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Governor's Proposed Medicaid Budget for FY 2016-2017

Despite the ongoing impasse with the legislature over revenue sources and spending levels, Governor Wolf has released a proposed budget for Fiscal Year 2016-17 that maintains existing Medicaid service and eligibility levels. The proposed budget moves forward with implementing the Community HealthChoices initiative and includes funding for a new Health Home initiative designed to combat the opioid epidemic.

The Governor proposes a General Fund budget of \$32.7 billion for FY 2016-17. This would be an increase of \$2.2 billion (7.1%) over the current fiscal year based on the stopgap budget passed plus additional funding recommended by Governor Wolf. As a reminder, the budget partially enacted in December as stopgap funding released \$23.4 billion for FY 2015-16. The proposed budget for the next fiscal year recognizes the continued budget impasse for this fiscal year, and uses a number of recommended supplemental appropriations for FY 2015-16 in order to make past year comparisons.

The proposed budget would increase general fund expenditures for the Department of Human Services (DHS) from \$11.7 billion to \$12.67 billion, an increase of 8.5 percent. The overall DHS proposed budget, including federal funding and other sources, is \$36.8 billion. Over half of that figure (\$19.9 billion) represents the Medicaid budget - excluding long term care programs like nursing facility care and home and community based service programs.

The Medicaid budget is made up of \$5.4 billion in state general funds, \$12.4 billion in federal funds, and \$2.1 billion in other funds such as the lottery and tobacco settlement funds. Almost 80 percent (\$15.7 billion) of the Medicaid budget is earmarked for capitation payments to managed care plans.

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The Long Term Care budget, which is now separated out from the Medicaid budget, is proposed at \$6.4 billion or 17.6 percent of the overall DHS budget.

More than \$500 million in savings were realized in 2015 through Medicaid expansion. As of February 12, 2016, enrollment through expansion has reached 550,000 people. The budget projects this figure will climb to 642,330 at the end of FY'16-17. Overall Medicaid enrollment for FY '16-17 is estimated at 2.82 million.

Highlights of the proposed Human Services and Medicaid budgets include:

- **Community HealthChoices** - \$43.1 million is allocated to implement managed care for: dual eligibles (those with both Medicare and Medicaid); participants in the Aging, Attendant Care, CommCare, Independence, and OBRA Home and Community Based Services (HCBS) Waiver programs; and nursing facility residents. Implementation is scheduled to begin in Southwest PA in January 2017 and expand to the rest of the state over three years. Please see the next articles for more information about Community HealthChoices;
- **Community Opportunities** - allocates \$23 million to provide HCBS services to an additional 2,040 younger individuals with physical disabilities and \$25.3 million to provide HCBS services to an additional 2,904 older adults;
- **Substance Use Disorder Health Homes** - \$34.2 million is proposed to fund 50 Health Homes to treat an estimated 11,250 individuals with opioid-related substance use disorder. Twenty five suboxone/methadone clinics will be created at the county level by July 2016. Another five suboxone/methadone clinics will be created by the Behavioral Health managed care plans and twenty suboxone prescribing practices will be created by the Physical Health managed care plans by January 2017;
- **Expanding Intellectual Disability and Autism Services** - \$12.3 million is provided to serve another 750 people with intellectual disabilities graduating from high school or on the emergency waiting list, and an additional 100 individuals through the Adult Autism Waiver;
- **County Human Services Funding Restoration** - \$27.9 million is provided to county-based human service appropriations that were subject to a 10% reduction in FY 2012-13.

Community HealthChoices Updates: Victory Related to 18-20 Year-Olds!

The Department of Human Services (DHS) recently announced that the OBRA Waiver will continue to exist when Community HealthChoices begins in each region in order to serve 18 through 20 year-olds with physical and developmental disabilities as well as those age 21 and older who meet the Intermediate Care Facility/Other Related Condition (ICF/ORC) level of care. In previous newsletters, we reported about the fact that 18-20 year-olds were not included in Community HealthChoices, unless someone in this age group was already receiving services through the Attendant Care, OBRA, or Independence Waiver programs at the time Community HealthChoices began in each region.

PHLP and other advocates raised concerns about the exclusion of 18-20 year-olds from Community Health Choices, especially noting the risk for institutionalization if these young adults could not access important long term services and supports such as respite, home modifications and residential habilitation. DHS maintained that the Early, Periodic, Screening, Diagnosis and Treatment (EPSDT) mandate of Medicaid would cover all of the services these young adults needed. Advocates disagreed and urged the state to change its position and provide for the needs of these young adults so that they can live as independently as possible within their communities.

PHLP is glad to report that our ongoing advocacy efforts have led to a successful result! DHS recently decided to address the needs of current 18-20 year-olds, as well as any new 18-20 year-olds who need long-term services and supports, through the OBRA Waiver. The OBRA waiver is the **only** OLTL Waiver program that will continue to exist once Community HealthChoices is implemented in a region. This will require some adjustment to the OBRA Waiver, which will be addressed during the upcoming renewal of the Waiver with the federal government (see the article on the next page). In addition, 18-20 year- old consumers currently enrolled in other Waiver programs will need to be transitioned over to the OBRA Waiver ahead of the phase-in of Community HealthChoices in their region.

When Community HealthChoices starts January 1, 2017 in Southwestern Pennsylvania, the following groups of people will be enrolled:

- Dual eligibles age 21 and older (except for those receiving services through the Autism, Consolidated, or Person/Family Directed Supports Waiver);
- Participants age 21 and older in the Aging, Attendant Care, CommCare, and Independence Waivers;
- Participants age 21 and older in the OBRA Waiver who are determined to be nursing facility clinically eligible; and
- People age 21 and older who are in a nursing facility paid for by Medicaid.

RFP Expected Soon

The Community HealthChoices Request For Proposal (RFP) has not yet been issued. We anticipate it will be released within the next few weeks. Once the RFP is issued, there will be a 60 day blackout period in place while interested managed care plans prepare and submit their bids. That typically means the Commonwealth will not publicly comment on or announce new program requirements during this time. We will continue to keep our readers updated on the roll-out and implementation of [Community HealthChoices](#) in future newsletters.

Comments Sought on 2016 OBRA Waiver Amendment & Renewal

As noted in an earlier article, the Department of Human Services (DHS) Office of Long-Term Living (OLTL) will be submitting a renewal of the OBRA Waiver, which expires on June 30, 2016. The draft Waiver renewal proposes the following substantive changes to the OBRA Waiver effective July 1, 2016:

- A new entity to perform clinical eligibility determinations and redeterminations;
- Four new employment-related service definitions to replace two existing employment service definitions;
- The transition of individuals from the OBRA Waiver into the new Community HealthChoices program as it rolls out across the state (beginning in January of 2017 through the end of 2019);
- The implementation of a home modifications broker; and
- Revised language to reflect the current practice under the new child abuse clearance laws.

DHS' [website](#) contains many documents detailing the proposed changes to the OBRA Waiver. OLTL will be accepting comments for 30 days beginning February 27, 2016, the date proposed changes were published in the [Pennsylvania Bulletin](#).

Interested persons are invited to submit written comments by **March 28, 2016** to the Department of Human Services, Office of Long-Term Living, Bureau of Policy and Regulatory Management, Attention: April Leonhard, P. O. Box 8025, Harrisburg, PA 17105-8025. Comments may also be submitted to the Department at RA-waiverstandard@pa.gov. Comments submitted by the deadline will be reviewed and considered by Department officials before the proposed OBRA Waiver renewal is submitted to the federal government for approval.

Given the significance of the OBRA Waiver for 18-20 year-olds, PHLP will review the proposed changes and submit comments, as needed, to protect their needs. We are especially interested in how OLTL will develop the "level of care" eligibility standards, and what the enrollment process will be for OBRA after Community HealthChoices is implemented. We will make our comments available for others to view on [our website](#) in advance of the March 28th deadline.

New Health Insurance Tax Forms for 2015

Those who had health insurance meeting “minimum essential coverage” in 2015 will receive [Form 1095-A](#) or [1095-B](#), two brand new tax forms that contain important information about health insurance coverage. This article explains the two forms: Form 1095-B for those who had Medicaid, CHIP, or Medicare coverage in 2015, and Form 1095-A for those who purchased coverage through the Marketplace ([HealthCare.gov](#)) in 2015.

Form 1095-B — Individuals who had Medicaid, CHIP, or Medicare Part A in 2015

Who gets this form? Anyone who had coverage through Medicaid, CHIP, or Medicare Part A in 2015 should have received Form 1095-B, “Health Coverage”, by mid-February.

Who sends this form? This form comes from either the Pennsylvania Department of Human Services (DHS) or from Medicare.

What information is contained in this form? The 1095-B lists all household members who were covered under Medicaid, CHIP, or Medicare Part A and how long they had that coverage in 2015. Households may receive more than one 1095-B if members of the household had multiple coverage types during last year.

What should I do with this form? Those who file a tax return will use the information from their 1095-B to answer questions on their tax return about whether or not they had minimum essential coverage for the entire year. **Please note:** individuals who are not required to file a tax return because their income doesn’t meet the filing threshold are **not** required to file a tax return just because they receive a 1095-B. It is a good idea for these individuals to keep the 1095-B with their other important paperwork.

What if I don’t receive my form or I need another copy? Individuals who received Medicaid or CHIP can download a copy of their 1095-B directly from their COMPASS account or they can request a copy to be mailed to them by calling:

- Medicaid—DHS Statewide Customer Service Center at 1-877-395-8930; or
- CHIP Hotline—1-800-986-KIDS (1-800-986-5437).

Individuals who receive Medicare should contact 1-800-MEDICARE (1-800-633-4227).

Form 1095-A — Individuals who had coverage through the Marketplace in 2015

Who gets this form? Anyone who purchased a plan through the Health Insurance Marketplace ([HealthCare.gov](#)) in 2015 should have received Form 1095-A, “Health Insurance Marketplace Statement”, by mid-February.

Who sends this form? This form comes from the Marketplace, not the IRS or the health insurance plan.

What information does this form contain? The 1095-A lists all household members who were covered under

the same Marketplace health plan, the length of that coverage, and information about premiums and tax credits. Households may receive more than one 1095-A if members of the household were in different or multiple Marketplace health plans during 2015.

What should I do with this form? Information from this form is used to complete Form 8962, which is the form the IRS requires individuals to file with their tax return in order to reconcile advance payments of the premium tax credit or to claim the premium tax credit on their tax return.

What if I don't receive my form or I need another copy? Individuals can download their 1095-A directly from their HealthCare.gov account or request a copy to be mailed to them by calling the Marketplace Call Center at 1-800-318-2596.

Pennsylvania Starts "Fast Track" Medicaid Enrollment

Pennsylvania's Department of Human Services (DHS) recently began a new effort aimed at increasing Medicaid enrollment. This Fast Track enrollment effort will target approximately 140,000 Pennsylvanians not yet receiving Medicaid but who receive benefits through the Supplemental Nutrition Assistance Program (SNAP, previously known as food stamps) or who have children that receive Medicaid.

Since DHS already has income information for these people; they only need the individual to request, or to say "yes", to Medicaid. [Letters](#) are being sent to those in the target group asking them to complete a simple form or to call a toll-free number in order to accept Medicaid. DHS has contracted with the Benefits Data Trust (BDT) to send outreach letters over the next several months, to make outbound calls to reach people, and to handle calls from people who get the letter.

Once a person says "yes" to Medicaid, DHS will review their case to determine whether they do, in fact, qualify for Medicaid benefits. Individuals will receive a written notice telling them whether they qualify for Medicaid or not.

Fast Track enrollment is allowed by the federal government to help states meet their enrollment goals related to Medicaid expansion. Pennsylvania had to receive permission from the federal government to begin the Fast Track enrollment by using SNAP and Medicaid data already available to help connect people to Medicaid coverage. DHS is still waiting to hear whether the federal government will allow them to use the Fast Track Enrollment process for 30,000-50,000 people who receive Low-Income Home Energy Assistance Program (LIHEAP) benefits.

People who are denied Medicaid in this process can call PHLP's Helpline at 1-800-274-3258 for advice and assistance.

A Reminder About the Medicare Parts A & B General Enrollment Period

We are more than halfway through the Medicare General Enrollment Period which runs from January 1st to March 31st each year. Individuals who do not already have Medicare Part B coverage or those without Part A who would be required to pay a premium for Part A coverage must take action before March 31st to be covered by Medicare in 2016. Read on for more information about the Medicare General Enrollment Period and how it works.

As a reminder, individuals are eligible for Medicare if: they are age 65 or older; they have been receiving Social Security Disability (SSDI) benefits for two years; or they have End Stage Renal Disease and are receiving dialysis or have had a kidney transplant. Medicare Part A covers inpatient hospital care, short term nursing facility care, home health care, and hospice care. Medicare Part B covers outpatient services such as doctor visits, diagnostic tests, and mental health treatment.

When someone first qualifies for Medicare, he has a window of time - known as the “Initial Enrollment Period” - to enroll into Medicare Parts A and B. Most individuals get Part A for free. Enrollment in free Part A can happen at any time. If an individual does not sign up for premium Part A and/or Part B during their Initial Enrollment Period, he usually must wait until the General Enrollment Period to enroll (see text box below for exceptions). If someone enrolls during the General Enrollment Period, his coverage will not start until July 1st. In addition, the person may be penalized and have to pay a higher Part A and/or Part B premium for delaying their enrollment into Medicare.

The only beneficiaries who can enroll into premium Part A and/or Part B outside of the Initial or General Enrollment Periods are:

- Those who have a Special Enrollment Period because they are covered by a group health plan through their own or their spouse’s current employment, *and*
- Those who qualify for the [Medicare Savings Program](#) where Medicaid will pay their Part B premium for them (and the Part A premium if they have to buy it).

Anyone wishing to take advantage of this General Enrollment Period must act **before March 31st**. To sign up for Part A and/or Part B, contact Social Security at 1-800-772-1213 or enroll online at www.ssa.gov.

More information about Medicare Part A and Part B enrollment periods can be found [here](#). Those who have questions about Medicare Enrollment Periods or the Medicare Savings Program can contact APPRISE at 1-800-783-7067 or call PHLP’s Helpline at 1-800-274-3258.

New Federal Poverty Level Guidelines Published

New Federal Poverty Level (FPL) Guidelines were published in late January. The new limits are slightly higher than the 2015 guidelines. These FPL guidelines are used to determine who qualifies for public health programs such as Medicaid, CHIP, Medicare Part D Extra Help and Marketplace Premium Tax Credits.

PHLP has updated its chart on Income and Resource Limits for Medicaid & Other Health Programs to include the 2016 amounts. Click [here](#) to view this resource.

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

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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.

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