

In This Issue

Draft Medical Assistance Quality Strategy Released for Public Comment	2
Suspension of Medicaid Benefits During Incarceration	4
May is Mental Health Awareness Month in PA	5
Federal Proposals Target Medicaid and Other Benefit Spending	7
Governor Wolf Nominates Teresa Miller to Head Proposed Department of Health and Human Services	9

Medicaid to Remove Restrictions on Coverage of Hepatitis C Medications

The Department of Human Services (DHS) [announced](#) in mid-May that it will change Pennsylvania’s Medicaid policy to expand coverage of drugs that treat the Hepatitis C (HCV) virus. DHS will soon start to phase out the current coverage restrictions that largely limit HCV treatments to individuals with liver damage.

Under the new policy, DHS will amend its coverage [guidelines](#) for HCV treatment to authorize the drugs for beneficiaries with liver damage (“fibrosis”) scores of F1 or higher starting on **July 1, 2017**. It will remove the disease severity restrictions entirely beginning on **January 1, 2018**. A fibrosis score measures the amount of scarring to the liver caused by the Hepatitis C virus. Results are measured on a scale of F0 through F4, with F0 indicating no scarring and F4 being the most severe disease progression.

These changes follow the clinical recommendations presented a year ago by DHS’ Pharmacy & Therapeutics Committee as well as current medical guidelines. These changes apply to people covered through Medicaid fee-for-service (ACCESS Card) as well as those getting Medicaid through a HealthChoices plan.

PHLP applauds the Department for increasing access to these life-changing medications. PHLP, along with attorneys from the Center for Health Law & Policy Innovation of Harvard Law School, Community Legal Services, and Kairys, Rudovsky, Messing & Feinberg notified DHS in 2016 of their intent to file litigation unless

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the Medicaid program removed its disease severity restrictions.

HCV can grow undetected for decades before causing chronic and sometimes life-threatening liver problems. An [estimated](#) 3 million Americans are living with chronic Hepatitis C, about half of them undiagnosed. At least 20,000 people in the United States die each year due to liver disease caused by HCV, making it the deadliest communicable disease in the country.

Draft Medical Assistance Quality Strategy Released for Public Comment

On May 13, 2017, the Pennsylvania Department of Human Services (DHS) released a draft Medical Assistance Quality Strategy in the [PA Bulletin](#). **There is a 30-day comment period for this draft that ends on June 12th.** The federal government requires state Medicaid programs contracting with managed care plans to develop a quality plan detailing how it will ensure the contracted plans provide high quality and efficient health care. As a reminder, Pennsylvania calls its Medicaid program “Medical Assistance”.

Pennsylvania’s Medicaid Managed Care System

Pennsylvania’s Medicaid managed care program is known as HealthChoices. Under HealthChoices, the state currently contracts with eight physical health plans and five behavioral health plans. Over 2.2 million people, approximately 80 percent of the state’s Medicaid population, receive their physical health coverage through a HealthChoices plan. Even more of the Medicaid population, over 90 percent, have their behavioral health coverage through a managed care plan.

DHS is also in the process of developing contracts with three managed care plans for **Community HealthChoices**. As we have written about extensively in prior newsletters, Community HealthChoices (CHC) will provide physical health care coverage as well as long term services and supports to those on Medicare and Medicaid (“dual eligibles”), adults in nursing homes and those currently receiving home and community-based services and supports through any of the Waiver programs administered by the Office of Long Term Living (OLTL). CHC starts in Southwestern PA in January 2018 and then will expand to the remainder of the state by 2019. Approximately 420,000 Pennsylvanians will be enrolled into a Community HealthChoices plan.

The draft strategy document pertains to all managed care plans that contract with Pennsylvania. This includes plans in the HealthChoices and CommunityHealthChoices systems as well as the Childrens Health Insurance Program (CHIP) and the Adult Community Autism Program (ACAP). The draft document can be viewed at <http://www.healthchoicespa.com/>.

The State's Quality Strategy for Community HealthChoices

Community HealthChoices is a new and untested system of delivering and managing Medicaid long term care and health care services in Pennsylvania. Many advocates and other stakeholders have expressed concern over how DHS will monitor the plans to ensure the plans are complying with their requirements and expectations while also providing their members with the care they need.

The Draft Quality Strategy document is over 200 pages long. However, information about the Community HealthChoices program is found on pages 54 through 74 of the document as well as in Appendices M, N and O. The stated goals of CHC are to: 1) enhance opportunities for community-based living; 2) strengthen coordination of long term services and supports and other types of health care; 3) enhance quality and accountability; 4) advance program innovation and; 5) increase the efficiency of health care and long term services and supports.

Various bureaus within OLTL will be responsible for monitoring and ensuring compliance by the CHC plans as outlined in the Quality Strategy. Key components of the state's quality assurances and improvements include readiness review; early implementation monitoring; ongoing monitoring of quality and performance, and an independent program evaluation. In addition to the independent evaluation conducted by the University of Pittsburgh, the state will also contract with an external quality review organization, IPRO, to perform the mandated review activities required by federal regulations.

Consumers and their advocates interested in CHC may want to focus on the draft performance measures detailed in Appendix N. The state identifies measures regarding: complaints, appeals and grievances; community-based long term services and supports; service coordination and care coordination; nursing facility admissions and discharges; and issues related to the transition as CHC is launched. Individuals interested in commenting can decide if the quality measures identified in the draft Quality Strategy are on target or if different or additional measures ought to be included, and respond accordingly.

Comment Submission Details

Individuals or organizations can comment on **any** of the information included in the draft document. **Comments are due by June 12, 2017** and should be submitted to the Department of Human Services at ra-pwqualitystrategy@pa.gov. Comments received timely must be reviewed and considered by DHS before the Quality Strategy can be submitted to the federal government for approval. Those with a disability who require an auxiliary aid or service may submit comments using the Pennsylvania AT&T Relay Service at 800-654-5984 (TDD users) or 800-654-5988 (voice users).

Other Community HealthChoices (CHC) Updates:

A flowchart detailing the transition to CHC for people in the various Office of Long Term Living Waivers is available on DHS's CHC website [here](#). It was sent to providers earlier this month.

The Office of Long Term Living is working with entities such as Aging Well and various state advisory committees as it develops outreach and education materials. As a reminder, consumers in Southwestern PA who will transition to Community HealthChoices in January 2018 will receive their first mailing in July. This will be a flyer with general information. Pre-transition notices will then be mailed out in September with more detailed information. Aging Well will be hosting community forums geared toward dual eligibles (people with both Medicare and Medicaid) living in the community who are not receiving any long term services or supports. Aging Well will also be training Service Coordinators and nursing home staff who will be educating individuals in Waiver programs and those residing in nursing homes who will be enrolling into a CHC plan.

Suspension of Medicaid Benefits During Incarceration

On May 22nd, the Department of Human Services (DHS) began a new process to **suspend** Medicaid benefits when an individual is incarcerated. An [Operations Memo](#) released earlier this month details the actions County Assistance Office caseworkers will take when an individual receiving Medicaid is incarcerated.

As background, inmates of a jail or prison are ineligible for Medicaid and generally receive all of their health care services through the correctional facility they are in. Over the last year, Pennsylvania has been working to create and improve processes to ensure that Medicaid benefits are in place for qualified inmates on the date of their release from incarceration so they can quickly access care and treatment and avoid having gaps in coverage upon their release.

This new process builds on [changes started last year](#) allowing for an expedited Medicaid application process for inmates being released from state and county institutions. Under the new process, county caseworkers will suspend Medicaid benefits when an individual is incarcerated and place that individual into a new category known as MG-99 that has no Medicaid benefits associated with it. The

person can stay in the MG-99 category for up to two years while incarcerated. When the inmate is nearing his or her release date, the expedited MA application process should be made even easier since the inmate will already be suspended in the system under the MG-99 category.

People in this circumstance having problems with Medicaid eligibility upon their release from jail or prison are encouraged to contact PHLP’s Helpline at 1-800-274-3258.

May is Mental Health Awareness Month in PA

On May 3rd, Governor Tom Wolf proclaimed May as “Mental Health Awareness Month” in Pennsylvania. Nationally, the month of May is recognized as “Mental Health Month”. In his [Proclamation](#), Governor Wolf states that only fifty percent of individuals with a serious form of mental illness seek treatment. The number is even lower for those with substance use disorders—only ten percent of those individuals seek treatment. For those in Pennsylvania’s Medicaid program, a wide array of mental health and substance abuse services are available to adults and even more comprehensive services are available to children and adolescents.

The vast majority of Medicaid recipients receive their behavioral health (mental health and substance use disorder services) from a managed care plan. There is one [behavioral health plan](#) available in each county, and all plans are required to cover a basic set of services.

Mental Health Services Medicaid Must Cover	
Adults (age 21 and older)	Children and Adolescents (under the age of 21)
<ul style="list-style-type: none"> • Intensive outpatient • Outpatient therapy • Psychiatrist services • Partial hospitalization • Crisis services • Case management • Mobile therapy • Peer support services 	<p>All services covered for adults, plus</p> <ul style="list-style-type: none"> • Family Based Mental Health • Behavioral health rehabilitation services • Residential treatment facility • Community residential rehabilitation

Substance Abuse Treatment Services Medicaid Must Cover

- Outpatient
- Inpatient detox
- Hospital rehabilitation
- Non-hospital detox
- Intensive outpatient
- Partial hospitalization
- Halfway House
- Methadone maintenance
- Non-hospital rehabilitation
- Case management

Beyond the required services, each behavioral health plan can cover additional forms of treatment. For example, some plans provide school-based mental health services for children and youth and all plans provide psychiatric rehabilitation services for adults.

Additional information on how to access mental health and substance use disorder services in Pennsylvania is available on [PHLP's website](#)-including our [statewide manual](#) about accessing mental health and substance abuse services anywhere in Pennsylvania.

People on Medicaid seeking information on, or access to, mental health or substance use disorders treatment should contact their [Behavioral Health Managed Care Organization](#). Anyone on Medicaid who is denied mental health or substance use disorder services can contact PHLP's Helpline at 1-800-274-3258 for assistance.

Federal Proposals Target Medicaid and Other Benefit Spending

Affordable Health Care Act (AHCA) Update

On May 4th, the U.S. House of Representatives passed the Affordable Health Care Act (AHCA). This legislation repeals and replaces certain aspects of the Affordable Care Act. It also changes and limits how the federal government funds the Medicaid program. Instead of an open ended entitlement reimbursing states for a percentage of their actual Medicaid expenses, this legislation would change federal Medicaid funding to a “per capita cap” model giving states a certain amount of money per enrollee. States would also have the option of pursuing a block grant funding structure, rather than the per capita cap model, for certain populations covered by its Medicaid Program. The legislation ends the enhanced federal funding for those in the Medicaid expansion category for new enrollees after 2019. It also gives States the option of imposing work requirements on many adult Medicaid enrollees who do not have disabilities.

The AHCA also includes other changes that primarily affect those with coverage through the private marketplace--most notably, ending cost-sharing subsidies by 2020, changing age rating requirements for premium tax credits, and allowing states to apply for waivers to the essential health benefits and other requirements regarding the pricing of policies for those with pre-existing conditions.

According to the Congressional Budget Office (CBO) review of this legislation, federal funding of Medicaid will be reduced by \$834 billion over the next decade raising major concerns among state officials and consumer advocates in PA and across the country about Medicaid’s ability to meet the health care and long term care needs of the vulnerable populations who rely on this coverage in the future. The [CBO report](#) also estimated 23 million more people would be uninsured by 2026 if the AHCA were enacted compared to the number of uninsured projected under the current law. The CBO’s analysis also finds that changes made by the AHCA would result in older individuals paying higher premium costs and having more limited coverage.

The [Senate Special Committee on Aging](#) analyzed the impact of changes made to the private market under the AHCA. The Committee determined that in Pennsylvania, over 1.7 million people age 55 to 64 would face higher premiums as a result of the changes included in this legislation. The Committee also found that coverage for over 1.3 million older adults with pre-existing conditions would be at risk.

The legislation’s fate in the Senate is less than clear and there is no definite timeframe for action. Latest news reports indicate that Senate leaders are drafting their version of health reform legislation, and it is not yet known how different that version will be from the AHCA legislation. For a summary of changes included in the Affordable Health Care Act, click [here](#). We’ll keep readers updated on any developments in future newsletters.

President Trump's Budget Proposal Cuts Medicaid Funding Even Further

President Trump's [proposed Budget](#) released recently cuts an additional \$610 billion in federal spending for Medicaid over the next decade. This is in addition to the over \$800 billion in cuts made by the Affordable Health Care Act (noted on the previous page). In the budget proposal, Medicaid spending cuts are achieved by lowering the growth rate for the per capita cap. Outside groups such as the [Center for Budget and Policy Priorities](#) estimate that these changes would reduce federal spending for Medicaid by as much as 45 percent over the next decade and that the cuts would keep growing beyond that. According to this analysis, states faced with such drastic cuts in federal funding would have no choice but to limit Medicaid eligibility and benefits- significantly impacting the older adults, people with disabilities, and children who rely on their programs.

The budget proposal released by President Trump also includes funding cuts to other important health and public benefit programs that PHLP's clients rely on. These include:

- A 20% reduction in federal funding for the Children's Health Insurance Program (CHIP): The budget proposal would eliminate the Affordable Care Act's 23% increase in the federal matching rate and change the income limit for states to receive federal matching funds to 250% FPL (approximately \$61,600/year for a family of four). It would also eliminate the Maintenance of Effort requirements, thereby allowing states to further reduce CHIP eligibility limits. Currently, children age 18 and under in Pennsylvania whose family income is under 319% FPL (approximately \$78,400) qualify for subsidized coverage through CHIP. Should the federal budget proposal pass as written, it is expected that states like PA would lower their income limits for subsidized CHIP.
- Cuts of over 25% over the next decade in federal spending for the Supplemental Nutritional Assistance Program (SNAP)
- Reductions in federal spending by over \$74 billion for Social Security programs-especially Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) benefits.
- Eliminating federal funding for:
 - Low-Income Heating and Energy Assistance Program (LIHEAP)
 - State Health Insurance Programs (SHIPs): In Pennsylvania, our program is called APPRISE. The APPRISE program, like SHIPs across the country, provides free, unbiased support to people on Medicare to help them understand Medicare, enroll in Medicare, compare Medicare plan options, and connect to programs that are available to help Medicare beneficiaries with limited incomes and resources with various Medicare costs.

- Social Services Block Grant: this program provides funding to states for services to older adults including in-home care, home delivered meals, transportation, and protective services. It also helps low-income families with child care costs and helps children who are at risk of abuse and neglect.

Congress is currently working through the budget process. While President Trump's proposal provides insight into his Administration's priorities, both the U.S. House and Senate will likely make changes to his proposal as a budget bill is developed and debated for passage. Stay tuned to future newsletters for updates.

Governor Wolf Nominates Teresa Miller to Head Proposed Department of Health and Human Services

Earlier this year, Gov. Tom Wolf announced a plan to consolidate four departments into one unified Department of Health and Human Services. It was [pitched](#) as a way to improve services and save money for a deficit-strapped budget. On May 23rd, the governor announced his pick to oversee the new Department that will be responsible for administering public health as well as social and human services programs: [Pennsylvania Insurance Commissioner Teresa Miller](#). Governor Wolf also announced his intention to nominate Jessica Altman, current Insurance Department Chief of Staff, to be Miller's eventual replacement.

The General Assembly still needs to approve [the legislation](#) that combines four cabinet-level departments: Human Services, Health, Aging and Drug and Alcohol Programs.

As noted in [previous newsletters](#), advocates for older adults and for those seeking addiction treatment services have raised concerns and questions about whether these populations would be as well served by a bigger agency. Combining the four departments would create an agency that handles close to \$40 billion in federal and state money, or nearly half the annual total budget in Pennsylvania state government. The combined agency would have a wide range of responsibilities, including administering Medicaid; responding to public health emergencies; inspecting health care facilities; and distributing billions in aid to county social services programs.

If the enabling legislation does not pass, there would presumably be no change in leadership. Miller would remain at the Insurance Department; Ted Dallas would continue to lead the Department of

Human Services, and Teresa Osborne would continue to lead the Department of Aging. The Department of Health and Department of Drug and Alcohol Programs are currently overseen by Acting Secretaries.

We'll keep readers updated on any developments in future newsletters.

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.

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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.