uwcr.org and pledge a donation to PHLP.

For the Pittsburgh Region, go to unitedwaypittsburgh.org and select agency code number 11089521.

PHLP: Helping People in Need Get the Health Care They Deserve