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Move to Traditional Medicaid Expansion on Track

Governor Wolf's aggressive timeframe for ending his predecessor's alternative expansion (Healthy PA) and launching a traditional Medicaid expansion appears to be on track and will officially begin April 27th. As a reminder, the transition will be done in phases and will (1) undo the Healthy PA benefit package reforms (Healthy/low risk; Healthy Plus/high risk; and Private Coverage Option) and instead enact a single benefit package for adult recipients, and (2) gradually wind down the "Private Coverage Option" managed care system.

Phase One: Move to Single Benefit Package for Adults and Begin the PCO to MA Transition

All adults currently on Medicaid and in either the HealthChoices managed care system or in fee-for-service (the ACCESS card) will be assigned a new "adult" benefit package effective April 27th. The new adult benefit package eliminates the six prescriptions per month limit and contains no new service limits or caps. In late March, the Department of Human Services (DHS) and the HealthChoices physical health and behavioral health managed care plans mailed their adult members notices regarding the benefit package change. Sample notices are posted on www.healthchoicespa.com in the "Consumer Resources" section.

Also in late March, DHS posted public notice of the benefit changes in the PA Bulletin, beginning a thirty-day comment period. Following the comment period, DHS will submit the proposed adult benefit package to the federal government for approval. The federal government allows such changes to start before federal approval is granted, as long as the request for approval is submitted within a specified timeframe. DHS has been in discussion with federal offi-

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cials about its transition plans and does not anticipate any problems with gaining federal approval.

Also as part of phase one, current Private Coverage Option (PCO) enrollees who had Medicaid coverage in December 2014 will transition back to Medicaid and into the HealthChoices managed care delivery system. This will affect about 108,000 individuals who had been enrolled in a General Assistance-related Medicaid category or in SelectPlan for Women prior to being moved to the PCO earlier this year.

During the last week of April, PCO enrollees affected by the phase one transition will be mailed a notice with an insert explaining the changes. Affected individuals will receive coverage both through the PCO and Medicaid fee-for-service between April 27th and June 1st, and then be enrolled into a HealthChoices managed care plan beginning June 1st. During this transition period, individuals will continue to use their PCO coverage for most health care services but will also have additional coverage through the ACCESS card for benefits such as dental coverage and non-emergency medical transportation. To find a dentist who accepts the Access card, consumers should try calling dentists listed in the "Find a Doctor" section of the PA Enrollment Services website. To obtain medical transportation, consumers must register with the Medical Assistance Transportation Program vendor for their county. For more information, see the MATP website.

Phase Two: Complete Transition from PCO to MA

In phase two of the transition, which will run from late July through September, DHS will move all consumers remaining in the Private Coverage Option to the HealthChoices managed care program.

Medicaid Enrollment Update

Department of Human Services (DHS) officials reported in March that overall enrollment in the Medicaid expansion categories had increased from 211,485 at the end of January to 254,770 at the end of February. These figures include some individuals who were in a General Assistance category in December 2014 prior to being transferred to an expansion category in January. For applications received in February, DHS officials reported processing 77.6 percent within thirty days and 90.4 percent within forty-five days. The forty-five day timeframe applies when a County Assistance Office needs to request additional information from an applicant in order to determine eligibility.

Private Coverage Option enrollment increased from roughly 191,000 on February 19th to 223,000 as of March 19th with a consistent increase of approximately 8,000 enrollees per week. During the same time period, enrollment of adult Medicaid recipients in the Healthy Plus (or high risk) benefit package increased from 750,000 to 762,000, and enrollment in the Healthy (or interim low-risk) benefit package held steady at 154,000. Please note that Healthy Plus and Healthy benefit packages will go away with the move to the single adult benefit package described in the previous article. Overall, adult enrollment in Medicaid on March 19th totaled approximately 1.14 million.

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Governor's Proposed Medicaid Budget for FY 2015-2016

Despite inheriting a $2 billion budget deficit, Governor Wolf's proposed budget for Fiscal Year 2015-16 does not reduce Medicaid benefits or eligibility. Instead, the proposed budget announced on March 3rd maintains existing service levels and broadens eligibility through a traditional Medicaid expansion.

The proposed General Fund budget of $29.844 billion for FY 2015-16 represents an increase of $777 million (2.7 percent) over the current fiscal year. It would increase general fund expenditures for the Department of Human Services (DHS) from $11.2 billion to $11.9 billion, an increase of 6.2 percent. The overall DHS budget, including federal funding and other sources, is estimated at $36 billion. Of that, the Medicaid budget is $26.4 billion (73 percent) comprised of $6.9 billion in state general funds, $16.3 billion in federal funds, and $3.2 billion from other sources such as the lottery and tobacco settlement funds.

Initiatives included in the proposed Medicaid budget include:

- **Medicaid Expansion** – $500 million in projected savings are tied to the Medicaid expansion, which is now estimated to cover 700,000 newly-eligible adults in FY 2015-16. Including an anticipated enrollment growth of 4.67 percent in traditional Medicaid categories, DHS projects average annual enrollment for FY 2015-16 of 2.99 million people;

- **Rebalancing Long Term Care** – the Governor seeks to increase the number of residents receiving long term care services in the home or community so that they comprise more than fifty percent of all those receiving services through the state's long term care system. Please see the next article for further details;

- **Reducing Home & Community Based Services Program Wait Lists** –additional state funding is proposed to serve individuals currently on the Intellectual Disabilities Waivers wait list and the Adult Autism Waiver wait list. More information is provided in the following article;

- **Managed Care Long-Term Care** – without providing specifics, the budget proposes to implement managed long term care within three years;

- **Restoration of County Human Services Funding** – $27.9 million is provided to restore county-based human service appropriations that had been reduced in FY 2012-13.

As readers familiar with the state budget process are aware, the Pennsylvania House and Senate will spend the next several months drafting and debating their appropriations bills that outline each chamber's spending plan. The legislative leaders and the Governor will then negotiate a budget that will secure enough votes to pass both chambers. Pennsylvania state law requires that a budget be in place by the beginning of the next fiscal year that starts July 1, 2015.

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Expanding Services for Persons with Disabilities and Older Adults

Governor Wolf's proposed budget would, if adopted, significantly expand home and community based services for persons with disabilities and older adults. Some of the highlights are set out below. However, the proposed expansions would require additional state revenue which the Governor proposes to obtain from new or higher taxes. Given the challenge to get such taxes approved by the legislature, the proposed expansions face an uncertain future.

Highlights of the Proposed Budget for the Office of Developmental Programs

The proposed budget includes funding to expand intellectual disability (ID) services as follows:

- Fund day programs through the Person Family Directed Supports (PFDS) waiver for an additional 600 youth with intellectual disabilities who will be graduating or aging out of special education services (typically at age 21) during the coming fiscal year (mostly June 2015 grads);
- Provide additional waiver slots (Consolidated & PFDS) to serve 400 individuals on the emergency waiting list starting January 2016. The cost noted is $18.9 million in state funds for both youth and emergency list waivers;
- Allow an additional 75 individuals to receive waivers (mostly Consolidated) after being transferred from State Centers for Intellectual Disabilities to community settings (mostly group homes and life sharing); this will cost $1 million in state funds;
- Convert several private Intermediate Care Facilities for people with intellectual disabilities to waiver funded group homes- representing a total of 74 beds;
- Transfer five individuals from county base funding to waivers;
- Dedicate $4.8 million in state funds for partial restoration of the previous 10 percent cut to ID funding for counties under the Human Services Block Grant-with full restoration in 3 fiscal years; and
- Allocate $500,000 in state funds to leverage $1.8 million in federal vocational rehabilitation funds for a joint initiative with the Department of Labor & Industry to expand competitive employment opportunities for persons with ID

The proposed budget also includes $372,000 for 50 additional slots in the Adult Autism Waiver (an increase from 518 to 568 slots). Unfortunately, no funding is proposed to add slots for the Adult Community Autism Program (ACAP) program that is only available in Chester, Lancaster, Dauphin and Cumberland counties.

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Highlights of the Proposed Budget for the Office of Long Term Living

Governor Wolf's proposed budget aims to expand home and community based services for older adults and people with physical disabilities by including funding to serve more people under the following waivers:

- Aging waiver: 1,764 additional slots -$13.2 million from the state general fund (some state lottery money and tobacco settlement money goes into this as well but less than for the current fiscal year);

- LIFE program: 144 additional adults to be served - $1.7 million in state funds;

- Attendant Care waiver: 324 additional people to be served - $2.4 million in state funds; and

- Physical disability waivers (COMMCARE, Independence, OBRA): Total of 1,140 additional slots to be shared between these 3 waivers - $13.8 million in state funds.

Note: all the waivers listed above also receive federal Medicaid matching funds which are based on the amount of state funds appropriated for the waivers. In addition, PA will receive extra federal funds under the "Balancing Incentive Program" towards the cost of increasing the number of all waiver slots. However, those funds will end by October 2015. See our July 2014 newsletter for additional information about the Balancing Incentive Program.

OMHSAS Proposed Budget for 2015-16

Deputy Secretary Dennis Marion presented the Office of Mental Health and Substance Abuse Services (OMHSAS) proposed budget and key priorities to the OMHSAS Mental Health Planning Committee on March 19th in Harrisburg. The total funding requested for OMHSAS for fiscal year 2015-16 is $5.041 billion. This is a significant increase over the current 2014-15 budget of $4.150 billion and is largely tied to the Medicaid expansion.

Funds requested for OMHSAS include:

- $629.8 million for Community Mental Health Services
- $424.4 million for State hospital funding
- $43.1 million for Behavioral Health Service Initiative (BHSI) & Act 152 drug and alcohol funds
- $3.944 billion for Medicaid (Fee-for-service & HealthChoices)
- $1.4 million for the Special Pharmaceutical Benefits Program

The Community Mental Health Services funding of $629.8 million includes the restoration of one-third of the funding reduction that occurred in fiscal year 2012-13. Readers may recall that the 2012-2013 budget included a 10 percent cut to these community based funds that were never restored. Both Act 152 and BHSI proposed funding also includes a one-third restoration of the 2012-13 reduction. Act 152 funds drug and alcohol treatment service and BHSI includes funding for both mental health and drug and alcohol services for Pennsylvanians who are uninsured or underinsured.

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The OMHSAS proposed budget includes $2.5 million for two initiatives to help combat the heroin epidemic. The first initiative is the provision of Naloxone kits to trained first responders, drug and alcohol treatment programs and educational systems. Naloxone is a safe, effective, easily administered medication that reverses the effects of an opioid overdose. The second initiative is the development of outreach and engagement strategies and protocols for referring individuals at risk for an opioid overdose for assessment and treatment of their substance use disorders.

Also contained in the OMHSAS budget proposal is $1.25 million for a pilot program to provide Vivitrol, an evidence-based Medication Assisted Treatment, to those under court jurisdiction who are diagnosed with opioid dependence. Funding will cover the cost of Vivitrol and related community-based treatment and supports for individuals not eligible for Medicaid. These funds may also be used to initiate treatment prior to a person's release from incarceration to ensure engagement and continuity of care after their release.

Finally, the proposed budget includes an additional $4.7 million to the Community Hospital Integration Program Project (CHIPPs), which will allow 90 individuals now living in a state mental hospital to be discharged to the community with the services and supports necessary for their successful reintegration. Funding for continued operation of OMHSAS' six state hospitals and one long term nursing care facility is requested at $424.4 million.

Deputy Secretary Marion also highlighted some of the OMHSAS priorities for the next fiscal year including Mental Health First Aid trainings, increasing and improving behavioral health services for Pennsylvania's one million veterans, and enhanced training to ensure consistency in crisis intervention and emergency response services across the Commonwealth. Mr. Marion was pleased to announce that Pennsylvania "leads the pack" across the country having hosted an impressive 1,111 Mental Health First Aid Courses in 2014- several hundred more than the next closest states (California held 859 and Michigan 747).

OMHSAS Memo Clarifies Coverage of ABA

On March 18th, the Office of Mental Health and Substance Abuse Services (OMHSAS) issued a Memo to county HealthChoices contractors and behavioral health managed care organizations (BH-MCOs) regarding Medicaid coverage of treatment services for children with autism spectrum disorders. The Memo focuses on Applied Behavioral Analysis (ABA) which is an evidence-based treatment model for persons with autism spectrum disorders and other developmental disabilities. The Memo discusses coverage of ABA model services under Pennsylvania's Behavioral Health Rehabilitation Services (also known as "wraparound").

Pennsylvania BH-MCOs are: Community Behavioral Health (CBH), Community Care Behavioral Health Organization (CCBHO), Magellan Behavioral Health, PerformCare and Value Behavioral Health of Pennsylvania.

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The Memo makes five important points:

1) A licensed psychologist, psychiatrist, developmental pediatrician or other physician can do an evaluation and request coverage of ABA services from the HealthChoices contractor. In turn, the request for services must be reviewed and a determination regarding medical necessity must be made.

2) To qualify for coverage of ABA, a child need not "present with negative or externalizing behaviors"; instead, the Memo specifies that the key factor in determining medical necessity is "level of functional impairment". For example, a child with autism spectrum disorder who has limited communication and social skills, is withdrawn, fixated on particular objects, but who is not aggressive, may still qualify for ABA services.

3) DHS will develop new medical necessity guidelines specifically for ABA services, consistent with the focus on functional impairment rather than just on challenging external behaviors.

4) DHS will develop a means for ABA providers to enroll in Medicaid even if they do not have a mental health license. This is important because agencies must retain the services of a psychologist or psychiatrist in order to obtain a mental health license. Since ABA is most commonly provided or overseen by Board Certified Behavior Analysts who are trained specifically in ABA, rather than by psychologists, agencies that provide ABA often do not hire psychologists.

5) Behavioral health managed care plans must list ABA providers in their online provider directories.

OMHSAS issued this memo to try and address the confusion about coverage of ABA as part of Pennsylvania Medicaid's wraparound services. Readers may remember that a class action lawsuit, *Sonny O. v. Mackareth*, was filed in federal District Court by the Disability Rights Network, alleging that DHS (then DPW) was violating federal Medicaid law by not covering ABA (see our June 2014 newsletter). Also, the federal government issued an Information Bulletin last summer regarding Medicaid coverage of treatment services for children with autism spectrum disorders (see our July 2014 newsletter).

Many autism advocates consider this memo a good first step. However, some outstanding issues remain, including:

- What qualifications, if any, will OMHSAS require for providers to be listed as an ABA provider?
- What access standards will OMHSAS impose on BH-MCOs regarding ABA providers in their network?
- Who will be involved in determining the new medical necessity standards for ABA and what will the standards include?
- Will there be unique ABA procedure codes with unique rates? How will those rates be determined?
- Will the ABA model be covered in other treatment settings, such as center-based?
- Will ABA be covered for diagnoses other than autism?

PHLP will update readers on new developments as they occur.

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Marketplace SEP for People Who Owe Penalty for Not Having Coverage in 2014 Ends April 30th!

Individuals or families who did not have health insurance in 2014 and learn that they are subject to the Affordable Care Act's "shared responsibility payment" (i.e., penalty) when they file their 2014 taxes may still be able to enroll in Marketplace coverage for 2015, but they need to act by April 30th. This time-limited Special Enrollment Period (SEP) was created in past months to help individuals who only learned about the penalty after Marketplace Open Enrollment ended on February 15th and allows individuals a chance to enroll in Marketplace coverage to avoid having to pay another penalty for 2015.

Consumers who want to enroll in Marketplace coverage using this SEP should visit www.healthcare.gov or call the Marketplace at 1-800-318-2596. Individuals needing help with enrollment can find sources of local help here. Please see PHLP's February newsletter for additional information about this SEP.

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

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