



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
P.O. BOX 2675
HARRISBURG, PENNSYLVANIA 17105-2675

Office of the Secretary

Telephone: (717) 787-2600/3600
Fax: (717) 772-2062

Written Testimony for the House Health Committee on HB 1480

Gary Alexander, Acting Secretary
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Thank you, Chairmen Baker and Myers, for the opportunity to submit written testimony regarding House Bill 1480 the proposed legislation for statewide expansion of the HealthChoices physical health Medicaid managed care program. Unfortunately, we are unable to have a representative of the Department be at the hearing in person, but want to provide comments on House Bill 1480.

Overview

House Bill 1480 provides “for the establishment and administration of a managed health care program for Medical Assistance recipients and for the powers and duties of the Department of Public Welfare.” In short, the bill seeks statewide expansion of Pennsylvania’s current Medical Assistance physical health mandatory managed care program, HealthChoices.

The Department supports HealthChoices expansion. To date, the HealthChoices program has been a success. It currently serves well over a million consumers offering improved provider networks and a focus on quality and preventative care. HealthChoices has delivered measurable improvement and outcomes and as a result, our current managed care plans are ranked nationally as some of America’s best Medicaid health plans. In partnership with the participating plans, the Department has continually re-evaluated its approach to the delivery of MA services and has worked to ensure that HealthChoices constantly improves healthcare delivery and health outcomes. The bottom line is that the HealthChoices program has helped Pennsylvania to improve health care access, manage health care quality and control health care costs for its Medical Assistance consumers.

In expanding the HealthChoices program the department will continue to build on past successes, and focus on the creation and delivery of a value-oriented, performance driven and

person-centered Medical Assistance program. As Pennsylvania's health care markets continue to evolve, it's important that policy makers maintain the Department's flexibility to respond to such changes and serve as a responsible steward of taxpayer dollars by operating as a "smart purchaser" of health care services. The Department believes that statewide HealthChoices program will allow it and the beneficiaries and taxpayers to continue to control health care costs and implement strategies that promote competition, improve access and quality.

Alongside the HealthChoices program, the Department currently operates an Enhanced Primary Care Case Management Program, called ACCESS Plus. ACCESS Plus provides consumers with many of the same management services as are provided by the HealthChoices, and has successfully side by side with managed care plans since 2004. The Department would like to retain the option to maintain the Access Plus program should issues arise in the future as a result of changing health industry practices, market place forces or federal requirements that could affect the HealthChoices program or individual health plans.

The department is already conducting analyses to support possible statewide expansion, and plans to expand HealthChoices in SFY 11-12. The results of these analyses will help determine how to best serve additional geographic areas and populations. We respectfully request the opportunity to have further discussions and have the committee consider areas where the commonwealth may be afforded greater flexibility to best meet the needs of the commonwealth and our consumers, particularly in the following areas:

1. *Allow flexibility in defining program zones and the number of health plans operating in each zone*

The proposed legislation is very specific in its definition of program zones and the counties that comprise each zone. While the Department is not opposed to moving forward with the zone configuration included in the legislation, work is already underway that could enable to Department to confirm that these designations will result in the best configuration to support speedy and effective program expansion.

2. *Extend the expansion timeframe*

The proposed legislation requires implementation of the expansion within 180 days (Northeast and Northwest Zones) and 210 days (Central Zone) of the effective date. A less

proscriptive implementation deadline would still enable the Department to expand in the coming fiscal year, while affording a more flexible timeline to conduct the procurement.

3. *Maintain the scope of services and consumers HealthChoices covers today and accommodate future changes*

Ensure that all of the services and populations currently covered by HealthChoices are included in the legislation and provide the Department with flexibility to maintain and expand the person-centered approach to health care delivery and smart purchasing.

Conclusion

The Department supports statewide expansion of HealthChoices because it offers us an opportunity to continue to improve health care access, manage health care quality and control health care costs. We support pursuing such expansions in a manner that enables the Commonwealth to achieve the successes of HealthChoices while acting in the interest of the Commonwealth and best serving our consumers.

In doing so, the Department aims to remain a smart purchaser of health care services to control health care costs while improving access and managing quality. The Department is committed to working with the Committee and other program stakeholders to discuss and consider the proposed legislation and to implement a statewide HealthChoices program that will accomplish these goals.

Thank you for this opportunity to submit these comments and if you have any questions or need anything further, please do not hesitate to contact Brendan Harris, Director of the Department's Office of Legislative Affairs, at (717) 783-2554.

cc: Members of House Health Committee