

Testimony on Behalf of the Safety-Net Association of Pennsylvania
January 9, 2014

Good morning. My name is Mike Chirieleison and I'm here today in my capacity as president of the Safety-Net Association of Pennsylvania.

Safety-net hospitals have a long-standing commitment to serving on the front lines in caring for all Pennsylvanians regardless of their socio-economic or health status. Safety-net hospitals are large and small, teaching and community hospitals, and located in 33 counties, and they serve not only as the backbone of Pennsylvania's health care safety net but also provide much-needed economic stability in the communities they serve.

We commend Governor Corbett for advancing a thoughtful reform plan that seeks to improve access to health care, ensure quality, and enhance affordability.

SNAP also recognizes the governor's efforts to structure a proposal that's financially sustainable while preserving many of the economic benefits associated with insurance expansion.

Because our time is limited today, we'll present most of our recommendations for improving the proposal in our written comments. Right now, I'd like to use my remaining time to focus on four issues that are of particular importance to safety-net hospitals.

First, SNAP urges the state to extend retroactive eligibility to Healthy Pennsylvania's expansion population and seek to strengthen access to care for those falling into the safety net instead of creating additional strains on safety-net providers in the form of uncompensated care. We propose that the Medicaid fee-for-service program assume financial responsibility for retroactive coverage until the individual is enrolled in a private-market plan.

Second, disproportionate share and other Medicaid supplemental payments are the lifeblood of safety-net hospitals. It's vital that the current payments be maintained and that days of care provided to individuals covered under the "private option" count toward the calculation of eligibility for disproportionate share and other supplemental payments and government programs such as the 340B prescription drug discount program.

Third, SNAP is concerned that the new requirements for maintaining eligibility and the newly imposed benefit limits on current Medicaid eligibles will result in coverage suspensions and barriers to needed care and lead to additional uncompensated care for safety-net hospitals. SNAP urges the commonwealth to revisit these requirements and limits.

Finally, we ask the administration to explore the possibility of expanding the scope of the waiver beyond coverage reforms. Healthy Pennsylvania already looks to address other delivery system reforms, such as making greater use of telemedicine and increasing primary care capacity. We agree that these are vital reforms that will help us meet the needs of both the newly insured and the currently insured. We ask the administration to consider adding a Delivery System Reform Incentive Program similar to those created under the 1115 waivers approved for California, New

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Jersey, and Texas. We believe this type of program could be a powerful tool in helping safety-net hospitals and other providers meet the needs of our communities.

Conclusion

These are just a few of our ideas about Healthy Pennsylvania. This proposal offers great promise, and we hope to see our ideas reflected in the final waiver application submitted to the federal government. Thank you.