

MEDICAL ASSISTANCE ADVISORY COMMITTEE (MAAC) MEETING

March 24, 2022

Members present: Deborah Ann Shoemaker, Kathy Cubit, Richard Edley, Joe Glinka, Terri Henning, Russ McDaid, Nancy Murray, Derron Shultz, Julie Korick, Nick Watsula, Jeff Bechtel, Heather King, Mike Grier

This meeting was held via webinar due to the COVID-19 pandemic.

Deborah Shoemaker, consultant for the Pennsylvania Psychiatric Leadership Council, began with the roll call of the MAAC members. Sonia Brookins could not be in attendance.

Motion to approve the minutes was made by Nancy Murray and seconded by Heather King. Minutes for the February 2022 MAAC meeting were approved.

OMAP Update

Ms. Sally Kozak, Deputy Secretary for the Office of Medical Assistance Programs (OMAP), provided the OMAP update.

Ms. Kozak began with an acknowledgement of the 2022 Excellence Award presented to the Consumer Subcommittee of the Medical Assistance Advisory Committee by the Pennsylvania Legal Aid Network. This award distinction is reserved and presented to those who have demonstrated exceptional leadership and dedication to making civil legal aid available for low-income Pennsylvanians.

Ms. Kozak continued with the budget presentation for fiscal year 2022-2023. The Medical Assistance (MA) budget, comprised of state, federal and other dollars, is just under \$25.1 billion. The other funds include funds from the lottery, the tobacco settlement fund, and the cigarette tax. The state fund portion is slightly over \$5.8 billion. The overall budget represents a decrease of approximately 5% with no reduction in services from fiscal year 2021-2022.

A high-level breakout of the budget was provided with 80% or \$20.2 billion of the budget carved out for capitation payments. The physical health capitation funds are \$18.2 billion, which includes \$3.9 billion in state dollars and approximately \$2 billion for the behavioral health capitation. Fee-for-Service (FFS) will receive approximately 11% of the budget or \$2.7 billion, which includes \$663 million in state funds. The Children's Health Insurance Program (CHIP) accounts for \$447 million or 2% of the budget, including \$104 million in state funds. Medicare part D is funded entirely by state dollars in the amount of \$965 million or 4% of the budget. \$589 million or 3% of the budget, including \$155 million in state funds, is allocated for other categories including uncompensated care, burn centers, academic medical centers, critical access hospitals, expanded services for women's obstetrical and neonatal services, MA for Workers with

Disabilities (MAWD), trauma centers, and physician practice plans. The MA Transportation Program (MATP) accounts for 1% of the budget or \$155 million, which includes \$66 million in state funds.

Further detail was provided regarding the 2022-2023 capitation appropriation. The \$3.9 billion in State funding does not include Community HealthChoices (CHC). Overall, there was a state funding increase of 14%. The funds in the physical HealthChoices program supported an estimated enrollment of 2.9 million individuals. The capitation budget is set with actuarially sound rates and is reflective of medical and pharmaceutical services. The budget also includes the enhanced quality initiatives built into the physical health program. The capitation appropriation is reflective of the expiration of the public health emergency (PHE). As of February 14th, the expansion population data showed 919,370 newly enrolled eligible individuals, adults, and children.

Ms. Kozak provided information on Enhanced Quality Initiatives in the physical health program which included detailed updates on Opioid Use Disorder (OUD) Centers of Excellence (COE), Pay for Performance Incentives, Integrated Care Incentives and Community Based Care Management.

The OUD COEs started as a grant program in 2020 and have seen several positive results. Increased rates of follow-up after emergency department visits related to opioid use is up by 27% after 17 days and 18% after 30 days. There is also a 40% increase in the utilization of primary care services, a 10% increase in the utilization of ambulatory behavioral health services, and a 22% increase in the number of individuals with OUD who receive medication assisted treatment. In the past year, enrollment of COEs has increased from 60 sites to 204 sites.

Pay for Performance Incentives under MA Managed Care Organization (MCOs) can earn up to 2% of the capitation and maternity care revenue based on 12 quality measures. The Pay for Performance payments are based on benchmark and year-over-year performance. Starting in 2019, MCO's could earn a benchmark bonus for a perinatal and infant bundle as well as child and adolescence well care visits. In 2021, two quality measures were identified to provide a focus on health equity. These two measures were added to examine the timeliness of prenatal care and well-child visits in the first 15 months of life.

The integrated care plan initiatives started in 2016 and focused on persons with serious and persistent mental illness. There are a minimum number of integrated care plans that must be jointly developed between the physical health and behavioral health MCO's. Once the eligibility requirements are met for the program, then the MCO's are eligible for an incentive payout based on 5 quality measures.

Community Based Care Management funding continues to be utilized for patient-centered medical homes, maternal home visiting programs, and community health worker programs operated by MCO plans. These funds are also used to support food

insecurity initiatives and other community-based care management activities and initiatives.

Ms. Kozak outlined some of the significant changes to the 2022-2023 capitation appropriation. There is a \$468 million dollar increase due to changes in enrollment and rate increases. There is a \$14.7 million decrease due to the change in pharmacy rebates. There is a \$3.8 million total increase due to projected increases in the average per capita rate from 8.34 to 8.51 as well as in utilization from 49,720 to 49,962. There is a \$7.4 million decrease due to anticipated lower HealthChoices enrollment related to the higher minimum wage of \$12 per hour which will be effective July 1, 2022. There is a \$58.6 million increase due to the change in the Federal Medical Assistance Percentage (FMAP). Finally, there is \$823 million dollar increase to replace federal funding for fiscal year 2021-2022 for COVID-19 PHE response.

The FFS appropriation includes a \$664 million state-funded appropriation. A change in caseload and utilization, including prescription drugs, resulted in a \$27.7 million increase. There is an increase in annualization of the pediatric shift nursing rates due to a legislatively mandated \$5 per hour increase for pediatric shift nurses. Increased costs were reported for individuals eligible for Medicare Part A and Part B premiums. In general, the budget includes an overall reduction to state funding because of the enhanced federal funding available during the PHE.

The CHIP program accounts for \$400 million of the budget, including \$943,000 in cigarette tax revenue. There was also \$8 million in carry over funds from the prior year. It was noted that the current agreement for the eight MCOs that operate the program expires June 30, 2022.

The MATP program accounts for \$66.8 million in state general funds including \$3.5 million in state lottery funds. This is an increase from fiscal year 2021-2022. Other appropriations include \$3.6 million in funding for hospital payments, \$4.4 million in funding for critical access hospitals, \$13 million in state funds for trauma centers, \$8.6 million in funding for expanded medical services for women, and \$6.2 million in funding for MAWD.

Ms. Kozak continued the OMAP presentation with priorities for the 2022-2023 fiscal year. The Department is on target for a July 1, 2022, implementation date for the HealthChoices procurement. The go-no-go date for HealthChoices procurement is April 1, 2022.

The federal PHE is currently slated to end April 16, 2022. While the Department does expect the PHE to be extended, the length of the extension is unknown. The Department continues to work towards developing plans for staggered redeterminations over the course of six months and MATP remains a priority. The MATP multi-agency workgroup released a full set of recommendations in February 2022 which is available online. The Department also continues to focus on value-based purchasing with a

particular emphasis on social determinants of health and continued focus on pediatric complex care through our pediatric shift nursing initiative.

Jeff Bechtel, of the Hospital and Healthsystem Association of Pennsylvania, asked if the Department intended to include the provision in the HealthChoices agreement that provides a Medicaid MCO plan may not include in its provider network any provider with a history of one or more work stoppages during the previous 5 years unless the provider is or becomes signatory with a collective bargaining agreement or later a peace agreement that includes specific terms. Mr. Bechtel expressed concerns related to access to care and negative health outcomes and asked that the MAAC members be permitted to vote on removal of the language.

Ms. Kozak confirmed the provision is in the agreement and noted the provision has been in the request for action (RFA) since 2019. The provision is to ensure work stoppages do not interrupt access to care while improving the quality of care. Discussion amongst the MAAC members resulted in a determination that the MAAC Committee does not have the ability to alter Department contracts and can only advise. Mr. Bechtel, Ms. Shoemaker and Mr. Richard Edley requested additional discussion of this subject at the next MAAC meeting.

Mr. Mike Grier, of the Pennsylvania Council of Independent Living, asked if OMAP was aware of reduced transit trips due to driver shortages and asked if a wage increase has been considered. Ms. Kozak confirmed that OMAP was aware of the driver shortage issue but could only address MATP. Ms. Kozak noted that cross agency workgroups continue to meet regularly to discuss this issue.

Joe Glinka, of the Gateway Health Plan, asked if the MA Program's planned State Plan Amendment (SPA) to extend the postpartum period would be retroactive for mothers who have already passed the 60-day threshold. Ms. Kozak indicated that currently, no postpartum individuals are being disenrolled due to the PHE. Ms. Lickers confirmed that the SPA to extend the postpartum period from 60 days to 12 months will be submitted with the effective date of April 1st and will allow retroactive eligibility for postpartum beneficiaries for 12 months.

OLTL Update

Ms. Jamie Buchenauer, Deputy Secretary for the Office of Long-Term Living (OLTL) provided the OLTL update.

Ms. Buchenauer began the presentation with an overview of the 2022-2023 budget for OLTL. The budget reflects actuarially sound rates for the continued operation of CHC. The 2022-2023 budget assumes continued expansion in the Living Independence for the Elderly (LIFE) program. The big, proposed initiatives are a minimum wage increase, agency with choice, and nursing facility staffing payments.

Most of the OLTL budget is the CHC program. Almost \$14 billion dollars are allocated to that program. Long-term managed care, which is our LIFE program, accounts for \$372 million. The long-term living appropriation is \$479 million. The influx of federal funds from 2021-2022 has been backed out for 2022-2023, approximately \$587 million. The Department back filled about \$1.4 billion in new state funding for 2022-2023. That results in a total change in this appropriation of \$866 million.

Ms. Buchenauer further broke down the long-term living appropriation. There is an increase of \$1.9 million dollars in state funds and an actual loss of \$139 million in federal funds for a total decrease in \$137 million in federal funds in this appropriation. This appropriation is decreasing due to the loss in federal funding with the end of the PHE. This appropriation also received additional funds from the American Rescue Plan Act of 2021 (ARPA). There is a one-time ARPA funding of \$282 million dollars in this appropriation that ARPA sent out through Act 24 of 2021. There is additional ARPA funding that is anticipated to be appropriated for 2022-23 but has yet to be sent out.

Ms. Kathy Cubit, of the Center for Advocacy for the Rights & Interests of the Elderly, thanked Ms. Buchenauer for asking for an increase to support staffing increases in nursing facilities and asked if it includes an increase in the supplement to personal care home residents. Ms. Buchenauer confirmed that the entirely state-funded supplement will increase from \$439 per month to \$1351 per month.

Ms. Buchenauer announced a request for information (RFI) was issued March 11, 2022, to gather input on the implementation of agency with choice. Responses are due back March 25, 2022. The RFI is posted on e-marketplace. The CHC financial management services (FMS) transition was extended to July 1, 2022. The Department continues to work to get information back from participants and their direct care workers for a more seamless transition. OLTL also issued a request for proposal (RFP) for a new vendor of FMS for the remaining FFS population. That RFP was released on March 10th proposals are due April 25, 2022.

OMHSAS Update

Ms. Kristen Houser, Deputy Secretary for the Office Mental Health and Substance Abuse Services (OMHSAS) provided the OMHSAS update.

Ms. Houser began with announcing an employment opportunity within OMHSAS. OMHSAS is currently interviewing for Bureau Director of the Bureau of Policy, Planning and Development. In the interim Benny Varghese is the Acting Director and is doing great job of leading that department in the interim. Additionally, Lindsay Graves is the new Executive Assistant in OMHSAS.

Ms. Houser noted that the OMHSAS steering committee continues its strategic planning efforts. The implementation of 988 and the mental health crisis intervention program remains a priority in their continued efforts around reducing death by suicide.

Ms. Houser continued by indicating that the total OMHSAS budget for the 2022-2023 fiscal year is \$6.87 billion. The managed care program accounts for 80%. Mental health services account for 18% of the budget, Behavioral Health Services Initiative (BHSI) is about 1%, and FFS is the last 1% of the budget.

Ms. Houser noted a \$36.6 million increase to the base funds for community programs going out to counties. The BHSI funds also include the Community and Hospital Integration Projects Program (CHIPP), integration projects and block grants from the federal government. A little over \$500 million will be used to operate all six state hospitals and one long-term nursing care facility. BHSI funds for Drug and Alcohol services and Act 152 represent approximately \$57 million. There is also a \$40 million proposal to utilize some of the state reserve funds for counties to support workforce needs. There is an inclusion of \$1.25 million for 20 start-up CHIPPs and an additional \$2.5 million for the annualization of 20 CHIPPs from 2021-2022. OMHSAS generally requests 90 CHIPPs each year but has never been funded at that request level.

The Department's blue book for 2022-2023 includes \$57 million for rate increases that are anticipated to be associated with the implementation of the Residential Treatment Facilities regulations. That amount will move forward to 2023-2024. The Special Pharmaceutical Benefit program has been appropriated \$600 million which is a reduction of about \$150 million due to under-utilization.

The increased capitation for the coming year includes the increased rates put in place to support the requirements through the American Society of Addiction Medicine (ASAM) alignment initiative, expansion of the COEs, inclusion of Community-Based Care Management and continued funding for Intensive Behavioral Health Services.

Ms. Houser reviewed the most up to date information on the distribution for the Mental Health Home and Community Based Services workforce gap payments. New attestation forms with updated amounts were distributed last week. The frequently asked questions (FAQ) document that was distributed last month remains in effect. The service location criteria are listed in the FAQ and noted payments will continue to be made in the months ahead. Ms. Dawn Hamme, Director for the Bureau of Financial Management and Administration, reminded everyone to contact the RA account if there are any problems and that providers should check their SPAM and junk email folders.

Ms. Houser continued the budget presentation with a review of the Home and Community Based Service funds used to support the workforce and service delivery systems in different ways. The Department anticipates the implementation of electronic health records into the state hospital system. Funds have also been allocated to support counties with implementing technical assistance with Assisted Outpatient Treatment services.

OMHSAS has received about \$1.6 million to help state hospitals with COVID-19 tests, supplies, and personal protective equipment. The consolidated appropriations of \$486.842 million are being used to support planning and implementation of crisis

services, student assistant program work, and other kinds of services that are normally supported through the regular community mental health services block grant.

The Governor's Office announced a variety of hospitals and other services were able to receive workforce support funds. \$110 million has been specified for high Medicaid volume hospitals and community hospitals. Also included are inpatient psychiatric facilities, psychiatric units, general hospitals, and residential treatment facilities for adults and children.

The state capitation for the coming year is approximately \$1.96 billion, which is an overall increase of about 13%. These funds are specific to the HealthChoices Behavioral Health program. Current enrollment was reported for more than 3.3 million recipients. OMHSAS continues to work with Mercer to determine actuarially sound rates and enhanced quality initiatives.

Ms. Shoemaker requested clarification related to whether or not the \$2 million allocated for trauma informed care would be sustained annually. Ms. Houser indicated that there is a lack of clinicians who have specific training in trauma treatment modality. She also reported difficulty finding the appropriate outlets to provide the training. This fund is specific to increasing the number of clinicians who are certified in a particular modality of trauma treatment. This is currently a one time only funding initiative. Providers who receive the training will be expected to maintain it.

The request for an RA account for Act 2 of 2022 has been submitted and is expected to be in place by the end of the week.

ODP Update

Mr. Jeremy Yale, Director of the Bureau of Policy and Quality Management in the Office of Developmental Programs (ODP) provided the ODP update.

Mr. Yale began the presentation by stating the mission of ODP. He then provided a quick update on the ARPA funds, indicating rate enhancements are effective January 1, 2022. Additional one-time ARPA fund initiatives allowed for much needed money to be distributed to providers. ODP published an initiative that will provide additional support to providers for training and credentialing. The funds will also set up a business associates program to aid individuals with disabilities to become gainfully employed.

Supports have been put into place to address respite needs and to support individuals and families that are currently on the waiting list. There will be a one-time funding opportunity available next month to provide support related to technology that will enhance the home and community-based services provision. \$25 million has been budgeted for counties to increase support for intake and eligibility for new populations, waiver capacity, and risk management. MAAC committee members are aware that

ODP is in the process of waiver amendments to expand eligibility for children with medical complexities.

Mr. Yale continued the ODP budget presentation for fiscal year 2022-2023. The proposed budget is \$6 billion, including \$673 million in state funds which represents a 23% increase from last fiscal year. ODP represents approximately 16% of the state portion to the DHS budget.

ODP is preparing a \$32 million initiative for home and community-based services, to assist 732 individuals off of the emergency waiting list and another 100 individuals in the consolidated waiver. Approximately \$10 million is being proposed to provide community transitions to the consolidated waiver for individuals currently receiving care at state mental hospitals, state centers, or in private intermediate care facilities (ICF). The office anticipates \$8.5 million in savings from community transitions to the consolidated waiver from those private ICFs and another \$4 million for providing the transition of 100 individuals from group homes into less costly life sharing or supportive living options.

Mr. Richard Edley, of the Rehabilitation and Community Providers Association, asked if there was any idea of the number of providers in certain categories that are appealing the proposed rate. Mr. Yale responded by saying that data was not available to him right now, but current provider feedback was pleased with the proposed increases.

Subcommittee Reports

Consumer Subcommittee

Mr. Laval Miller-Wilson, council for the Pennsylvania Health Law Project, provided the Consumer Subcommittee report for Ms. Sonia Brookins, Chair of the Subcommittee, in her absence. No additional information to report. Next meeting is scheduled for Wednesday April 27, 2022.

Fee-for-Service Delivery System Subcommittee (FFSDSS)

Ms. Deb Shoemaker, Chair for the FFSDSS reported that the next meeting will be held on May 11, 2022.

Long-Term Services and Support Subcommittee (LTSSS)

Ms. Kathy Cubit, Chair for the LTSSS, reported the next meeting date is June 14, 2022, and will be held remotely.

Managed Care Delivery System Subcommittee (MCDSS)

Mr. Joe Glinka, Chair for the MCDSS, provided the subcommittee report. There was a discussion related to the RFA for the enrollment assistance contractor. An update on Resource Information and Services Enterprise (RISE PA) was provided. The subcommittee had a recognition of 25 years of HealthChoices. An update on the procurement was provided. Dan De Lellis provided an update related to provider enrollment. The next meeting will be held on April 14, 2022 and will be held remotely.

Managed Long-Term Services and Supports Subcommittee (MLTSSS)

Mr. Mike Grier, Chair for the MLTSSS, reported discussion on the FMS transition. Megan Barber from PA Department of Health provided an overview of the long-term care resiliency and infrastructure supports and empowerment (LTC RISE) program. There was a presentation from Ed Butler from OLTL who spoke about employment innovator and the services available. A joint presentation was given by CHC, OLTL and OMAP on nursing facility quality strategy. The next meeting will be held on May 5, 2022.

MA Bulletins

Ms. Eve Lickers, Director of the Bureau of Policy, Analysis and Planning, indicated that six MA bulletins were issued since the last MAAC meeting. The link to "What's New at OMAP" was shared for review of the MA bulletins.

Adjournment

Ms. Shoemaker reviewed new and old business. A motion to adjourn was made by Kathy Cubit and was seconded by Jeff Bechtel. The next meeting of the MAAC will take place on Thursday April 28, 2022.