



# Senate Public Health and Welfare Committee

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## Summary A02

1. **Enhanced Medical Services Delivery System** – Any agreement between the Commonwealth and the federal government with regard to enhancing health insurance coverage opportunities shall consider and recognize the following:
  - a. **Elements:**
    1. Benefit design modifications
    2. Improved accountability and personal responsibility
    3. Plan design features that parallel the services and benefits available in private commercial insurance
    4. Maximized use of commercial insurance
    5. Continued operation of CHIP that does not unnecessarily require a move to MA
    6. Implementation of an enhanced medical assistance delivery system that utilizes existing or supplemental plans for MA programs
    7. Reasonable employment and job search requirements for those who are physically able
    8. Improved access and continuity of care with support for community-based health centers, medical homes, expanded scope of practice and a managed long-term care pilot program
    9. Use of competitive and value-based purchasing from medical providers and suppliers
    10. Continued emphasis on the reduction of waste, fraud and abuse with attention on credible allegations of fraud by providers
    11. Resolution on the use of existing Federal deferrals and disallowances with minimal impact to the Commonwealth
    12. Maintenance of the current gross receipts tax on Medicaid MCOs
    13. Application of the current Federal financial participation rate currently provided
    14. Affirmation that additional coverage is not an entitlement

Recognition and furtherance of these objectives is essential for the Commonwealth to enter into an agreement with the Department of Human Services no later than **July 1, 2014**.

**The Department shall submit an application for an enhanced medical assistance delivery system no later than October 1, 2013.**

If the Federal government reduces the reimbursement for the expansion population, the act is void.

## 2. Human Services Block Grant

- a. Extension to another 10 counties for a total of 30
  - i. Counties chosen based on:
    1. the plan submitted
    2. county history of participation or application and
    3. diversity of representation which includes:

- a. Geographic location
- b. Population
- c. Proximity to large urban area
- d. County class
- e. Form of government
- f. Whether county is part of a local collaborative agreement
- g. County's human services administrative structure
- b. Priority will be given to those counties participating or applying before
- c. Adds language clarifying participation is voluntary
- d. Adds language dealing with carryover funds to allow them to be redistributed
- e. Clarifies the calculation of county match

### **3. Changes the name of the Department of Public Welfare – SB840**

- a. All references to the Department of Public Welfare in statute or regulation shall be considered to be references to the Department of Human Services.
- b. In order to minimize costs, the name change:
  - will not affect current legal documents or official actions taken by the department and
  - may be phased in for printed materials until supplies are exhausted with the department determining the appropriate schedule
- c. Signs shall not be replaced until well worn and shall be coordinated with a change in administration.
- d. Computer system changes shall occur during routine upgrades.

### **4. Hospital Assessment (Statewide Quality Care Assessment)– extended 3 years until 2016**

- a. Inpatient acute care and rehabilitation hospitals are assessed a set percentage for their net inpatient revenue
  - i. The assessment is based on the 2010/2011 revenue year
  - ii. Funds are used to:
    - 1. Update the hospital MA payment system for inpatient services
    - 2. Modify some existing hospital supplemental payments
    - 3. Create new supplemental payments for some hospitals
- b. Language added to clarify that new hospitals will not be subject to the assessment in the first fiscal year of their operation but would then be subject in subsequent years

### **5. Philadelphia Hospital Assessment – extended for 3 years until 2016**

- a. Provides Philadelphia with the ability to adjust the assessment percentage by public notice to deal with federal hospital specific upper payment limits

### **6. Intermediate Care Facilities for the Intellectually Disabled (ICF/ID) assessment – extended for 3 years until 2016**

- a. Each state center and private ICF/ID currently pays a 6% assessment of net operating revenue.
  - i. Used to reduce the need for state General Fund spending
  - ii. Serves as an alternative revenue source to draw down federal matching funds
- b. Also updates terminology

**7. Nursing Facility Budget Adjustment Factor (BAF) reauthorization – extended for 3 years until 2016**

- a. DPW sets new MA per diem rates for nursing facilities using a methodology defined in regulation
- b. The BAF was designed to limit the average payment rates for nursing facility services to the amount permitted by the funds appropriated by the General Appropriations Act. Ensures the amount of funding remains within the amounts appropriated.

**8. Nursing Facility Day One Incentive Payment**

- a. Funding to help nonpublic nursing facilities with a high percentage of residents on medical assistance
- b. Eligibility:
  - i. an overall occupancy rate of at least 85% and
  - ii. a medical assistance occupancy rate of at least 65%

**9. Advanced quarterly payments to counties for children’s services**

- a. Currently occurs by a Secretary approved waiver
- b. Makes the process permanent
- c. Money is dispensed as follows:
  - i. 25% of county allocation by July 15
  - ii. 25% of the county allocation by August 31 or upon approval of the prior year report, whichever is later
  - iii. 25% of the county allocation by November 30 or upon approval of the county’s first quarter expenditure report, whichever is later
  - iv. 12.5% of the county allocation by February 28, or upon approval of the second quarter expenditure report, whichever is later
  - v. 12.5% of the county allocation upon approval of the county’s final cumulative expenditure report

**10. Provider Documentation - In response to a court case holding DPWs review process for reimbursement to group home and residential providers procedurally invalid**

- a. Gives statutory authority for the review process

**11. Children and Youth Provider Documentation - Includes a prompt payment provision so that counties pay providers within 30 days receipt of a complete and accurate invoice.**

**12. Children and Youth Taskforce on Provider Reimbursements - Creates a Task Force to determine a new payment methodology for providers of out-of-home community or institutional care by April 30, 2014 and in-home services by December 31, 2014.**

**13. Loophole Premium – Aligns current authority with budget proposal**

- a. Dept. currently has regulatory authority to assess a sliding scale premium on the Loophole category of assistance starting with families 200% of FPL
- b. The budget proposal changes the level to \$100,000 of annual income

**14. Legislative Intent language-** Clarifies that this act contains language necessary for the implementation of the General Appropriations Act of 2013 as it affects the operations and funding for the delivery of health care and human services.

**15. Movement of Newborn and Trauma Center payment language from the fiscal code.**