

NOTICE

DEPARTMENT OF HUMAN SERVICES

OFFICE OF MEDICAL ASSISTANCE PROGRAMS

Transition to Traditional Medicaid Expansion

The purpose of this notice is to describe the Department of Human Services' (Department) intent to transition to a traditional Medicaid expansion, as provided for under the Patient Protection and Affordable Care Act (ACA) (Pub. L. No. 111-148). As part of this transition, the Department also intends to create a single Medicaid adult benefit plan that will include the traditional adult Medicaid population as well as the ACA Newly Eligible Adult Group under section 1902(a)(10)(A)(i)(VIII) of the Social Security Act (42 U.S.C.A. § 1396a(a)(10)(A)(i)(VIII)).

Discussion

The previous administration's Healthy Pennsylvania plan was developed as an alternative to traditional Medicaid expansion. This included the development of three Medicaid benefit plans for adults: a low risk Healthy plan for adults who were generally in good health; a high risk Healthy Plus plan for adults who had more significant health care needs and ACA Newly Eligible adults determined to be medically frail; and a Private Coverage Option (PCO) plan for healthy adults in the ACA Newly Eligible Adult Group. The Centers for Medicare and Medicaid Services (CMS) approved the Department's Medicaid State Plan Amendments for the Healthy Plus and PCO benefit plans on December 17, 2014. On January 1, 2015, the Department began providing coverage under the approved Healthy Plus and PCO benefit plans, and also continued to provide low risk adults the current Medicaid State Plan benefit, which the Department designated as the "Interim Healthy" benefit plan, while awaiting approval from CMS for the low risk Healthy benefit plan.

Governor Tom Wolf announced his intent that the Commonwealth transition from the Healthy Pennsylvania plan to a traditional Medicaid expansion. As part of this transition, the Department will consolidate the three adult benefit plans established under Healthy Pennsylvania into one Medicaid adult benefit plan. This benefit plan will provide coverage for all adults, and will be similar to the Interim Healthy benefit plan with certain modifications that the Commonwealth must make to comply with the Essential Health Benefits requirements established under the ACA for the ACA Newly Eligible Adult Group and Federal parity requirements for behavioral health services. The adult benefit plan will also provide coverage of early and periodic screening, diagnosis and treatment (EPSDT) services for those ACA Newly Eligible Adult Group members under 21 years of age, in compliance with federal Medicaid requirements.

Interested parties may view the Interim Healthy plan previously referenced in a document on the Department's web site at http://www.dhs.state.pa.us/cs/groups/webcontent/documents/document/c_144044.pdf.

The Department intends to make key modifications to the Interim Healthy benefit plan to include the following:

- The removal of the inpatient rehabilitation hospital limit of one admission per year.
- The removal of the inpatient psychiatric hospital limit of 30 days per year.
- The removal of the six prescription drug limit per month.
- The removal of outpatient psychiatric and drug and alcohol treatment limits.

The Department will use a phase-in approach to provide for the single adult benefit plan and implement the traditional Medicaid expansion. In spring 2015, the following individuals will be enrolled into HealthChoices and receive the new Medicaid Adult benefit package: all adults currently covered under the Healthy Plus and Interim Healthy benefit plans; those adults who were previously eligible for Medical Assistance (MA) prior to January 1, 2015, and are currently enrolled in the PCO plan; women who were previously eligible for Select Plan for Women prior to January 1, 2015, who have been determined eligible under traditional Medicaid or under the ACA Newly Eligible Adult Group; and all new applicants in the traditional adult Medicaid population and the ACA Newly Eligible Adult Group. The Department will transition those remaining ACA Newly Eligible adults receiving benefits under the PCO plan to the new Medicaid Adult benefit package delivered under the HealthChoices program by fall 2015. With the completion of the transition process, the Healthy Pennsylvania demonstration and the PCO plan will conclude.

The previously mentioned transition plan can also be viewed in a chart on the Department's web site at http://www.dhs.state.pa.us/cs/groups/webcontent/documents/document/c_152246.pdf.

The Department intends to submit State Plan Amendments to CMS to provide for and obtain Federal approval for the benefit plan changes described in this notice as well as an amendment to the Department's 1915(b) Waiver, pertaining to the HealthChoices Medicaid managed care program, to address enrollment of additional ACA Newly Eligible adults in HealthChoices. The Department also intends to terminate the 1115 Healthy Pennsylvania Demonstration Waiver at the completion of the transition process.

Fiscal Impact

The estimated cost for Fiscal Year 2014-2015 is \$0.299 million (\$0.102 million in State funds). The net fiscal impact for Fiscal Year 2015-2016 is a savings \$73.648 million (\$35.638 million in State funds).

Public Comment

Interested persons are invited to submit written comments regarding this notice to the Department of Human Services, Office of Medical Assistance Programs, c/o Regulations Coordinator, Room 515, Health and Welfare Building, Harrisburg, PA 17120. Comments received within 30 days will be reviewed and considered for any amendments to the State Plan.

Persons with a disability who require an auxiliary aid or service may submit comments using the Pennsylvania AT&T Relay Service at (800) 654-5984 (TDD users) or (800) 654-5988 (voice users).

THEODORE DALLAS,
Acting Secretary

Fiscal Note: 14-NOT-945. (1) General Fund;

(7) MA—Transportation; (2) Implementing Year 2014-15 is \$102,000; (3) 1st Succeeding Year 2015-16 through 5th Succeeding Year 2019-20 are \$887,000; (4) 2013-14 Program—\$59,500,000; 2012-13 Program—\$67,100,000; 2011-12 Program—\$69,200,000;

(7) MA—Fee for Service; (2) Implementing Year 2014-15 is \$0; (3) 1st Succeeding Year 2015-16 is \$8,371,000; 2nd Succeeding Year 2016-17 is \$17,275,000; 3rd Succeeding Year 2017-18 is \$18,478,000; 4th Succeeding Year 2018-19 is \$19,842,000; 5th Succeeding Year 2019-20 is \$21,231,000; (4) 2013-14 Program—\$428,000,000; 2012-13 Program—\$718,000,000; 2011-12 Program—\$970,000,000;

(7) MA—Capitation; (2) Implementing Year 2014-15 is \$0; (3) 1st Succeeding Year 2015-16 is \$28,154,000; 2nd Succeeding Year 2016-17 is \$58,100,000; 3rd Succeeding Year 2017-18 is \$62,147,000; 4th Succeeding Year 2018-19 is \$66,733,000; 5th Succeeding Year 2019-20 is \$71,404,000; (4) 2013-14 Program—\$3,995,000,000; 2012-13 Program—\$3,631,000,000; 2011-12 Program—\$3,301,000,000;

(8) recommends adoption. Funds have been included in the budget to cover this increase.

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