

DPW 2013-14

The Affordable Care Act Update

Our Mission is to improve the quality of life for Pennsylvania's individuals and families. We promote opportunities for independence through services and supports while demonstrating accountability for taxpayer resources.

<h2>Expenditures</h2>	<ul style="list-style-type: none">• Approximately \$21.9 billion in total funds spent annually on Medicaid<ul style="list-style-type: none">• \$8.0 billion in state funds• \$11.9 billion in federal funds• \$2.0 billion in other funds• Total Medicaid spend accounts for 73% of the Department's budget and 27% of the entire General fund budget• Pennsylvania is second highest in the nation with respect to the percentage of the state's general fund going towards Medicaid
<h2>Pennsylvania Medical Assistance</h2>	<ul style="list-style-type: none">• 2.2 million individuals (1 in 6 Pennsylvanians) enrolled in Medical Assistance• 17.9% of Pennsylvanians receive Medical Assistance• 7.8% increase in MA enrollment in the past three years
<h2>Providers</h2>	<ul style="list-style-type: none">• Statewide managed care for physical and behavioral health services• Over 68,000 MA providers across the state• 17,411,352 claims processed annually in Medical Assistance

The ACA is very complex for many states to implement. There are over 70 requirements that are mandatory for each state, regardless of Medicaid expansion, which is optional.

What Have We Completed Related to ACA Implementation?

- Extended Medicaid Drug Rebates to drugs paid by Medicaid Managed Care Organizations.
- Implemented several new program integrity and provider enrollment screening processes.
- Issued bulletin and began paying increased Medicaid primary care payments at 100 percent of the Medicare payment rate.
- Implemented a recovery audit contract to identify payment issues and to recoup overpayments.
- Implemented payment policies for hospitals that prohibited payment for a Health-Care Acquired Condition, such as infections acquired at the hospital.

DPW continues to work diligently in meeting all of the ACA requirements. The next key milestones have significant IT system changes that will affect 2.2 million Pennsylvanians on Medicaid.

Critical Milestone Dates for Pennsylvania:

- **October 2013**
 - Enrollment applications under the new Modified Adjusted Gross Income (MAGI) eligibility rules begin to be accepted
 - Budgeted \$77 million (federal and state dollars) during FY 12/13 and \$124 million in FY 13/14 for IT systems changes and training to comply with the new ACA eligibility rules
- **January 2014**
 - Federal Exchange coverage begins for Pennsylvania

Pennsylvania's complex IT infrastructure supports over 2.2 million individuals, as well as thousands of providers through claims processing. DPW is currently focused on ensuring our IT systems support the ACA requirements.

IN PROGRESS ACTIVITIES

- System development to support eligibility and application changes, including:
 - Implementation of early Modified Adjusted Gross Income (MAGI) eligibility determination on 1 OCT,
 - Interfacing with the Federally Facilitated Marketplace (FFM), and
 - Training staff for the many changes to processing and operations as a result of ACA.
- Developing Provider enrollment requirements
- Developing Presumptive Eligibility guidelines and policies

Note: To implement the COMPASS changes, COMPASS will experience downtime at the end of September. More information will be available on the COMPASS website.