

1 HOUSE OF REPRESENTATIVES
2 COMMONWEALTH OF PENNSYLVANIA

3 * * * *

4 Consolidation of the Departments of
5 Aging, Drug & Alcohol Programs,
6 Health & Human Services

7 * * * *

8 House Health Committee
9 House Human Services Committee
10 House Aging and Older Adult Services

11 Main Capitol Building
12 Majority Caucus Room 140
13 Harrisburg, Pennsylvania

14 Wednesday, April 5, 2017 - 9:00 a.m.

15 --oOo--

16 COMMITTEE MEMBERS PRESENT:

17 Honorable Matthew Baker, Majority Chairman
18 Health Committee
19 Honorable Aaron Bernstine
20 Honorable Alexander Charlton
21 Honorable Becky Corbin
22 Honorable Eli Evankovich
23 Honorable Frank Farry
24 Honorable Kristin Hill
25 Honorable Aaron Kaufer
Honorable Dawn Keefer
Honorable Harry Lewis
Honorable Paul Schemel
Honorable Jesse Topper
Honorable Judith Ward
Honorable Martina White
Honorable David Zimmerman

1300 Garrison Drive, York, PA 17404
717.764.7801

Key Reporters

keyreporters@comcast.net

1 MINORITY MEMBERS PRESENT:

2 Honorable Mary Jo Daley
3 Honorable Jason Dawkins
4 Honorable Pamela DeLissio
5 Honorable Stephen Kinsey
6 Honorable Michael Schlossberg

7 MAJORITY MEMBERS PRESENT:

8 Honorable Tim Hennessey, Majority Chairman
9 Aging & Older Adult Service
10 Honorable Lynda Schlegel Culver
11 Honorable Cris Dush
12 Honorable Jonathan Fritz
13 Honorable Zachary Mako
14 Honorable Steven Mentzer
15 Honorable Brett Miller
16 Honorable Eric Nelson
17 Honorable Eric Roe
18 Honorable Francis Xavier Ryan
19 Honorable Craig Staats
20 Honorable Will Tallman
21 Honorable Parke Wentling

22 MINORITY MEMBERS PRESENT:

23 Honorable Steve Samuelson, Minority Chairman
24 Honorable Donna Bullock
25 Honorable Morgan Cephas
Honorable Carolyn Comitta
Honorable Michael Driscoll
Honorable Isabella Fitzgerald
Honorable Steve McCarter
Honorable Jared Solomon

26

27

28

29

30

31

1 MAJORITY MEMBERS PRESENT:

2 Honorable Gene DiGirolamo, Majority Chairman
Human Services Committee
3 Honorable Bud Cook
Honorable Jim Cox
4 Honorable Rich Irvin
Honorable Tom Murt
5 Honorable Tom Quigley
Honorable Eric Roe
6 Honorable Tarah Toohil

7

MINORITY MEMBERS PRESENT:

8 Honorable Angel Cruz, Minority Chairman
9 Honorable Michael Driscoll
Honorable Maureen Madden
10 Honorable Joanna McClinton
Honorable Daniel Miller
11 Honorable Mark Rozzi
Honorable Perry Warren

12

13

NON-COMMITTEE MEMBERS:

14 Honorable Eddie Day Pashinski
15

16

17

18

19

20

21

22

23

24

25

1 STAFF MEMBERS PRESENT:

2

Whitney Krosse
3 Majority Executive Director

4

Patience Hill
5 Majority Administrative Assistant

6

Nicole Sidle
7 Majority Research Analyst

8

Becca Sammon
9 Minority Executive Director

10

Dina White
11 Minority Executive Assistant

12

Camila Polaski
13 Minority Research Analyst

14

15

16

17

18

19

20

21

22

23

24

25

Key Reporters

keyreporters@comcast.net

1 INDEX OF TESTIFIERS

2 TESTIFIERS

3 Opening remarks by Majority Chairman Baker

4
5 Ted Dallas, Secretary
6 Department of Human Services

7 Dr. Karen Murphy, Secretary
8 Department of Health

9 Teresa Osborne, Secretary
10 Department of Aging

11 Jennifer Smith, Acting Secretary
12 Department of Drug and Alcohol Programs

13 Dr. Rachel Levine, Physician General

14
15 SUBMITTED WRITTEN TESTIMONY

16
17 (See other submitted testimony and handouts
18 online.)

19
20
21 INDEX OF REQUESTED DOCUMENTS OR INFORMATION

22
23 Page Line Page Line Page Line
24 23 17-19 66 15-18

1 CHAIRMAN BAKER: The hour of
2 9 o'clock having arrived, the joint hearing on the
3 consolidation of the Departments of Aging, Drug and
4 Alcohol Programs, Health and Human Services will
5 now commence.

6 We appreciate very much all the cabinet
7 secretaries here with us. We're honored for your
8 time and your talent and your resources. I know
9 you've been going through a number of these
10 exercises, and it's a good exercise to educate the
11 members as well as the various interested parties.

12 Before we get started, we have a
13 consolidation of committee members here as well,
14 representing the various standing committees of the
15 House. And if we can just quickly introduce
16 ourselves, we will then move to our expert panel of
17 cabinet secretaries. We'll start down on this end.

18 REPRESENTATIVE NELSON: I'm
19 Representative Nelson from Westmoreland County on
20 Aging and Human Services.

21 CHAIRMAN CRUZ: I'm Chairman Baker. No.
22 Chairman Cruz.

23 REPRESENTATIVE DiGIROLAMO: Gene
24 DiGirolamo from Bucks County.

25 MAJORITY CHAIRMAN BAKER: Chairman Cruz.

1 No. Chairman Baker.

2 REPRESENTATIVE HENNESSEY: Hi. Tim
3 Hennessey from southeast Pennsylvania; Chester and
4 Montgomery County; Republican Chair of the Aging
5 and Older Adult Services Committee. I apologize in
6 advance for my voice. It's gonna be rough all
7 morning, I think.

8 REPRESENTATIVE SCHEMEL: I'm Paul
9 Schemel; Health and Human Services and Aging.

10 REPRESENTATIVE McCLINTON: Good morning.
11 Joanna McClinton; Human Services.

12 REPRESENTATIVE McCARTER: Steve
13 McCarter; Aging.

14 REPRESENTATIVE KINSEY: Stephen Kinsey;
15 Health as well as Human Services.

16 REPRESENTATIVE DALEY: Mary Jo Daley;
17 Health and Aging.

18 REPRESENTATIVE SOLOMON: Jared Solomon;
19 Aging.

20 REPRESENTATIVE BERNSTINE: Aaron
21 Bernstine; Health and Aging.

22 REPRESENTATIVE KEEFER: Dawn Keefer;
23 Health and Aging.

24 (An inaudible introduction by the
25 Representative; can't hear).

Key Reporters

keyreporters@comcast.net

1 REPRESENTATIVE PASHINSKI:

2 Representative Eddie Day Pashinski; Luzerne County,
3 121st District.

4 REPRESENTATIVE FRITZ: Jon Fritz; 111
5 District, Wayne and Susquehanna counties.

6 REPRESENTATIVE MAKO: Zach Mako;
7 Northampton and Lehigh counties; Aging.

8 REPRESENTATIVE COMITTA: Good morning.
9 Carolyn Comitta; representing District 156; Aging.

10 REPRESENTATIVE SCHLOSSBERG: Good
11 morning. Mike Schlossberg, not Florindo Fabrizio,
12 from Leigh County; Health and Human Services.

13 MAJORITY CHAIRMAN BAKER: To that point,
14 Flo had some illness and could not be here today,
15 my counterpart, the Minority Chairman of the Health
16 Committee. He's been having some health concerns.
17 He would have loved to have been here, but he's not
18 feeling well this morning, so, Mr. Schlossberg is
19 taking over.

20 REPRESENTATIVE SCHLOSSBERG: He's not
21 nearly as good of a dresser, though.

22 REPRESENTATIVE TALLMAN: Will Tallman,
23 and I'm Aging, so Secretary Osborne and I need to
24 get together. I represent parts of Adams and
25 Cumberland counties.

1 REPRESENTATIVE DeLISSIO: Pam DeLissio.
2 I represent the 194th, parts of Philadelphia and
3 Montgomery counties, and sit on the Health
4 Committee and the Aging and Older Adult Services
5 Committee.

6 REPRESENTATIVE KRISTIN HILL:
7 Representative Kristin Phillips Hill; 93rd
8 District, southern York County, and I sit on the
9 Health Committee.

10 REPRESENTATIVE MADDEN: I'll just speak
11 loud. Representative Madden representing the
12 115th District, Monroe County; Human Services.

13 REPRESENTATIVE DUSH: Cris Dush;
14 Jefferson and Indiana counties; Human Services and
15 Aging.

16 REPRESENTATIVE WHITE: Martina White;
17 Northeast Philadelphia; previously on Human
18 Services; currently serving on the Health
19 Committee.

20 REPRESENTATIVE LEWIS: I'm Harry Lewis,
21 and good morning; Chester County, and a member of
22 the Health Committee.

23 REPRESENTATIVE IRVIN: Rich Irvin
24 serving all of Huntingdon County, part of Centre
25 County and Mifflin County; serving on the Human

1 Services Committee, as well as a past number of the
2 Aging Committee.

3 REPRESENTATIVE MURT: Tom Murt;
4 Philadelphia, Montgomery counties; serving Human
5 Services.

6 REPRESENTATIVE MILLER: Brett Miller;
7 41st District, Lancaster County; Aging Committee.

8 REPRESENTATIVE KAUFER: Aaron Kaufer;
9 120th District, Luzerne County; Health, Human
10 Services, and formerly of the Aging Committee.

11 REPRESENTATIVE CHARLTON: Alex Charlton;
12 165th District, Delaware County; on the Health and
13 Human Services Committees.

14 REPRESENTATIVE ROZZI: Mark Rozzi; Berks
15 County, 126th District; Human Services.

16 REPRESENTATIVE ZIMMERMAN: Dave
17 Zimmerman; Lancaster County.

18 REPRESENTATIVE ROE: Eric Roe;
19 158th District; Aging and Human Services
20 committees.

21 REPRESENTATIVE CORBIN: Becky Corbin;
22 Chester County; Health Committee.

23 REPRESENTATIVE TOPPER: Jesse Topper;
24 Health Committee.

25 REPRESENTATIVE QUIGLEY: Representative

1 Tom Quigley; Human Services Committee.

2 REPRESENTATIVE FARRY: Frank Farry;
3 Health Committee.

4 REPRESENTATIVE RYAN: Representative
5 Frank Ryan; Aging Committee. I'm also a customer,
6 and I think I'm the last one.

7 REPRESENTATIVE WENTLING: Parke
8 Wentling; 17th District, which includes portions of
9 Erie, Crawford, Mercer and Lawrence counties. I'm
10 a member of the Aging Committee. Thank you.

11 REPRESENTATIVE BULLOCK: Representative
12 Donna Bullock; Philadelphia County; Aging
13 Committee.

14 MAJORITY CHAIRMAN BAKER: Outstanding
15 attendance. Thank you very much. Tremendous
16 interest in what's going on here and very, very
17 important the proposals that are before us as
18 presented by the Governor and the legislature.

19 We will -- I'm not sure who wants to
20 take the lead on the panel exactly. We have with
21 us Ted Dallas, Secretary, Department of Human
22 Services; Doctor Karen Murphy, Secretary of the
23 Department of Health; Teresa Osborne, Secretary of
24 Department of Aging; Jennifer Smith, Acting
25 Secretary/Secretary, Department of Drug and Alcohol

1 Programs; and Doctor Rachel Levine, Physician
2 General. Welcome. We appreciate you being here.

3 Because we have so many members here
4 representing the standing committees and the
5 oversight committees, we would ask that, if at all
6 possible, your comments, opening remarks be brief
7 so we afford the members the greatest amount of
8 latitude in terms of questions that are being
9 asked.

10 I'm asking the members, too, at least
11 for round one, if you can keep your questions and
12 time to about five minutes on the honor system, if
13 at all possible. We can always go to a second
14 round, if we need to. They are going up on the
15 floor at 10:30, but they're just gonna do some
16 movement of introductions and so on, and then we'll
17 be in session at 11.

18 So, I'm not sure what the protocol, who
19 goes first, Jennifer. Secretary Smith.

20 SECRETARY SMITH: Good morning,
21 Chairman. Thank you.

22 I'm going to offer opening remarks on
23 behalf of all five individuals sitting at the table
24 this morning.

25 MAJORITY CHAIRMAN BAKER: Thank you.

1 SECRETARY SMITH: And I will keep it
2 brief.

3 So, good morning, and thank you for the
4 opportunity to share in the dialogue today. We
5 look forward to sharing with you about the planning
6 process that we've been engaged in and our progress
7 with that process, and most importantly, we look
8 forward to gaining your input today as to how we
9 can best design this new agency.

10 So I'm going to start by talking about
11 why we're doing this. As you can see on the slide,
12 and for those of you that can't see them on slide
13 3, we currently have a relationship here in
14 Pennsylvania with our stakeholders that I would
15 call out many-to-many relationship. So we have
16 many stakeholders who utilize various services, and
17 many agencies that offer those services.

18 And, ultimately, what we'd like to see
19 is a many-to-one relationship, where we have many
20 stakeholders who utilize various services but
21 access one agency to do so. This, in short, should
22 provide improved access to the high-quality care
23 that we offer here in Pennsylvania. I think that's
24 a goal that we can all agree is a core mission for
25 serving the citizens of Pennsylvania.

1 A similar unified health and human
2 services approach is used in many states across the
3 nation, as shown on slide 4, as well as counties
4 throughout Pennsylvania shown on slide 5. Again,
5 the logic behind our unification is pretty basic;
6 improved access to high-quality services.

7 Now, while I'm sure most of you are
8 familiar with the connectedness of the departments
9 sitting at the table today, I'd like to spend just
10 a few moments ensuring that the public is familiar
11 with that connectedness.

12 In our presentation, we offered a few
13 examples of the interwoven way that our departments
14 interact. And so, the first example was a high
15 school student who was injured playing sports, was
16 prescribed pain medication and became addicted.
17 So, if you think about that scenario, the surgeon
18 or the doctor should be following the prescribing
19 guidelines that were developed by both the
20 Department of Health and the Department of Drug and
21 Alcohol Programs when issuing the prescription.

22 He or she should also be checking the
23 Department of Health's prescription drug monitoring
24 program database. Then, parents who see that the
25 youth could be addicted to the medication could be

1 calling a single-county authority for help, or
2 maybe the Department of Drug and Alcohol Programs
3 PA Get Help Now hotline, where they might be
4 referred to a Centers of Excellence, which is
5 currently administered by the Department of Human
6 Services. And, hopefully, throughout this process,
7 the parents are offered the opportunity and
8 encouraged to utilize the Physician General's
9 standing order for a prescription of Naloxone. So,
10 in that one small example, you can see the
11 interconnectiveness of these departments.

12 A second example was an older adult
13 living in a nursing home facility. They're
14 supported by the Department of Aging's Ombudsman
15 Program. They might receive payments through DHS's
16 Medicaid program, and they reside in a facility
17 that is licensed by the Department of Health.

18 Again, these examples illustrate how
19 the services performed by our agencies are so
20 tightly woven together. That relationship drives
21 the need for better integration between our
22 departments. Many of you have asked, but you have
23 this relationship now, so why do we need to
24 consolidate to accomplish that integration?

25 And you're right. We are doing it now,

1 but we think we can do it better. We see an
2 opportunity for creating a no-wrong door approach
3 to providing health and human services for
4 streamlining procedures and regulations; for
5 eliminating administrative barriers, and for
6 providing better access to high-quality services.

7 In my last few minutes, I'd like to give
8 you an update on the process we have in place, a
9 general timeline for that process and the status of
10 its progress.

11 So, leading up to the Governor's budget
12 address, we were conceptualizing what services
13 could be improved--I'm on slide 13--where services
14 could be improved and where streamlining might be
15 possible. Then it wasn't until February and March
16 when we really started meeting in-depth with our
17 stakeholder groups, and we've developed some
18 internal work groups that are designed to begin
19 that discussion around the organizational
20 structure.

21 Those work groups are comprised of
22 subject matter experts from each of our four
23 agencies with individuals who are aware of the pain
24 points and the challenges and have ideas for doing
25 things better. Those work-group discussions have

1 not just occurred at a high level; not just at a
2 secretary or a deputy secretary level, but really
3 down to the bureau and division levels; the folks
4 that really know how the work is done.

5 So, where we're moving. In April, we
6 expect to have a detailed organizational structure
7 for our stakeholders to review, including the
8 General Assembly. At the same time, we'll be
9 mapping individual staff members to positions in
10 the new agency structure and creating a detailed
11 transition plan. That transition plan will
12 determine what changes will occur and when.

13 Slide 17. In other words, this will be
14 a phased approach, and each phase will be
15 determined by the complexity of the changes and the
16 time needed to make them.

17 I'd like to stress that July 1st will be
18 the start of some very exciting changes; not the
19 culmination of them. We hope to count on your
20 continued input as the new agency is refined over
21 time.

22 In closing, we appreciate the
23 opportunity for this shared dialogue and eagerly
24 anticipate working together to build an improved
25 delivery model for Health and Human Services here

1 in Pennsylvania.

2 Thank you.

3 MAJORITY CHAIRMAN BAKER: Thank you very
4 much, Madam Secretary. Thank you for your
5 presentation.

6 Are you concluding that presentation,
7 and do we want to move to the other Secretaries at
8 this point, or would you like to entertain some
9 questions?

10 SECRETARY SMITH: I think we're ready
11 for questions.

12 MAJORITY CHAIRMAN BAKER: We'll start
13 with the Chairman. We'll move to Chairman
14 Hennessey, Chairman DiGirolamo, and then we'll move
15 to the Minority Chairman and then to the members.

16 One of the concerns that I have is, what
17 exact programs are currently out there that are
18 duplicative and can be streamlined? For example,
19 we've heard that licensure is accomplished by DDAP,
20 DOH and DHS for some facilities. Why is there
21 overlap and why haven't they coordinated the
22 inspections and licensure components?

23 For instance, we have already seen some
24 good work on the shared IT and the HR services to a
25 degree, so it seems like they could share other

1 duties as well. Also, the combination versus
2 creation of a OCDL-like system, Office of Child
3 Development and Early Learning, which sits between
4 Education and DHS.

5 If you could answer that for us, I'd
6 appreciate it.

7 SECRETARY MURPHY: Thank you, Mr.
8 Chairman, and good morning, everyone. Thank you
9 for being here today and having this important
10 discussion. I could take the example of nursing
11 homes.

12 While we will have to -- we will still
13 continue to regulate nursing homes and still
14 continue with the licensure process there, the
15 thought behind the consolidation of bringing like
16 functions together is really the infrastructure.
17 So, it doesn't mean that you're going to have one
18 person necessarily performing all of the licensure
19 functions, but the backbone behind that licensure
20 and regulation effort is pretty similar.

21 So, while the surveyors may be
22 different, the supportive infrastructure back in
23 the office, we have the potential to leverage
24 efficiencies by combining those functions. And I
25 think that the overall theme here is the

1 consolidation of that infrastructure strengthens
2 the function of the office, because we can combine
3 resources and be more efficient and, hopefully,
4 perform higher-quality service to the Commonwealth.

5 MAJORITY CHAIRMAN BAKER: Have you --
6 Have any of you done any analytics at this point or
7 extrapolated any data as to the cost-savings
8 estimate as a result of that?

9 SECRETARY MURPHY: In terms of the back-
10 office functions? We have a general bucket that is
11 \$9 million of savings, that are high-level savings
12 that are clearly definitive. I think the savings
13 and the efficiencies are going to -- And I'm
14 talking about not the other savings associated with
15 the consolidation, but simply the managerial
16 consolidations. I think additional consolidations
17 in quality improvements will be seen as we move
18 forward.

19 MAJORITY CHAIRMAN BAKER: Anyone else?
20 Just want to give everyone the opportunity.

21 Okay. Thank you.

22 Chairman Hennessey.

23 CHAIRMAN HENNESSEY: Thank you, Mr.
24 Chairman.

25 One of the reasons it's been put out

1 there for considering this merger in the first
2 place was the assumed savings of between 45 --
3 well, assumed savings of \$90 million that could be
4 realized. Part of that, \$45 million we've heard
5 would be -- would come from a reduction in the
6 pharmacy dispensing fee that we just set last
7 November, four months ago, with \$13. Originally,
8 it was proposed to reduce that \$9 down to a level
9 of \$4 per dispensing fee -- or per dispensing
10 activity. Now, recently, it's been changed and
11 people are saying, we'll only reduce it to \$7.00.

12 My information indicates that CMS
13 requires a reasonable professional fee, and that
14 none of the 15 states that have either settled with
15 CMS under the new programs or have announced
16 publicly what their fee will be has been less than
17 \$10.00.

18 So I guess the question is: What can
19 you point to to justify any reliance that CMS will
20 allow a fee, essentially, \$3 less than any other
21 state in the union is charging and has been
22 approved for? And can you point us to any
23 specifics with regard to that? The range that I'm
24 hearing is, New York is at \$10; North Carolina is
25 at \$13. Why would CMS allow us to go to seven, let

1 alone four?

2 Secretary Dallas, I guess you and
3 Secretary Osborne deal with this most in with PACE
4 and PACENET and Medicaid. So why don't you --

5 SECRETARY DALLAS: Chairman Hennessey,
6 the proposal was to try to align PACE more with the
7 dispensing fees that are in the Medicaid program.
8 Right now for fee-for-service, we're at, I believe,
9 \$2 for a dispensing fee, and we put an initial
10 placeholder in the budget of \$4.

11 Since that time, there's something
12 called the Outpatient and Drug Rule that we have to
13 comply with with the federal government that you
14 referenced that we have to go through a process.
15 It's a very public process. We put the methodology
16 out there at our most recent Medicaid Advisory
17 Committee meeting; there's comments being received.
18 And, ultimately, you're correct. It has to be
19 approved by the federal government.

20 Through that methodology, we've also met
21 with pharmacists. We started meeting with
22 pharmacists, walking through the methodology we
23 used and also letting them ask questions along the
24 way. That methodology, we think following the law
25 as it is now, that we -- our actuaries came up with

1 \$7, so our placeholder was four initially; the
2 actuary said it was seven.

3 Now, that process right now -- that
4 analysis is going through a public process. Folks
5 commenting on it; we're holding meetings. Anybody
6 can see the exact methodology and how we followed
7 what we thought was the letter of the law with the
8 federal government. I can't speak to how other
9 states settled their amount. When we're looking at
10 what the law says and how that translates to
11 Pennsylvania, the number that our actuaries came up
12 was \$7.00.

13 In addition to that, we knew there was a
14 lot of interest in this number. We also asked
15 consultant -- Public Financial Management to do an
16 independent review of the methodology that we used.
17 They came to a very similar conclusion that we have
18 been, and I'm happy to provide that letter to the
19 Chair.

20 Their estimate now, based on the data
21 they have is between -- at \$7 is between 38 and
22 \$55 million in savings. We had put the initial
23 number at \$45 million. As we get more data and we
24 work with current vendor, we expect to narrow that
25 range a little bit.

1 But, based on our pharmacy folks and our
2 experts, they looked at the methodology required
3 under federal law. They worked with our actuaries;
4 they came up with \$7. We're going through that
5 comment process now. We had an independent
6 consultant take a look at it. They verified the
7 savings, range that we were talking about. But,
8 ultimately, it will be something that has to be
9 approved by the federal government. We think that
10 we followed what the law says.

11 However, we're open to all comments from
12 pharmacists, from members of the General Assembly
13 to work through that process, and we certainly
14 understand at the end of the day the federal
15 government will be the final arbiter there.

16 SECRETARY OSBORNE: Thank you.

17 Mr. Chairman, while Secretary Dallas
18 certainly has the expertise with regard to the
19 fee-for-service on the Medicaid side of the
20 pharmacy program benefit for Pennsylvanians and
21 Medicaid, as you know so well, the PACE program is
22 an awesome pharmaceutical benefit program for
23 individuals age 65 and older in the Commonwealth of
24 Pennsylvania.

25 Our PACE program is set by statute;

1 whereas, the federal program is set by CMS statute.
2 So, where there is an awesome opportunity that we
3 have and a consolidated model to get the best
4 benefit for all Pennsylvanians in need of
5 assistance with pharmaceutical prescriptions, we
6 can build off that PACE platform. That's the
7 effort of the goal with regard to consolidation.

8 To be certain, increasing the dispensing
9 fee to \$13 last year was giving us an opportunity
10 to also respond to the pharmacists that were
11 raising questions and also be conscientious of the
12 customer at the counter when they go to get their
13 prescriptions at their local pharmacy. That \$13,
14 certainly, we want to leverage that in terms of
15 best providing a benefit for pharmaceutical drugs
16 in Pennsylvania, but we are also sensitive to the
17 fact of the solvency of the Lottery Fund.

18 So, while we would love to have an
19 opportunity to have more folks in the PACE and
20 PACENET program, we need to be sensitive to how
21 much money we have available from the blessing of
22 the lottery program in order to provide those
23 services.

24 So, we're being sensitive to the needs
25 of the customers while also being conscientious of

1 the limited resources that we have entrusted to our
2 care, both from a Lottery Fund as well as federal
3 funds and state funds that best support the
4 Medicaid program. But, we do see great benefit as
5 we move forward to consolidate a model to get the
6 best of the benefit of the PACE platform from a
7 purchasing power, and also best lining up our
8 regulations and our policies and procedures to
9 ensure that Pennsylvanians in need of this
10 assistance have access to it.

11 We're also sensitive to the fact that
12 we, in Pennsylvania, have no control over rising
13 drug prices, and that's something that I trust that
14 you and we will work together on in terms of what
15 we, as a country, are facing with astronomical
16 pharmacy prices in some instances to ensure that we
17 have better control over those costs, so we can in
18 Pennsylvania ensure that Pennsylvanians have access
19 to these great benefits.

20 CHAIRMAN HENNESSEY: Thank you for your
21 answers.

22 One thought that occurs to me is that,
23 the savings of \$38 million that seems to pale by
24 comparison to the size of the agency that we're
25 considering creating here. I've heard in prior --

1 in testimony at prior hearings and meetings that
2 this new agency would be a 40-billion-dollar
3 agency. Yesterday, we were considering the state
4 budget at around \$32 billion.

5 It seems to me that a 40-billion-dollar
6 agency probably puts this new agency on a
7 comparative rate, I think with a budget that is
8 succeeded only by, perhaps, five or six states in
9 the United States of America: California, New
10 York, Texas and a few others. Thirty-five,
11 \$40 million worth of savings doesn't seem to be
12 worth the kind of effort and all of the disruption
13 that would take place in order to save that small
14 amount of money.

15 Can you comment on that, Secretary
16 Dallas?

17 SECRETARY DALLAS: Sure.

18 I guess the first thing I would say,
19 it's a funny job that we have to ever say that
20 between 38 and \$55 million is a small amount of
21 money. I think to a lot of people in Pennsylvania,
22 it's not a small amount of money, especially when
23 it's coming out of taxpayers' pockets.

24 From my perspective, I don't think
25 38 million or 55 million or \$45 million is a small

1 amount of money. It is true that --

2 CHAIRMAN HENNESSEY: I'll agree with you
3 on that. I don't have that kind of money in my
4 bank account either.

5 SECRETARY DALLAS: Me either.

6 CHAIRMAN HENNESSEY: But make it --
7 consider it relative to a 40-billion-dollar budget.

8 SECRETARY DALLAS: So I think that, when
9 you look at the budget challenges the state faces,
10 those kinds of savings are things that are needed.
11 When you look at the solvency of the Lottery Fund
12 and being able to return money to the Lottery Fund
13 and getting to a positive balance, those savings
14 are critical.

15 While it may be as a percentage of the
16 overall state budget a relatively small amount, it
17 is a big deal for the solvency of the Lottery Fund.
18 It's a big deal for savings to being able to
19 continue to provide services, and it's a big deal
20 in terms of getting a pharmacy program that gives
21 the best value to the taxpayers.

22 CHAIRMAN HENNESSEY: Okay.

23 Thank you, Mr. Chairman.

24 MAJORITY CHAIRMAN BAKER: Thank you,
25 Chairman Hennessey.

1 Chairman DiGirolamo, the Human Services
2 Committee.

3 CHAIRMAN DiGIROLAMO: Good morning.

4 SECRETARY DALLAS: Good morning.

5 CHAIRMAN DiGIROLAMO: Welcome. One big
6 happy family here today. I appreciate you taking
7 the time to be here. We've got a major
8 disagreement on this consolidation plan, but I very
9 much appreciate the good work that you do every day
10 in your jobs. I know you all feel very passionate
11 about the people you serve. Even though we have a
12 disagreement on this, hopefully, we can work on
13 things in future as we have in the past.

14 I offered you a sticker. I don't --
15 Nobody wants to put a sticker on to keep DDAP? No?
16 Okay. No takers.

17 I would first like to recognize the
18 presence of a good friend, former Secretary of
19 DDAP, Gary Tennis, who's with us today. Gary,
20 welcome. We really appreciate you being here.

21 (Clapping by the audience).

22 CHAIRMAN DiGIROLAMO: We very much
23 appreciate the good work you did in the time as
24 Secretary. Just a little bit -- a couple of the
25 things you'd done, I mean, with your work on the

1 Narcan; going around the state raising money and
2 talking to people. I believe we're close to 3,000
3 or over 3,000 lives that have been saved in the
4 state of Pennsylvania because of the Narcan.

5 I know you started that Drug Take-Back
6 Program, and I think right now in the state we're
7 up to over a hundred tons of those little pills
8 that have been taken back across the state. Those
9 were two of your initiatives, and I think you're
10 very proud and so are we. So, thank you for being
11 here and thank you for your good work.

12 Where do I start? I know you had a
13 hearing over in the Senate. A couple of the
14 senators brought up a good point. I know Senator
15 Gene Yaw brought up the point that the legislature
16 -- And I'm going to concentrate on DDAP. The
17 legislature, back in 2010, enacted DDAP, and it
18 just started up in 2012, and it's like -- it's
19 still in its infancy. It's only five years old.

20 I think his question was, which is my
21 question, do you think we did something wrong in
22 the legislature? I mean, Governor Rendell signed
23 it into law; Governor Corbett. It was a
24 bipartisan; almost unanimous. Unanimously passed
25 in the House and the Senate.

1 Do you think we did something wrong by
2 doing that? I mean, I don't know. Anybody wanna
3 -- Jen or Ted, do you think we did the wrong thing?

4 SECRETARY SMITH: I certainly wouldn't
5 venture to offer an opinion on a decision that was
6 made many years ago. What I can say,
7 Representative, is that, we have to look at what's
8 currently happening here in the state and make the
9 best decisions that we can based on the
10 circumstances that we're presented with today.

11 CHAIRMAN DiGIROLAMO: Something else
12 that came up in the Senate hearing, and I know in
13 your PowerPoint presentation you pointed to Texas
14 as a state that has done this. It's in your
15 PowerPoint.

16 I think one of the other senators
17 brought up the point that, yes, maybe Texas is
18 doing this, but they started in 2003 to do this,
19 and it's still not fully implemented. I think one
20 of the senators actually had the law, and they're
21 still only in, kind of like, phase 1 or phase 2 of
22 implementing it, and it's 14 years later.

23 My understanding is, I mean, you think
24 you're going to do this, like, right away, as soon
25 as the budget is passed and you're going to

1 implement this. I mean, isn't this going to take
2 some time? Teresa, go ahead. You look like you
3 wanna --

4 SECRETARY OSBORNE: I do, only from the
5 standpoint, Mr. Chairman, that, you know, Texas --
6 and I had a great appreciation in the Senate
7 hearing the fact that Texas was brought up. That
8 was one state that I have reached out to my
9 colleagues there during the course of the last few
10 months that this has been under consideration for
11 Pennsylvania to learn from their experience.

12 While Texas has different demographics
13 than we do, one of my concerns is what you just
14 talked about. And as Jen used in her PowerPoint
15 presentation, any process of transformation and
16 creation in culmination of health and human
17 services coming together across four state agencies
18 like Pennsylvania's poised to do, is not a
19 culmination on a certain date. It's a transfer of
20 process that's going to have to occur over time.

21 With regard to Texas, while they started
22 their process in 2003-2004, because of state
23 legislature (sic) being passed in order to take
24 their health and human services from 12 agencies to
25 five, during the course of time leading up to 2014-

1 2015, and their legislature only meets every other
2 year, so they're even a different structure. They
3 also don't have cabinet secretaries.

4 So, back a few years ago, 2014-2015,
5 another piece of legislation was enacted in Texas
6 that now is allowing Texas to move their Health and
7 Human Service Commission, plus three other
8 commissions that are in their bucket of human
9 services in their system in Texas, to take their
10 agencies from five to three. So, it has been a
11 transformative process for Texas.

12 Certainly, we need to make it work for
13 Pennsylvania, but learning from their experience
14 and expertise through stakeholder engagement, their
15 collaboration with their General Assembly is paying
16 great dividends for us in terms of how we move
17 forward here in Pennsylvania.

18 CHAIRMAN DiGIROLAMO: Thank you.

19 And just, I mean -- Me and
20 Representative Seth Grove, just as we circulated a
21 cosponsorship memo on a bill, that would mandate
22 Legislative Budget and Finance and Joint State
23 Government together to do financial aspect and the
24 program aspect of doing this and come back in a
25 year and do a study on whether, what you're

1 proposing, is feasible or not. I mean, that makes
2 all the sense in the world to me.

3 Then after the study's done, they're
4 supposed to present the studies to the standing and
5 proper committees in the House and the Senate and
6 let the legislature have a look at this. I mean,
7 that would make more sense to me than actually just
8 jumping into this and implementing it.

9 One thing I do -- I'm going to close
10 with this real quick, Matt, I have another two
11 minutes. I want to show you a chart, and it's from
12 your budget booklet, your proposed Health and Human
13 Services Committee. I would like the members to
14 maybe take a look at that. It's in the corner.

15 This is what this new Health and Human
16 Services Committee and bureaucracy will look like
17 if it's enacted under the proposal that the
18 Administration has made. If you look, I've just
19 got DDAP up top. You have the Governor and then
20 you have the Secretary kind of, like, reporting
21 right to the Governor.

22 Under the new proposal, you're gonna
23 have the Governor, then the Secretary. Then,
24 Rachel, I guess you're right here; the Physician
25 General right with the Secretary. Then you have, I

1 think, these 9 or 10 offices that are there. Then
2 underneath the offices, you have an Executive
3 Deputy Secretary, and then you have two, four,
4 seven, 10 different deputy secretaries.

5 Now, if you're worried about drug and
6 alcohol, here's drug and alcohol all the way down
7 the bottom, and it doesn't even have its own Deputy
8 Secretary. It's Deputy Secretary for Behavioral
9 Health and Substance Abuse Disorder. And if you're
10 worried about our senior population, which I think
11 we all should be, here they are down here, and
12 Deputy Secretary for Aging and Adult Community
13 Living buried, buried in this large bureaucracy.

14 In my mind, this is not what I want to
15 see for Pennsylvania. I would much rather have
16 Secretary Osborne advocating on behalf of the
17 seniors, reporting right to the Governor. I would
18 much rather have Secretary Smith reporting right to
19 the Governor being able to get a meeting, instead
20 of being buried down here in this large
21 bureaucracy.

22 I mean, I've been very -- From the very
23 beginning, I don't like this at all. But here's,
24 from their own budget booklet, and here's what it
25 looks like. And if you're a senior citizen; if you

1 have behavioral health problems; if you're a drug
2 addict, this isn't what you want to see. You want
3 to see somebody that's advocating for you and
4 having the secretary in these issues.

5 So, I'm just gonna --

6 PHYSICIAN GENERAL LEVINE: If I may
7 comment?

8 Chairman DiGIROLAMO: Yeah.

9 MAJORITY CHAIRMAN BAKER: Doctor
10 Levine --

11 PHYSICIAN GENERAL LEVINE: Thank you.

12 MAJORITY CHAIRMAN BAKER: -- please do.

13 PHYSICIAN GENERAL LEVINE: That
14 organizational chart that was released was really
15 just an initial draft and kind of a placeholder
16 document. Since that time, the Governor has said
17 that there will be a cabinet-level official that
18 will be addressing substance abuse issues,
19 particularly the opioid crisis that will report
20 directly to the Governor.

21 I know that in the past people have
22 said, well, what agency would that person be in
23 charge of? And so, the person would not be in
24 charge of an agency. The idea is, they'll be able
25 to work across this agency and with other agencies

1 as well.

2 It would be rather similar to my
3 position. So, I am a cabinet member. I'm in the
4 Department of Health, and I don't have an agency
5 that I run, but I have been able to advocate for
6 opioids and other issues, but particularly in terms
7 of the opioid epidemic; in terms of the standing
8 order for Naloxone and many other issues.

9 I'm very pleased to collaborate with all
10 of you; pleased to collaborate with DDAP and with
11 previous Secretary Tennis and now with Secretary
12 Smith.

13 So, I think that the people are calling
14 it the drug czar--I don't know where that came
15 from--but the cabinet-level official would report
16 directly to the Governor and would have
17 responsibility for coordinating efforts across this
18 department as well as other departments.

19 So, the Governor, of course, as you
20 know, is committed to addressing the opioid crisis
21 and has worked tirelessly with the General Assembly
22 to address this, as well as with all of the
23 agencies. It's really been all hands on deck.

24 So, I don't think you have to -- I think
25 it's important to reassure the General Assembly, as

1 well as the public, is that the Governor is
2 committed to continuing to address the opioid
3 crisis, and the cabinet -- the larger agency would
4 be really the best way to address this.

5 I would agree exactly with Secretary
6 Osborne that this isn't an ending process in July.
7 In July, the consolidation would begin, and this
8 will be a continuous effort in terms of continuous
9 improvement and consolidation to coordinate and
10 streamline services.

11 To give you one example of how we've
12 been able to work together now and could work
13 together in the future, I'd like to point out our
14 grant proposal for the 21st-Century CURES Grant.
15 As you know, the 21st-Century CURES Grant, which
16 was a grant process from the federal government, at
17 the end of 2016, will provide \$26.2 million a year
18 for two years, so a total of \$52.4 million to
19 address substance abuse disorders, and particularly
20 the opioid epidemic. It's a grant from SAMHSA.
21 The four agencies all work together to be able to
22 do this and submit this grant.

23 We utilize and leverage the excellence
24 grant writing services that are present in the
25 Department of Human Services; been able to pull

1 together all the different proposals. We hope to
2 do a needs assessment; coordinate data which is,
3 actually, much able to do -- much able to do much
4 better when we're able to break down those silos;
5 support PDMP, EHR integration; maintain a hotline;
6 develop PSA messages; increase providers; provide
7 expand medication treatment through a new program
8 called PacMAT; increase efforts in school. So,
9 this was able to be done, and, as an example of the
10 collaboration that we all could do, which we'll be
11 able to do even better when we're one agency.

12 CHAIRMAN DiGIROLAMO: Thank you.

13 I'm just going to add, I guess I
14 appreciate it. I actually feel -- I mean, that
15 drug czar in my mind, with no staff, is gonna be no
16 more than a public relations guru. It's just gonna
17 go around the state and just how good everybody is
18 doing in the Administration. I don't think that's
19 gonna be anymore than a public relations person.

20 I kind of feel bad for some of you's to
21 have to defend this. I mean, you're exerting all
22 this energy and time when we could be doing so much
23 more on positive things. I really feel bad for
24 you's.

25 My guess is, you all don't have your

1 heart in it. And I know the Administration thinks
2 that it's just me and a couple of people that are
3 opposed to this. But I'm gonna tell you, you wait
4 till this thing gains a little bit more legs.
5 You're going to have a public relation diaster on
6 your hands when the human service community and the
7 aging community finally figure out what you're
8 trying to do with this plan.

9 Thank you, Mr. Chairman.

10 MAJORITY CHAIRMAN BAKER: Thank you,
11 Chairman DiGirolamo.

12 Just one comment. I noticed on slide 7,
13 you enumerate 10 unified deputates to serve
14 Pennsylvanians. I'm not sure what the cost of that
15 is gonna be. I have not heard of any cost savings
16 as a result of it either. So, if you could provide
17 me with that information at some point, I would be
18 very much appreciative.

19 We'll move now to Chairman Cruz.

20 CHAIRMAN CRUZ: Thank you, Chairman.

21 I just have a comment; not a question.

22 Doctor Levine, you gave me the answers
23 that I was looking for. But, I hope with the
24 consolidation of these groups, which I think should
25 be separated and keep the way it is. But, anyway,

1 there's always time for improvement. I hope that
2 we can generate enough money with the opiates.
3 Talking about in Philadelphia County, that's our
4 number 1 priority, and we're losing people day in
5 and day out with this.

6 Also, try to take it to the schools and
7 to the families where we can have -- instead of
8 having these narcotics that you don't use in your
9 house, where you dispense them; you know, police
10 districts, pharmacies and whatnot. This is
11 something we need to look forward in moving
12 forward. So, I'm anxious to see what the final
13 product is in moving forward.

14 So, I just wanted to make that comment.
15 That's all. Thank you.

16 MAJORITY CHAIRMAN BAKER: Thank you,
17 Chairman Cruz.

18 Chairman Samuelson, Aging Committee.

19 CHAIRMAN SAMUELSON: Thank you,
20 Representative Baker.

21 I had a couple comments about the
22 consolidation, and particularly the moving of the
23 money from the Lottery Fund into Human Services,
24 which has been a long-time practice.

25 I did want to start, I appreciated

1 Representative DiGirolamo's comments and concern
2 about the movement of Aging, the committee that I'm
3 the Minority Chair, and that organizational chart
4 that shows the Deputy Secretary of Aging pretty far
5 down on the page, with about two levels to get to
6 the Secretary of the new proposed department. That
7 is a concern of mine.

8 I appreciate that we're having this
9 hearing today, April 5th, and I have a concern that
10 just yesterday the House voted on a budget, which
11 assumes that this consolidation is going to go
12 forward. And the House Majority, the Republican
13 Majority, brought up a budget, which you can look
14 at the printout of this consolidation in there,
15 albeit, with 3 percent less money. They made a
16 3 percent cut in the proposed department with very
17 limited discussion.

18 We're having a discussion today about
19 mandatory minimums. We actually have a mandatory
20 minimum for review of any budget proposal of
21 24 hours. This budget proposal yesterday was
22 short-circuited. There was a House vote to
23 consider a final adoption of the budget with less
24 than 24 hours. Sure enough it passed. I think it
25 was about 22 and a half hours that the House

1 reviewed this budget.

2 So, that's just one comment that we
3 should take our time. We shouldn't be passing
4 preliminary budgets without the necessary review on
5 all topics. But particularly, this very
6 significant proposed consolidation, I wish we had
7 gone through and looked at what the Governor has
8 proposed line by line, and also what the House
9 Republicans proposed that we could do with
10 3 percent less funding than the Governor had
11 proposed just a few weeks ago. So, that's just a
12 comment on the process.

13 One concern I've had for many years, and
14 I know many advocates in the room have this
15 concern, is that, every year, every Governor--I
16 think it goes back to Governor Thornburgh, so I
17 guess I can blame eight Governors--takes money out
18 of the Lottery Fund which we've established in the
19 early 1970s for senior citizens.

20 But, Governor after Governor takes money
21 out of the Lottery Fund and transfers it over to
22 the Department of Human Services, which used to be
23 called the Department of Public Welfare. That
24 transfer has been in the ballpark of 250 million;
25 sometimes 300 million; sometimes 309 million.

1 Under Governor Corbett, one year it went
2 up to \$501 million; half a billion dollars taken
3 out of the Lottery Fund for programs that weren't
4 directly -- that weren't the original purpose of
5 that Lottery Fund, which, as we all know, PACE
6 prescription program, property tax/rent rebate
7 program, Area Agencies on Aging in every single
8 county in Pennsylvania and also Shared Ride
9 Transportation programs.

10 I have to commend the current
11 Administration. Governor Wolf has brought that
12 number down, but it's still \$308 million being
13 transferred out of the lottery over to human
14 services programs. We're going in the right
15 direction, but it's still \$308 million.

16 My concern is, if we have one big giant
17 department which has Aging as part of it, we, the
18 legislature, future legislatures, we're going to
19 lose track of what that transfer is. If it's all
20 going into one big pot, we're not gonna be keeping
21 track of which ones are going for the traditional
22 aging programs; which ones are going for the budget
23 balancing trick that eight Governors have used and
24 which lottery funds are being used for some new
25 program.

1 My concern is, how do we make sure that
2 that -- If he have a consolidated department where
3 Aging is a part of it, how do we make sure that we
4 continue the goal of reducing that transfer out of
5 the Lottery Fund?

6 SECRETARY OSBORNE: Thank you, Mr.
7 Chairman. I'll address the concerns that you've
8 raised because, clearly, as Secretary of Aging in
9 its current status, I asked that same question,
10 because that's my role to ask that question in
11 terms of, what is the commitment in a consolidated
12 effort, you know, unlike Texas as the example we
13 just used. Texas doesn't have the blessing of a
14 Lottery Fund in the state of Texas in order to help
15 support its services for older Texans. Whereas, in
16 Pennsylvania, as you just rightly mentioned, we do.

17 The Governor has made every commitment,
18 as we have gone this consolidation exercise and
19 continue to journey through it, that the Lottery
20 Fund, which is set in statute, is to be used for
21 the benefit of older Pennsylvanians. And as you
22 rightly pointed out, that Lottery Fund has been
23 stretched beyond its border to help with property
24 tax/rent rebate, the pharmacy program, Area
25 Agencies on Aging, and to be certain, for the older

1 adults that are served through our sister agency at
2 the Department of Human Services. You know, those
3 older Pennsylvanians who are accessing home and
4 community-based services through the Aging Waiver
5 Program; those older Pennsylvanians that were
6 leveraging lottery funds for the draw-down in
7 Medical Assistance dollars for older Pennsylvanians
8 that are in nursing homes.

9 So, we still have the opportunity to
10 continue in this journey of ensuring that we have
11 the right structure in place, as was pointed out by
12 Chairman DiGirolamo, is the right structure, the
13 one that was proposed, and how do we assure that
14 within the finance bureaus of this structure that
15 there is a way that that individual being counted,
16 so to say, and I just probably just annoyed every
17 accountant in state government.

18 But, for everyone who has to ensure that
19 the Lottery Fund is used for the benefit of older
20 Pennsylvanians, that's our responsibility to make
21 sure that those funds continue to benefit older
22 Pennsylvanians, regardless of structure. That's by
23 statute that that those funds have to be used for
24 older Pennsylvanians, and we will continue to
25 ensure that they are.

1 CHAIRMAN SAMUELSON: But the purpose of
2 the Lottery Fund was to benefit those traditional
3 senior programs: Prescription drugs, property tax/
4 rent rebate, Area Agencies on Aging,
5 transportation.

6 In the large Department of Health and
7 Human Services that's proposed, a person could come
8 up with many different programs that somehow
9 tangentially benefit senior citizens --

10 SECRETARY DALLAS: Sure.

11 CHAIRMAN SAMUELSON: -- and that
12 justification can be used, well, we need 20 million
13 here; we need 50 million here. So, who knows?
14 Some future Governor could say, you know what,
15 senior citizens benefit from a clean environment,
16 so I'm going to take some of the lottery money over
17 to the Department of Environmental Protection.

18 I mean, I think the purpose of that
19 Lottery Fund -- I say this because I know these
20 traditional senior programs are long overdue for
21 expansion. That PACENET program that we've been
22 talking about, it's been 13 years since we expanded
23 the income limits. We had a bill that passed the
24 House last year to expand those income limits. The
25 Senate killed that bill. We're trying again to

1 expand the PACE and PACENET programs.

2 It's been 10 years since we expanded the
3 income limits for the property tax/rent rebate
4 program. So, my concern is that, those lottery
5 dollars could be used for the programs that need
6 them, and also the programs that need to be updated
7 for cost of living.

8 My final point is that, in this proposed
9 merger, the Aging Department is about 2 percent of
10 the proposed merger. My concern is that, we made a
11 commitment to seniors back in the '70s. We've had
12 a Department of Aging for, I think it's 37 years.
13 My concern is that we don't lose our focus on
14 senior citizens by having Aging as part of this
15 large department.

16 Thank you, Mr. Chairman.

17 MAJORITY CHAIRMAN BAKER: Thank you,
18 Chairman Samuelson. And I do hear that as a
19 recurrent theme among the members and the
20 constituency groups is the loss of focus and
21 mission in various programs.

22 For instance, DDAP, the recovery of
23 200,000 pounds of drug take-back, that's a hundred
24 tons of pills and drugs, and 3,000 saved; 3,000
25 lives saved, and many people believe that that

1 would not have transpired if they had not laser
2 focused on accomplishing that mission.

3 So, that is a legitimate concern that I
4 continue to hear. I hear it from the county
5 commissioners. I hear from the Area Agencies on
6 Aging. I hear it from many, many constituent
7 groups back home in the district that they're
8 concerned about that loss of focus and mission and
9 sincerity to accomplish what was created
10 legislatively in many cases, statutorily in many
11 cases, and now they're fearful of that being lost.
12 So, very good point.

13 Representative Schlossberg, in behalf of
14 Chairman Fabrizio, the Health Committee.

15 REPRESENTATIVE SCHLOSSBERG: Thank you,
16 Chairman.

17 Secretaries, thank you very much for
18 your testimony, and this has been very
19 enlightening. I want to follow up with something,
20 which you mentioned in your presentation earlier,
21 this concept of a no wrong-door policy.

22 The greatest fear I think any of us have
23 is that, our constituents, the people who take
24 advantage of your services, will get lost in the
25 shuffle. And given how big the department is,

1 that's, I think, a adjustable fear. So my question
2 is this:

3 From a constituent-individual level, how
4 is this merger going to ultimately help with the
5 delivery of services, and how can you ensure that
6 nobody gets lost in your new consolidated
7 department?

8 SECRETARY DALLAS: I'll start. I'm not
9 sure whether any of my colleagues would also like
10 to join in.

11 I think that when you look at the way
12 services are provided right now, there are folks
13 who get lost in the shuffle right now precisely
14 because the system is bifurcated, precisely because
15 there's a Department of Aging, a Department of
16 Human Services, a Department of Drug and Alcohol
17 Programs.

18 When you look at it right now, there are
19 multiple services that are provided by the same
20 agency with different rules. There are folks that
21 get licensed by multiple agencies with different
22 rules and with different guidance when you're
23 talking about that.

24 The flip side, and I understand
25 everyone's concerned about people getting lost in

1 the shuffle, is, there are folks who get lost in
2 the shuffle right now precisely because it is
3 separated, and they don't get all the services they
4 can or they don't get the highest quality of
5 service they can because we're not coordinated.
6 I'll give you one example.

7 I have a ton of respect for
8 Representative DiGirolamo. We've worked together
9 on a lot of issues. I hope we continue to work
10 together. We all want the same thing, which is
11 providing the best services for folks. But the
12 system that we have now, for example, for folks who
13 have a substance use disorder, 68 percent of the
14 time folks go to detox and they don't get any
15 services whatsoever other than that. And we all
16 know, that in order to treat drug and alcohol
17 services, opioid addiction or anything else, you
18 need to have behavioral health services; you need
19 to have physical health services. You need to have
20 all those things wrapping around those services.

21 So while, I don't think the right
22 question is to say, do we think that the General
23 Assembly made a mistake? I just think that we're
24 all trying to work together to find a way to do
25 better. We have an honest disagreement. I still

1 respect Representative DiGirolamo for his
2 passionately-held views. We think that combining
3 and coordinating those services, we'll get a higher
4 level of services for those who need those
5 services.

6 Right now, I just know -- I'll just take
7 one example. In Medicaid, over 50 percent of the
8 people who get drug and alcohol services need
9 behavioral health services as well. So, in that
10 world right now, if I know that two out of three
11 don't get any other services, we're failing folks
12 right now.

13 And I think that while people are
14 talking about change is always difficult, and it's
15 -- there's concern there, I think we also have to
16 look at where the system is falling down right now.

17 Within the face of an opioid crisis, are
18 we providing the best level of services we can?
19 Can we coordinate those services better? Can we
20 stop saying to seniors, you have to go to three
21 different agencies to get the services that you're
22 entitled to? Can we find a better way to take
23 those services and make it so that, in the social
24 services world that ideal of a no-wrong door, that
25 we're putting that all together, so we make it

1 easier for seniors to access those services. We
2 don't tell them they've come to the wrong place.

3 Now, the debate is, I assume everybody
4 -- I know everybody here wants better quality
5 service. The debate is just about how to do this.
6 Ultimately for us, we think an integrated approach.
7 We think all the evidence-based practice show; all
8 the research show, we think those other 18 other
9 states show that integrating those services will
10 provide you with a higher and better level of
11 service.

12 That's what the debate's about, and we
13 certainly understand all those concerns. But we
14 think there's an opportunity here that, while I
15 know folks have concerns, there's an opportunity
16 that we're not talking about. We're the
17 opportunity for everybody who said when they went
18 home one day who worked in the system or got
19 services, wow, the state was so stupid. I can't
20 believe they organize things this way. It's so
21 bureaucratic.

22 We have the opportunity to make it
23 better; to make it simpler. In a lot of ways, I
24 think that opportunity is one that we should really
25 take a hard look at, and one I think has the

1 possibility to make things better for millions of
2 Pennsylvanians.

3 Just as one example, Massachusetts has a
4 consolidated agency. They were rated, I think, by
5 U.S. News and World Report, or one of those folks
6 who does the survey, as having the best quality of
7 life for seniors of any state in the country.
8 Right? So, they found a way to do it. And I
9 understand those concerns, but there's that
10 opportunity there.

11 There's an opportunity for us, for
12 Pennsylvania, to be the state that has the highest
13 quality of services and the best quality of life
14 for everybody, and we think this is the way we can
15 get there.

16 REPRESENTATIVE SCHLOSSBERG: Thank you.

17 MAJORITY CHAIRMAN BAKER: Chairman
18 Hennessey has a follow-up question. Then we'll go
19 to Representative Martina White.

20 CHAIRMAN HENNESSEY: Yes. Thank you,
21 Mr. Chairman.

22 Secretary Dallas, I've got to take issue
23 to what you've just testified to. It is a
24 complicated system. I will grant you that. It
25 will remain a complicated system if the merger goes

1 through.

2 The reason that so many of our seniors
3 recently have been hung out to dry, waiting.
4 You're dealing with robo calls; waiting incessantly
5 for people to get back to them, is because Human
6 Services, against our advice, rushed into a
7 contract with a group called Maximus. They were
8 ill-prepared; they were understaffed. They simply
9 weren't returning the calls and dealing with these
10 seniors that needed to be -- to draw upon our
11 senior programs. It was a mistake to rush into
12 that. It's a mistake to rush into this merger.

13 We've heard other testimony that this
14 is something that should be thought out, well-
15 thought out for years. We've heard testimony from
16 Secretary Smith and some others that this is a
17 journey that's going to take a long time. Frankly,
18 I understand that a journey begins with a first
19 step. But the bottom line is, we should think it
20 over better, just like we ask Human Services to
21 think over better the idea of going to Maximus in
22 the first place.

23 You can't say that this is a complicated
24 system, and suddenly by merging things, it's gonna
25 get better. It's not. The bottom line is, it's

1 got to be well-thought out. Otherwise, our seniors
2 are jeopardized. We've seen it happen in the last
3 year. Maximus has tried. I think they're getting
4 better now. It should be after a year.

5 The bottom line is, we can't jeopardize
6 a much larger population of our seniors while we
7 try this journey and see if we can work things out
8 and cure problems as they crop up. It's just not a
9 good idea.

10 SECRETARY DALLAS: I don't think we're
11 saying anything different, respectfully,
12 Representative Hennessey. I never meant to imply
13 that you would have, on July 1st, the system would
14 be less complicated. I think Secretary Smith and
15 all my colleague secretaries said that this is a
16 process that will take time.

17 I have no idea -- I think Senator
18 Hayward said, I have no idea how it -- 14 years
19 seems maybe a little too long to consolidate
20 services. They also had a lot more agencies that
21 they had to put together than just the four that we
22 have there.

23 But no one is saying it's going to be
24 cured overnight. No one is gonna saying that it's
25 gonna to be a perfectly simple system. But I think

1 what we are saying is, there's the opportunity,
2 over time, starting July 1st to start making the
3 system more simple. Start making it easier for the
4 consumers that should always be the focus of what
5 we're doing; making it easier for them to access
6 services. So you and I agree about that.

7 I think there may be some disagreements
8 along the way about how we get there, but we think
9 this process will get there. We've seen it work
10 for other states. But no one says it's gonna
11 happen overnight. No one says it's even gonna
12 happen in one year.

13 I think what we're saying is, this
14 structure gives us the opportunity to be flexible,
15 to move forward and to provide a better quality of
16 services for everybody; whether it be seniors,
17 folks with disabilities, folks -- kids, all the
18 folks that we serve within the human services
19 realm.

20 MAJORITY CHAIRMAN BAKER: Martina,
21 Chairman DiGirolamo requests a brief comment.

22 CHAIRMAN DIGIROLAMO: I don't need a
23 response. I just want to respond, Ted, to your
24 comment about people with addictions, the
25 behavioral health thing, the physical side.

1 I mean, we just started the Centers of
2 Excellence last year, and you got 45 of them up and
3 running across the state of Pennsylvania. I just
4 thought that's what they were supposed to be doing.
5 So, I mean, we didn't need to consolidate the
6 department to make that happen. So, I think you're
7 already doing that with the Centers of Excellence.

8 Again, I don't want to take up too
9 much time. I don't need a comment. I just wanted
10 to respond to your comment. Thanks.

11 MAJORITY CHAIRMAN BAKER: Representative
12 White.

13 REPRESENTATIVE WHITE: Thank you,
14 Chairman. And thank you, Secretaries.

15 Chairman, I ask that you consider this.
16 It is extremely important this conversation that
17 we're having today, and especially for the many
18 families who are currently benefiting from the
19 services of these various departments, which is
20 why, I know, due to the time constraints, I, along
21 with other members, have questions that may go
22 unanswered.

23 So I'm asking the Chairman, would you
24 say that it's fair to have some of the members
25 submit questions to you and expect a timely

1 response from the Secretaries?

2 MAJORITY CHAIRMAN BAKER: Absolutely.

3 REPRESENTATIVE WHITE: Okay. I really
4 appreciate that.

5 And thank you, Secretaries, for your
6 time.

7 MAJORITY CHAIRMAN BAKER: Thank you,
8 Representative White.

9 Representative Kaufer.

10 REPRESENTATIVE KAUFER: Thank you, Mr.
11 Chairman. And thank you, everyone, for your
12 testimony today.

13 I find it hard to think advocacy for
14 your departments would be better if they are
15 subordinated to a larger bureaucratic agency,
16 which, seemingly, creates a competitive struggle
17 for dollars to be provided to the groups of
18 individuals we advocate for, especially considering
19 the money absorbed by DHS and not used for the
20 money that was -- the legislative intent for the
21 wait list.

22 I'll be supportive of changes that will
23 provide better services and cost savings and
24 efficiency, but I believe we are just being told,
25 don't worry, it will be great.

1 My interest, and I'm interested in all
2 of these fields, but especially the drug and
3 alcohol end. At the point of this major drug
4 epidemic, shouldn't we have a larger advocacy and
5 focus, including dedicated dollars for addressing
6 this topic, because what I'm constantly hearing is,
7 we're putting the same pot of money all in and how
8 can we make sure that these are getting to our
9 areas that we are very concerned about?

10 SECRETARY SMITH: Thank you,
11 Representative, and I'm gonna address this the best
12 I can without getting emotional about it.

13 As many of you probably know, we lost
14 one of our deputy secretaries last week. Dennis
15 Marion, who worked for Secretary Dallas, and he
16 oversaw OMHSAS, the Office of Mental Health and
17 Substance Abuse Services.

18 Dennis and I had many, many, many
19 conversations about what this new agency could look
20 like and what it would mean for bringing together
21 mental health services and drug and alcohol
22 services. And the vision that the two of us shared
23 together was not a diminished role of substance
24 abuse services, but rather, an increased footprint
25 of substance use disorder in Pennsylvania. And the

1 vision that we shared together was bringing to the
2 table that group and that advocacy where it doesn't
3 currently exist.

4 And so, the discussions that we had
5 together were about, how do we look at this new
6 agency as a way of actually increasing awareness
7 and increasing participation and increasing the
8 voice of substance use disorder in places that it
9 doesn't currently exist, and how do we educate
10 folks on the interaction between the mental health
11 field and the substance use field.

12 So, to address your question, I would
13 simply say that, we are asking you to trust us.
14 But the conversations we're having truly are
15 around, how do we address making services be
16 provided in the best way possible and still
17 maintaining the focus that's necessary particularly
18 on the issue of addiction.

19 REPRESENTATIVE KAUFER: I think that
20 the -- And I have one quick follow-up, Mr.
21 Chairman. Thank you.

22 I think it's easy to say just trust us.
23 But, of course, our job is to make sure that we are
24 advocating and doing the jobs we're elected to do
25 as well; make sure that services are still being

1 provided in our community.

2 I find it hard to just say, just blindly
3 follow. That's not why we were elected here.
4 We're elected to be a check on the Administration.
5 That's the point of the legislature. We are not
6 supposed to just blindly follow, and I have major
7 concerns if that's the direction that's coming out
8 of the Administration. I really have serious
9 concerns.

10 I have one quick follow-up question in
11 that regard, because -- My question is: Have you
12 or anyone you're aware of, or do you have reason to
13 believe that people had their jobs threatened by
14 the Administration if you did not go along with
15 this consolidation?

16 SECRETARY SMITH: No. And to address
17 the point before that, as I mentioned in my
18 opening, here in the month of April, the General
19 Assembly as well as our stakeholder organizations
20 will receive a copy of detailed organization
21 charts, with the hope of receiving input from you
22 on that organizational design.

23 So, we're asking you to trust this
24 initial first cut, but then we will be asking for
25 your detailed input.

1 REPRESENTATIVE KAUFER: In regard to my
2 second question, I'm hoping I can hear an answer
3 from everybody at the table, please.

4 SECRETARY OSBORNE: No, I was not
5 threatened with my job if I didn't support the
6 consolidation.

7 REPRESENTATIVE KAUFER: Or anyone you're
8 aware of?

9 SECRETARY OSBORNE: No one that I'm
10 aware of.

11 PHYSICIAN GENERAL LEVINE: Again, no, I
12 was not threatened in regards to my job or anyone
13 I'm aware.

14 SECRETARY MURPHY: No, I was not.

15 SECRETARY DALLAS: No, I was not.

16 REPRESENTATIVE KAUFER: Thank you. I
17 appreciate that.

18 Thank you for allowing me today,
19 Chairman.

20 MAJORITY CHAIRMAN BAKER: Secretary
21 Murphy.

22 SECRETARY MURPHY: I do want to make a
23 comment, because I think it bears -- I'm going to
24 say to Representative DiGirolamo, I don't feel bad
25 that you didn't say I was lost. You said Aging and

1 DDAP, but you didn't say public health. And I know
2 that that's -- I know you're a big supporter.

3 I think I want to make the -- There's a
4 point here that we need to raise in terms of all
5 the Secretaries. So, I would say that that spirit
6 of we're only supporting it because you were
7 threatened of your job, I've shared with the
8 Chairman several times that we come here to serve
9 in the cabinet recognizing that our time is short.
10 So, we serve at the pleasure of the Governor.

11 But the reason we come here to take
12 these jobs--I'm speaking for myself--is really to
13 perform public service. And in Pennsylvania today
14 -- So my focus is on public health. And if you
15 didn't think about public health, that means we've
16 been doing a great job because, if we had large
17 public health problems, we'd be discussing them at
18 a much larger level.

19 But, I think the two points that I want
20 to make is, we're in a very, as you all well-known,
21 have been addressing for the past several years,
22 we're at a very difficult financial -- we're
23 financially challenged as a state and a state
24 budget. I think the point we all try, as you try
25 to deliver, the highest level of service as

1 possible to your constituents and to the residents
2 of the Commonwealth. And given the current budget
3 restraints, it is very difficult to actually
4 realize the vision that we all have.

5 I'll speak for public health. In public
6 health, the Department of Health has been 42nd in
7 the country in terms of funding. We have just not
8 had the capability to fund the Department of Health
9 of where we'd really like it to be.

10 However, in consolidating the Department
11 of Health with the Department of Human Services, we
12 do have the ability here to leverage federal
13 funding through Medicaid. There is several
14 initiatives in the federal government that allow
15 the states to leverage federal funding for the
16 Medicaid population, but the remaining population
17 that isn't in Medicaid or a Medicaid beneficiary
18 ends of benefiting from those investments.

19 So, I have been a long proponent in
20 terms of DOH and DHS being able to leverage that
21 federal funding. And I think that, while this is
22 large and it's a very large undertaking, and I
23 think it's critically important everyone clearly
24 asks the right questions in terms of Aging, DDAP,
25 and I would add public health to that to be sure

1 that that remains a priority.

2 I do think that we had some optimism
3 that we will have additional funding available to
4 us; that we'll be able to -- under effective
5 leadership, we'll be able to actually elevate our
6 vision as opposed to diminish it.

7 REPRESENTATIVE KAUFER: I -- Yeah. And
8 thank you for being here today.

9 MAJORITY CHAIRMAN BAKER: If someone
10 could clarify for us, on the 10 unified deputate
11 position, presumptively, you folks would be fitting
12 into that, some of you, and I'm not sure there
13 would be any cost savings. Your salary might
14 continue to be the same, only as a deputate.

15 If you could also provide specifics with
16 respect to those deputates, the salaries and who
17 might be serving in those capacities, we'd
18 appreciate that information as well.

19 SECRETARY MURPHY: Sure. We will have
20 the Governor's Office certify that to you.

21 MAJORITY CHAIRMAN BAKER: Thank you.

22 Chairman Cruz has a follow-up question,
23 and then we'll go to Representative Tallman.

24 CHAIRMAN CRUZ: My job wasn't threatened
25 either.

1 I just wanted to inform that each one of
2 your agencies is so crucial and important. We have
3 a meeting -- a public hearing of human services in
4 Philadelphia next week, April 11th, regarding with
5 the Air Bridge situation.

6 The Air Bridge situation is that, we
7 have people that are going into Puerto Rico, which
8 is a territory to the United States, and other
9 territories. Being the fact that they are U.S.
10 citizens are bringing folks into Pennsylvania,
11 Chicago and Connecticut and putting them --
12 utilizing them and putting them in the welfare
13 system to get alcohol and mental treatment. That,
14 in fact, the people become the payees and don't
15 follow up and get the treatment that is necessary
16 for these folks. They wind up under a bridge.

17 So, we don't have nothing in place where
18 the Department of Welfare says, this is how you're
19 going to handle this. So, I have a piece of
20 legislation which will mandate them, inspection
21 every three months, quarterly and making sure.

22 But I think that if we got a grasp on
23 how we keep people from other territories out of
24 Pennsylvania to get treatment where they are at now
25 instead of coming to Pennsylvania, we'll be a lot

1 better, and we'll have more monies to be able to
2 take care of the needs that we have here.

3 We have a lot of testimony on the 11th,
4 if you would like to attend, to hear better and
5 read, that you can help us give the best treatment
6 to the people we represent here in Pennsylvania,
7 more than happy to have you. We've got a lot of
8 changes.

9 We've got a lot of work ahead of us.
10 There's a lot of people that need treatment, and
11 there's a lot of ways that we can work to make sure
12 we have enough funding. So I just wanted to share
13 that with you folks. Thank you.

14 MAJORITY CHAIRMAN BAKER: Thank you,
15 Representative Cruz. Representative Tallman.

16 REPRESENTATIVE TALLMAN: Thank you, Mr.
17 Chairman.

18 And I'm going to agree with Chairman
19 Samuelson and Chairman DiGirolamo. I just figure
20 we're gonna lose track of what's happening with the
21 lottery funds. Secretary Osborne, I'm going to be
22 fourth or fifth down that list because I'm a baby
23 boomer. So, I probably won't get any service when
24 I retire.

25 And Chairman Baker brought up OCDL, and

1 not everybody in this room is gonna agree with me
2 on this one, but it is a net negative on the
3 delivery of early childhood education. That's
4 Secretary Dallas has the major portion of that pot
5 of money, and I'm going to be introducing
6 legislation to get rid of it, and that is a cost
7 savings.

8 But here's my question. I've been in
9 private sector 30-plus years. We've done
10 consolidations in the private sector. Two of those
11 which stick out in my mind were disasters. They
12 weren't well thought out. And here's my question.

13 You guys have a purpose, Chairman
14 Hennessey and others on Aging with the group, you
15 guys have key points of focus. I believe if we
16 have one agency, what is going to happen to the
17 focus on aging? What's going to happen to the
18 focus on those drug-addicted people?

19 And like I said, I have been involved in
20 the private sector on some consolidations, and two
21 of those were disasters. Others were effective but
22 have to be done right, and I'm not sure we're gonna
23 be able to maintain that focus if we combine under
24 one person.

25 Thank you for your answer.

1 SECRETARY OSBORNE: I thank you,
2 Representative, for always your care and concern
3 for the aging population, that makes my heart
4 smile, so thank you for that.

5 You know, I hailed from Scranton and
6 Lackawanna County. When I served there, I was a
7 human service administrator; also served for a
8 brief time as the acting in a drug and alcohol
9 administrator; also served for a brief time as the
10 dual administrator for Aging.

11 But my main role for the county
12 commissioners in that particular county in
13 Lackawanna was to serve as human service
14 administrator. And as that role -- And I attended
15 to this new structure of a Secretary for the
16 Pennsylvania Department of Health and Human
17 Services, as a leader of any agency, and in
18 particular, my role as human service administrator
19 and whoever is the privileged person who would
20 service the first Secretary of Health and Human
21 Services for the Commonwealth of Pennsylvania, your
22 eye is always on the needs of the people whom
23 you're called to serve, regardless of age or stage
24 of life. That's the role of a leader. That's the
25 role of the Secretary.

1 And within our structure, calling them
2 right now the opportunity to call them deputy
3 secretaries, look to the federal structure. You
4 know, there is a federal United States Department
5 of Health and Human Services with the Secretary,
6 and then there are assistant secretaries under him
7 or her. Right now it's Doctor Price. But those
8 assistant secretaries are no less vital or no less
9 important to the ear of a Governor or the ear of a
10 cabinet or to the ear of the General Assembly with
11 regard to the cares and concerns to the
12 constituents that they're called to serve
13 regardless of age or stage of life.

14 So I understand that there's lots of
15 concern about what's gonna happen to the aging
16 population; what's gonna happen to the needs of
17 seniors, but that's about leadership in terms of
18 ensuring that the dollars entrusted to our care,
19 for seniors in particular -- 78 percent of our
20 budget is from the blessing of a Lottery Fund. The
21 rest from those older Americans Act services that
22 Chairman Samuelson mentioned earlier in terms of
23 getting back to our roots of those whom we're
24 called to serve under the older Americans Act.

25 So, that commitment is there. It will

1 continue to be there regardless of structure. It's
2 all about leadership. And so -- how we respond to
3 ensuring this opportunity for us in Pennsylvania to
4 create something new. The work that we do across
5 four agencies, is the most noble work of
6 government.

7 Nobody wants to step in and say, let's
8 make this fail. Everyone wants to step in and say,
9 we have limited dollars entrusted to our care. How
10 are we going to use them well and wisely to care
11 for the drug and alcohol folks that need access to
12 the services, behavioral health services, the
13 children and youth services, to protective service.
14 Again, I can go on and on, and I know our time is
15 limited.

16 But I appreciate the concern, because we
17 have to keep our eye on the ball and the prize in
18 terms of how we're gonna make this structure work
19 for the Commonwealth of Pennsylvania; not what
20 Texas did or Michigan did or 15 other states did.
21 But, how are we going to work together with you to
22 say, this structure was a great proposal, but how
23 do we roll our sleeves up and make this work better
24 for the Commonwealth of Pennsylvania now.

25 We have financial problems, limited

1 dollars available to us. We need the best leverage
2 and utilize them in order to ensure that this
3 structure works not just for this Administration.
4 As Secretary Murphy mentioned, we accept these
5 privileged posts for limited periods of time. It
6 could be three years, four years, eight years. I
7 don't know. But for the privileged time I'm here
8 to serve, my voice has to ensure that older
9 Pennsylvanians aren't lost in the shuffle.

10 But any Pennsylvanian who comes to our
11 doors looking for services and supports; to live
12 that quality of life that we all deserve, that's
13 what we have to keep our focus on. So if there are
14 concerns about the structure, we have to work
15 together with you to get the right structure that's
16 gonna work best for Pennsylvania.

17 MAN IN AUDIENCE: Please do that.

18 MAJORITY CHAIRMAN BAKER: Representative
19 DeLissio.

20 REPRESENTATIVE DeLISSIO: Thank you, Mr.
21 Chairman. Good morning.

22 SECRETARY OSBORNE: Good morning.

23 REPRESENTATIVE DeLISSIO: On swearing-in
24 day, we heard, I believe it was Majority Leader
25 Read, talk about reimaging and redesigning

1 government. And after a 20-year private sector
2 career, those two words excite me, because I used
3 to be able to reimagine and reinvent any number of
4 things because it was also under my control. I was
5 privileged to serve in capacities of CEOs or
6 presidents.

7 And the one thing somebody cautioned me
8 about when I talked about possibly running for
9 office was, uh. You're gonna get so frustrated,
10 because by noon, on any given day, you're gonna
11 feel like you're getting jammed.

12 So, when I heard on January 3rd,
13 reimagine and redesign it was like, this is cool.
14 Where is this going to take us? I hope that this
15 could be part of a redesign and a reimagine.
16 There's nothing wrong with redesigning and
17 reimagining. And the worries that we hear today are
18 some of the worries I've already heard in my own
19 district. Worries about the Lottery Fund has been
20 brought up, or voices being lost because the -- I
21 guess the vision of, for some, what's perceived to
22 be a larger bureaucracy and more difficult to
23 navigate actually strikes me as just the opposite.

24 So, when a constituent told me last
25 Friday that they had already gotten a template of a

1 letter to oppose the Department of Aging being
2 consolidated in this, I said, how could you even
3 oppose that? The first hearing is today, and the
4 Senate only held its first hearing last week. So,
5 I said any letters that I get opposing this is
6 going to be interesting, and my response will
7 simply be, I'm just starting to sort this out.
8 We're just starting to get information here. The
9 constituent was like, oh, I didn't realize that. I
10 won't share the agency or the organization that was
11 sending out those template letters.

12 I see this consolidation as an
13 opportunity to tap and share strengths among folks
14 and to strengthen weaknesses and to be more
15 effective. There's a difference between and I --
16 In the district office, like most of my colleagues,
17 as much as we can be, there's a difference between
18 referring somebody within an agency if somebody --

19 I often say to my constituents, if the
20 bureaucracy is stuck on stupid, call me, call us.
21 We'll help you get it unstuck. So, it's much
22 easier to refer within an agency than to refer to a
23 whole other agency. It's like going -- you have to
24 start all over again. Again, this is why the
25 opportunity to reimagine and possibly redesign

1 these four agencies as one is exciting to me at
2 this point. I don't have enough information to
3 reach any type of conclusion at this time.

4 I hope that an emphasis is on customer
5 service, and I would love to see even that as part
6 of the lexicon. Our citizens are our customers.
7 These are quality-of-life issues. And for the
8 sixth year -- This is the beginning of my fourth
9 term that I have been in office, I have been a
10 little less than impressed with how we handle the
11 quality-of-life issues on behalf of the citizens of
12 Pennsylvania. And specifically, I can reference
13 Act 22 of -- It was either 2011 or 2012. That
14 didn't recognize the importance of the quality-of-
15 life issues for the citizens of Pennsylvania at
16 all.

17 And I don't think we'll be consolidating
18 line items. So when folks are concerned, and I've
19 been involved in both expansions as well as some
20 consolidations. When we talk about losing line
21 items, I haven't heard any consolidation of line
22 items. A lot of those line items will have to
23 remain separately, or we can ask them to remain
24 separately.

25 There's not a lot of detail to react to,

1 and because this discussion is fairly new in terms
2 of months, not years, I will respond and react to
3 detail as it comes out. I'm hoping today that this
4 panel, and whoever else is listening, is hearing
5 these concerns and will be able to factor in these
6 concerns into any additional planning that goes
7 forward.

8 So that being said, Mr. Chairman, I
9 guess I had more comments than questions at this
10 point. Thank you.

11 MAJORITY CHAIRMAN BAKER: You're
12 welcome.

13 Representative Dush.

14 REPRESENTATIVE DUSH: Thank you,
15 Chairman. I have a couple questions.

16 First of all, do any of you folks have
17 anybody on your teams that are part of the
18 development process that are Six-Sigma certified or
19 some equivalent?

20 SECRETARY DALLAS: I don't know if
21 anybody has that particular qualification, but
22 there are a lot of experts who've been doing this
23 for many years or working on it. That particular
24 qualification, I don't know anyone at DHS who has
25 that.

1 REPRESENTATIVE DUSH: Have you developed
2 any performance standards for how each of these
3 departments -- or these sub-departments, bureaus or
4 whatever are going to be functioning? What you
5 expect to have, as far as for the customer service,
6 are those written down and do you have them
7 available for us?

8 SECRETARY SMITH: No. That's part of
9 the discussions that are happening right now.
10 First, we have to understand what the structures
11 are gonna look like before we would be able to
12 devise and document outcomes, but that is part of
13 the work group discussion.

14 SECRETARY DALLAS: I think all agencies
15 right now do have service measures that we report
16 to the General Assembly ones that we may use
17 internally, and I think that those could help form
18 the basis of the consolidated agency service
19 measures. We track all those things right now.

20 REPRESENTATIVE DUSH: All right.

21 In the military, we have this thing
22 called METT-TC; mission, enemy, time, troops,
23 tactics and civilian concerns. When you're setting
24 out to create a mission, you have a mission
25 objective. You clearly identify it.

1 And when you've got successful
2 businesses, they follow basically the same type of
3 format. It's just different terminology. I am not
4 hearing any of that. We are the sovereigns in this
5 process. We are supposed to have the ability to
6 see what you are doing and have oversight of it.

7 I don't hear of a mission. I mean,
8 we've got this vague description. I'm excited
9 about the possibilities. Like Representative
10 DeLissio, there are so many possibilities out
11 there. Just watching what my father had to go
12 through as a placement counselor for both rehab
13 going through different agencies and tying in
14 federal and state agencies, we have a good
15 opportunity to improve some things, a lot of
16 things, and cut down on the waste on redundant
17 systems.

18 However, we're facing the same situation
19 at the speed that we're trying to progress with
20 this right now that what happened with Maximus, and
21 still going on with Maximus. Although, when you
22 shut the payment -- After we had that hearing, you
23 shut the payments off or threaten to shut the
24 payments off, we got better at service. When we
25 were talking about it during the hearing, all of a

1 sudden Maximus starts getting better services. But
2 it's tapering off again. We're having more
3 problems again in my offices, and the waiting lines
4 are growing up. I do not want to have a repeat of
5 that.

6 You guys need to get together, form a
7 definitive mission statement; say exactly what you
8 want to accomplish across all the different areas;
9 how you're going to accomplish it; take into
10 consideration all the different factors and get
11 that to us before -- so you've got at least a
12 platform to work from, because I'm not hearing of a
13 platform to work from.

14 And, if you're doing something
15 haphazard, we're gonna face the same thing we faced
16 with Maximus. We're gonna -- businesses that fail
17 -- failed because they failed a plan.

18 Military operations that failed
19 generally is because of a failure to plan. Right
20 now I'm seeing a failure to plan in a way and, like
21 I said, there's no defined mission statement;
22 nothing for us to see, anyway, or the public.

23 From what I'm hearing from the people in
24 the various departments, both around the district
25 and who come into my office, there are five or six

1 different directions that the departments are
2 looking to going. So, you need to have better
3 communication downstream within your departments,
4 and you also need to have better communication with
5 us so that we see we've got an effective
6 observation of what you are doing, so that when it
7 comes time as we approach the first of July, we've
8 got to know whether or not we're gonna have to take
9 legislative action, but we need to have something
10 solid to base that legislative action on.

11 That time is fast approaching. I don't
12 want us to be faced with last-minute decisions when
13 it's something that's gonna be just cobbled
14 together to give us something in writing. I want
15 to see a definitive plan, and I want you to
16 identify all the obstacles. I want you to identify
17 the federal obstacles that you guys are going to be
18 facing; what the federal government is going to be
19 showing you guys on these mergers.

20 The opportunities are there, but we're
21 not seeing that, and we should be a part of this
22 process. You guys should be getting that
23 information to us now so that we have something to
24 look at and that we can do some evaluations.

25 Thank you.

1 MAJORITY CHAIRMAN BAKER: Representative
2 Daley.

3 REPRESENTATIVE DALEY: Thanks, Mr.
4 Chairman.

5 So my original question was going to
6 take the keys to success that you outlined in the
7 last page of your presentation and ask you about
8 how to develop performance metrics for that,
9 because there has been a big focus with
10 performance-based budgeting and performance
11 metrics. But then I've been sitting here
12 listening.

13 Yesterday we voted on House Bill 218,
14 which was the Republican budget, which cut a total
15 of \$340 million from the Health and Human Services
16 budget; while, at the same time, agreeing that it
17 would move forward with the consolidation. It
18 wasn't really spelled out.

19 But, in looking at the line items,
20 \$340 million, it was an additional cut over what
21 the Governor had put in, and that includes things
22 like the 31.4-million-dollar cut from programs for
23 seniors and persons with physical disabilities. It
24 includes nearly 63-million-dollar cuts from child
25 care. It includes 2.595-million-dollar cuts MA fee

1 for service; 5-million-dollar cuts from mental
2 health services; 15 percent funding cut to county
3 human service programs under the Human Services
4 Block Grant; 15 percent funding cut to following
5 hospital appropriations: Trauma centers cut
6 1.298 million; burn centers cut 567,000; obstetrics
7 and neonatal services cut 552,000.

8 It eliminates the following initiatives
9 proposed by the Governor: 4.032 million to
10 annualize 20 Centers of Excellence for substance
11 abuse disorders; \$9 million to expand
12 evidence-based home visiting programs for
13 first-time mothers --

14 MAJORITY CHAIRMAN BAKER: Representative
15 Daley, other than a platform to bash the budget
16 process right now, how --

17 This is a hearing on the consolidation.
18 If you have -- If you're building up to the
19 question of the consolidation, I'm all in. But, if
20 it's just a recitation of the cuts of the budget, I
21 don't see how that's relevant to the consolidation
22 purpose of this hearing. But --

23 REPRESENTATIVE DALEY: I am building up,
24 Mr. Chairman. I am.

25 MAJORITY CHAIRMAN BAKER: Okay.

1 REPRESENTATIVE DALEY: I think these are
2 important because, I've been sitting here listening
3 to my colleagues questioning how are you going to
4 do this work, and questioning the idea that you're
5 really in a position where you need to be making
6 the services that you provide delivered in an
7 efficient and effective way. And yet -- and
8 questioning --

9 So, I was just struck by some of what
10 was voted on by -- and passed in the House
11 yesterday as this budget and questions related to
12 efficiency and effectiveness, which I think the
13 consolidation was set out to achieve those purposes
14 because, as Secretary Murphy outlined, really
15 effectively, I think, you've been working under a
16 situation where you have not had funding.

17 I wrote down a performance metric, the
18 DOH is 42nd in the country. And so, you are really
19 looking at this consolidation as a way to deliver
20 the services, and you say that on your first page,
21 unified Health and Human Services organization
22 transforms and organizes service delivered based on
23 the citizens we all serve result in a no-wrong-door
24 approach.

25 Everything you've written in this says

1 to me -- And, in fact, your first key to success is
2 focused first on the customer experience and the
3 quality of services provided. I understand that
4 you're in the process of working on this
5 consolidation, and I don't really expect at this
6 point a really fully fleshed-out program of exactly
7 how it's going to work because you are in the
8 process. You have said you're in the process of
9 developing this.

10 But, for me, you've really actually hit
11 on a lot of the really important things that we
12 would expect for our aging, for people with
13 disability, for public health situation in
14 Pennsylvania and for the delivery of human
15 services.

16 So, I'm looking with great interest in
17 how you're going to continue the development of
18 this. I am believing that the committees -- I
19 serve on Aging and on Health and on Appropriations,
20 so I'm actually interested in this from a lot of
21 different viewpoints. But, I think it takes time
22 to do this, and I think that it really --

23 I think the money and what we agreed to
24 on the budget yesterday actually really has an
25 impact, and it's something new that you may have to

1 consider in how you're doing this, because it
2 just -- I think these things are important. And I
3 think that what we cut yesterday is significant to
4 this whole discussion, because I think in so many
5 ways the legislature is asking you to pretty much
6 perform miracles.

7 But I am interested in your performance
8 metrics, and I hope that you will, as you move
9 forward, develop what we can see as -- And I would
10 include metrics of how you're doing now with
11 delivery of services, with how, you know, using
12 that as a way to build on how you expect to deliver
13 the same services through the consolidated efforts.

14 I don't know if any of you want to
15 comment. I think the Chairman probably is looking
16 at me like he would like me to wrap up, and I know
17 we're under time constraint so I'm happy to do
18 that.

19 MAJORITY CHAIRMAN BAKER: We're barely
20 going to get through the list of members, but I
21 appreciate your sensitivity to that.

22 PHYSICIAN GENERAL LEVINE: May I make a
23 comment?

24 MAJORITY CHAIRMAN BAKER: Yes, DOCTOR
25 LEVINE.

1 PHYSICIAN GENERAL LEVINE: Just to
2 expand upon that briefly, is that, we have been
3 discussing the importance of the opioid epidemic
4 and the importance of addressing that. There were
5 a number of mentions of the importance of naloxone.
6 So the Governor had asked for \$10 million in his
7 budget proposal for naloxone for first responders.
8 First responders, as was pointed out, have saved
9 over 3,000 lives in Pennsylvania with the use of
10 naloxone in my standing order.

11 Previous Secretary Tennis and I had
12 raised money from insurance companies for naxolone
13 for first responders over the course of 2015, and
14 many first responders received naxolone on the
15 basis of that funding. The shelf life of naxolone
16 is two years, and this is 2017. So, over the
17 course of 2017, and certainly, as we go into 2018,
18 the naxolone that was purchased at that time will
19 expire and first responders will no longer have as
20 easy access to be able to have naxolone.

21 So, I know that the \$10 million that the
22 Governor requested was not approved by the House
23 yesterday in terms of their budget. Now, I'd like
24 to emphasize the importance of that money to be
25 able to continue the excellent work that our first

1 responders -- heroic work that our first responders
2 are doing and will have to have access to naxolone
3 to be able to continue that.

4 REPRESENTATIVE DALEY: Mr. Chairman, can
5 I just have a quick follow-up?

6 MAJORITY CHAIRMAN BAKER: Very briefly.

7 REPRESENTATIVE DALEY: Very briefly.

8 I actually erred in what I said. I said
9 what we cut from the budget. Not all of us cut it.
10 So, I do believe the budget is in initial phases,
11 and part of my reason for outlining those cuts was,
12 it's pretty clear we did it very quickly, and I
13 think it's important for all of us on these various
14 committees to really understand what we did cut
15 yesterday; what some of us cut. I was not included
16 in some of us.

17 But, I think that's important as we move
18 forward with looking at the consolidation and the
19 services that we want to see for Pennsylvanians.

20 So, thank you.

21 MAJORITY CHAIRMAN BAKER: Thank you,
22 Representative Daley.

23 Representative McCarter.

24 REPRESENTATIVE McCARTER: Thank you, Mr.
25 Chairman.

1 A couple of quick questions. Again, I
2 thank you very much for your testimony today
3 because it is critically important for our forum
4 here and for all of us to be able to get the
5 information to make some very important decisions
6 coming up here and just -- related to the
7 consolidation.

8 One of the things that strikes me, and
9 again, following up a little bit on Representative
10 Daley's comments about the nature of the cuts that
11 were proposed yesterday in the budget and also
12 might have been with the Governor.

13 When you're looking at this
14 consolidation at the present moment, you're looking
15 at this, though, from a neutral standpoint as if
16 your agencies, if I understand this correctly, are
17 funded exactly as they have been in the past year.
18 Would that be correct?

19 SECRETARY MURPHY: No. With the
20 Department of Health, given the budget constraints
21 this year, we implemented several cuts in the
22 budget, in the Governor's budget this year. So we
23 didn't start out with -- we didn't start out with
24 the same budget. We started with last year. We
25 actually reduced the budget from DOH in the

1 Governor's budget.

2 REPRESENTATIVE McCARTER: But not to the
3 tune of -- And again, not to cut you off, Secretary
4 Dallas, but not to the tune of over \$300 million in
5 cuts?

6 SECRETARY MURPHY: No, no.

7 REPRESENTATIVE McCARTER: Okay. And to
8 move forward, because I'm limited on time as well,
9 to think in terms of the consolidation, though, if,
10 in fact, those cuts were to go into effect, that
11 would change radically, it would seem to me, the
12 plan that you're outlining here for the
13 consolidation.

14 As we look forward to this, as I
15 understand the plan, that really staff is neutral
16 through this except by attrition, as we move
17 forward through the consolidation. That was the
18 original plan as I understood it, is that correct,
19 for everybody in our agencies?

20 SECRETARY DALLAS: I believe that the
21 Governor's proposed budget includes about 550
22 reduction in complement for -- if you take the
23 complement of the existing four agencies.

24 REPRESENTATIVE McCARTER: Right, 550 out
25 of approximately twenty --

1 SECRETARY DALLAS: About 18,000.

2 REPRESENTATIVE McCARTER: 18,000; out of
3 18,000. So that's a very small number in terms of
4 that 157 million that was to be saved in this first
5 year of 2017-2018 in terms of the budget. So,
6 staff isn't the major issue.

7 However, if, in fact, larger cuts were
8 to be implemented, the only way they could be
9 implemented or to have this consolidation move
10 forward would also impact staff dramatically, one
11 would think, in terms of saving money and being
12 able to carry out your budgets the way they are;
13 would that be correct?

14 SECRETARY DALLAS: Depending on how the
15 final budget looks, yes, it could have an impact on
16 staff.

17 REPRESENTATIVE McCARTER: The other
18 thing that's included in the budget, too, is, for
19 instance, out of that 157 million that would be
20 saved in the first year, there would be
21 \$15 million, for instance, reducing the number of
22 state health centers and relocating community
23 health nurses and into other community-based
24 settings; 90 million for moving from a fragmented
25 service delivery system to the consolidation. And

1 I've heard today and so forth, the timeline of this
2 could very well be far more than months or even --
3 surely weeks, months. It could be years.

4 So, for me, it's hard to understand how
5 you would save that \$157 million in that first
6 budget year. Can you comment on that? How would
7 that actually be achieved if you're not achieving
8 the streamlining and reorganization of county
9 assistance offices and so forth? That will take
10 time. It's not something that can happen in a
11 matter of months.

12 SECRETARY DALLAS: So, I'm not a hundred
13 percent sure where the 157 million came down from.
14 The number that we've been using is 94 million for
15 the first year, and I think there may be some of
16 the HR I.T. savings in there as well, but the
17 number that we had just solely for the initiatives
18 there. I don't think that the initiatives assume
19 that all of those things -- the savings numbers
20 assume that all those things will be done in the
21 first year.

22 For example, some of the work that we
23 have that we think in terms of streamlining CAOs,
24 we think we can do a piece of that in one year, and
25 that's what the savings amount that's included in

1 the \$94 million.

2 REPRESENTATIVE McCARTER: The last
3 comment that I would make, Mr. Chairman, would be
4 simply that, for those of us who serve in the
5 capacity as we do as members of the House, many of
6 us in our district offices spend a lot of time
7 dealing with issues for all of the agencies
8 concerned here, are involved in this particular
9 consolidation.

10 And as we move forward, and I know the
11 goal is to get to one number for people to call to
12 be able to do this, one of my fears is, that one
13 number that they're going to call is our office; to
14 be able to navigate for all of the different
15 agencies that are being consolidated. So I would
16 ask you to take that into consideration as you move
17 forward that, in fact, we don't become that one
18 number that everybody calls because they can't
19 figure out what they're doing in the consolidation.

20 Thank you.

21 MAJORITY CHAIRMAN BAKER: Representative
22 McCarter, we are of one spirit on that concern. I
23 am just vehemently opposed to closing or leaving
24 the county assistance offices in a skeleton-crew
25 capacity. I will tell you, as someone who has had

1 both mother, father, sister through severe medical
2 conditions ending up in nursing homes, the
3 paperwork is unbelievable. And if we reduce or
4 close those county assistance offices --

5 And I'm understanding you want to
6 sometimes call it something else, but what I've
7 been told is, if they end up with one or two people
8 left in the counties, our legislative offices will,
9 by default, end up becoming caseworkers, our staff,
10 our members, and it's --

11 I value their service. I value all the
12 paperwork that they have to complete and the
13 importance of that function. I am adamantly
14 opposed to closing those offices and relegating
15 them to one or two people, if that's what happens.
16 So --

17 REPRESENTATIVE McCARTER: Mr.
18 Chairman --

19 MAJORITY CHAIRMAN BAKER: -- I'm in
20 accord with you.

21 REPRESENTATIVE McCARTER: -- we are in
22 agreement on that without a doubt, and I think,
23 though, that we surely wouldn't be in this position
24 if he had the resolve in this chamber and also in
25 the chamber of the House and in the Senate to be

1 able to provide the revenue necessary, to be able
2 for these people to carry out the functions that
3 they do. That's the problem that we really face.

4 It's not a question of whether we
5 consolidate or don't consolidate. It's a question
6 of revenue to be able to make sure that the
7 services that are needed for Pennsylvanians are
8 carried out. So we need to have some resolve in
9 this also whether, in fact, consolidation moves
10 forward or doesn't move forward, we have to provide
11 that.

12 Thank you.

13 MAJORITY CHAIRMAN BAKER: Thank you.
14 Representative Miller.

15 REPRESENTATIVE MILLER: Thank you, Mr.
16 Chairman.

17 And thank you for the testimony here
18 today. I apologize for having another meeting
19 earlier, but I do appreciate the comments. I'll be
20 careful not to belabor things that have already
21 been discussed pretty well.

22 I would note, though, in my reading of
23 what we had passed -- the House passed yesterday
24 was, basically, the adoption of this, which, again,
25 I was surprised by.

1 But, I appreciate the Governor for
2 thinking big. I think that's very important for
3 us. Clearly, this is massive.

4 The thing that comes up for me, I'll be
5 honest, my office already is a call center. We're
6 already dealing with issues. I've never had
7 somebody call me up -- And I appreciate all of your
8 work here. None of us would be on committees
9 relating to your work here if we didn't feel the
10 same and understand your desire and your strong
11 appreciation for the people you serve.

12 But I've never had somebody call me up
13 for any of these agencies and say, you know what,
14 you know what I love. I love my phone call with
15 the bureaucracy. But I will tell you this, though,
16 I think that where your direction is, there's a lot
17 of good ideas in this, in the sense that we have
18 silos, often bureaucratic silos that are impacting
19 negatively, delaying services, in today's world,
20 that shouldn't exist.

21 In a sense that I believe, from my
22 understanding, this is what the Governor has
23 proposed has been an effort to break down those
24 silos. As someone who has navigated it personally,
25 I think that is exactly the direction that needs to

1 happen.

2 The question to me is, well, you guys
3 have it. Not you, but the Governor directly
4 suggested a model that is sort of putting
5 everything in one house for integration. Part of
6 me had wondered whether or not integration could
7 have done between the houses in a more seamless
8 manner that would have kept independence, kept some
9 of the budgetary focus that other people have
10 mentioned, but made the system a lot more modern in
11 its communication and delivery of services and ease
12 for the consumer, the person in need, rather than
13 putting everything in one house. I will tell you
14 that I do have some reservations about this.

15 The other thing that comes up, of
16 course, is that many people have -- Your offices
17 exist because people largely fought for them. They
18 fought for you guys. It has been a decade's fight.
19 I know there's, obviously, a lot of focus on drug
20 and alcohol right now with it, but that didn't
21 materialize out of nothing. People wanted those
22 positions to have the ear of the Governor directly.
23 They fought for them. Parents, grandparents,
24 self-advocates, people who remembered loved ones
25 they lost, came up here, banged the doors, made

1 things happen.

2 There's a lot there. I think that's
3 what people -- That's what I'm hearing from people
4 with concerns is, they're concerned that that voice
5 will no longer be so loudly heard; that that need
6 will no longer be so strongly represented if buried
7 in a chain.

8 Now, obviously, with it, I believe that
9 if -- no matter -- knowing how I do many of you, my
10 belief is that you would never seek to do anything
11 like that. But we are sitting here, again, with a
12 stone that's rolling down a hill quickly. The
13 budget that was passed yesterday becomes law, you
14 know, it's quickly.

15 And we reference, and I appreciate some
16 of the clarity regarding the numbers, these things
17 are incorporated now. We have I think 18 states
18 that have already done, accordingly from your
19 information, a version of this in some way or
20 another. Part of me was, well, did they do it in
21 six months or three months from the first hearing.

22 I appreciate, in particular, the Chairmen
23 of all of the committees who made this happen, but
24 did they do it from three months from the time of
25 the first committee hearing happened in the House

1 and, BAM, that's how it happened? You know, I find
2 that to be really -- I don't even know if we could
3 do this quicker. From my perspective, it seems
4 incredibly fast without benchmarks along the path
5 that can show the -- the seamlessness I know you
6 all want in a merger to work; steps along the path
7 that we can make sure things are being done.

8 Now, listen, everybody wants to -- I
9 don't think there's a mission failure here. I
10 don't think the mission is unclear. You guys want
11 to provide your services in a more efficient and
12 effective manner and in a way that reflects the
13 needs of the people who are seeking help so that
14 they aren't lost. That's the whole goal.

15 I mean, it's not unclear what the
16 mission is. But I do wonder about the expediency
17 of the path, and I do get the idea that your
18 positions are largely the outcry of people who
19 remember a time when you weren't at the table.

20 So, I do wanna -- As I said, I
21 appreciate the Chairman. There were so many good
22 points that came up with it. I believe that the
23 breaking down of silos is a very important goal. I
24 applaud the Governor for prioritizing it. I
25 applaud you for representing it in the best that

1 you can today, that goal.

2 As someone who's navigated it
3 personally; to someone whose staff, like many here,
4 have helped countless people do so with it, we need
5 to break down silos to provide those services in a
6 quicker more efficient way. We don't want
7 taxpayers' dollars to be caught up in bureaucracies
8 rather than services. There's no good in it.
9 There's no good.

10 By the same token, both in the speed and
11 the voice aspect with it, I do pause. And I hope
12 that we can continue this dialogue both through the
13 committees and with your offices and with the
14 Governor as we proceed over the next couple
15 months.

16 Thank you, Mr. Chairman.

17 MAJORITY CHAIRMAN BAKER: Thank you,
18 sir. Representative Nelson.

19 REPRESENTATIVE NELSON: Thank you, Mr.
20 Chairman.

21 Secretaries, Secretary Dallas, I may be
22 one of the last questions of the day. I'm trying
23 to maintain a balance. I share in the optimism
24 that there may be opportunity to improve
25 operational efficiency, particularly in the

1 reduction of upper and middle management here in
2 Harrisburg and elsewhere.

3 I think the concern that I have that
4 affects our district, just in this past year
5 there'd been a number of topics, be it Maximus or
6 speciality workshops where we've had disagreements,
7 and those voices have been able to be heard.

8 As we try and trust, as Acting Secretary
9 Smith shared, but still want to verify our need for
10 the Governor to look and see a Secretary Tennis or
11 see a Secretary Osborne and instantly know that
12 they're advocating for that cause. But,
13 ultimately, if you would be able to share how
14 that's going to impact our grassroots level. This
15 single point of contact theory does have
16 opportunity. Our county struggles with competing
17 silos, and the resources oftentimes don't make it
18 to the constituent.

19 So, in the pending store-front model, do
20 you foresee a decrease in that upper manager and
21 then an increase in outreach and actual services
22 making it? Can you touch on the vision? I know
23 there's a more specific plan to come, but are we
24 going to get more for the people through this
25 pathway?

1 SECRETARY SMITH: So I'll start and let
2 others chime in, and I will keep it brief since I
3 know our time is limited.

4 In terms of interaction with the
5 community and the grassroots, that's sort of what
6 DDAP is really all about. Our agency is very, very
7 tiny right now. We have about 65 field positions
8 at any given point. So, we do rely a lot on our
9 interaction with community and with grassroots
10 organizations, recovery organizations, treatment
11 providers, single-county authorities at the local
12 government level.

13 And what I would envision is that
14 relationship strengthening, and broadening beyond
15 just looking at our addiction component and really
16 looking at it from a broader perspective about how
17 mental health interacts with substance use
18 disorder, and trying to integrate some of those
19 resources together, and I don't mean just funding
20 when I say resources, but I mean outreach
21 capabilities. I mean hosting events in terms of
22 prevention activities; how can we link those things
23 together; how can we make better use of school
24 district resources.

25 So, from my perspective, the idea would

1 be to increase that interaction and, certainly, I
2 think that's a goal probably shared by others.

3 Ted, did you wanna --

4 SECRETARY DALLAS: I just echo what
5 Secretary Smith said. I think that whether you
6 look at the initiatives that Secretary Murphy is
7 talking about in the health -- It's currently in
8 the Health Department or some of the initiatives
9 that are currently in the Department of Human
10 Services or any other department, I think the goal
11 is to put the consumer first; to find a way to get
12 the services to them in whatever way is easiest and
13 most convenient to them.

14 I think Representative Dush was talking
15 about the mission. To me, that mission is that; is
16 to provide services to folks and have government
17 come to them and make it easier for folks to get
18 those services. I think all the initiatives that
19 we're talking about here are through that lens.
20 That the goal is to find a better way to provide
21 those services; do it in a more efficient manner;
22 do it in a way that we spend less money on
23 bureaucracy and more money on providing those
24 services.

25 So, all the initiatives that we have

1 there and, certainly, Secretary Murphy talked about
2 the Health Department, all those are designed to
3 try to make it easier for folks to get those
4 services and have them come to them.

5 REPRESENTATIVE NELSON: I do agree there
6 does seem to be a gap between the opiate and
7 rehabilitation counseling in mental health.
8 Hopefully, in the next phase of the plan moving
9 forward, we can maybe see some tangible increase in
10 services at the constituent level. I know it will
11 help us feel a lot better, because we're just
12 nervous. I mean, it's a whole lot of trust that
13 we're using, and I'm anxious to see the verify.

14 Thank you.

15 MAJORITY CHAIRMAN BAKER: Thank you.
16 Representative Schemel.

17 REPRESENTATIVE SCHEMEL: Thank you,
18 Chairman.

19 Thank you, ladies and gentlemen. I
20 actually commend the government on -- the Governor
21 on his efforts here in finding efficiencies and
22 increasing services I think is a good thing. I'm
23 not entirely certain, but breaking down silos is a
24 good way to move forward.

25 Now, a number of you referenced

1 increasing the nexus points between services that
2 you offer. So, I'm curious. As you increase the
3 nexus points, do you anticipate that you'll be
4 increasing utilization, and does, then, increased
5 utilization equal increased costs, or do you
6 believe THAT some of this would be on the
7 preventive side and might either equate or reduce
8 cost?

9 Thank you.

10 SECRETARY MURPHY: Sir, I could speak on
11 the state health centers. The state health centers
12 are currently being structured as per legislation
13 in the early 1990s. There's nothing about public
14 health that's the same as it was in the early
15 1990s.

16 So, we have been working the last year
17 to take a look at how do we bring public health
18 services to the communities. As of currently, we
19 have 55 offices of bricks and mortar. What we feel
20 is a better model is to bring public health
21 services to the communities that they serve.

22 So, our restructuring is in the mind of
23 improving public health services; leveraging what
24 we currently have; partnering with private
25 partnerships, such as federally-qualified health

1 centers, rural health clinics to actually expand
2 our work in public health in a more efficient -- in
3 a more efficient manner, so it's not to increase --

4 I know what you're speaking of in terms
5 of increasing utilization of services, such as in
6 Medicaid, but I just wanted to speak as Secretary
7 Dallas referred to the Department of Health. In
8 our model, it's actually an improvement of the way
9 -- a more efficient way to offer our public health
10 services.

11 MAJORITY CHAIRMAN BAKER: Representative
12 Charlton.

13 (No response).

14 MAJORITY CHAIRMAN BAKER: He left.
15 Okay.

16 And last, for the second time,
17 Representative Samuelson. Then we have to go to
18 the floor and vote at 11 o'clock.

19 CHAIRMAN SAMUELSON: My question was on
20 access to services. One of the proposals is to put
21 the PACE program in together with Office of Medical
22 Assistance programs. And my question is about
23 whether --

24 Sometimes in my district office we help
25 seniors to sign up for all of the aging programs.

1 And then when we realize they're eligible for human
2 services programs, we suggest, and sometimes they
3 might have a stigma. They might not want to sign
4 up for SNAP, which used to be called food stamps,
5 because they think it's part of the Department of
6 Public Welfare.

7 Now, I realize we changed that several
8 years ago. We call it the Department of Human
9 Services because we wanted to get rid of that
10 stigma. Human Services includes everything from
11 health care to services for people with
12 intellectual disabilities to nursing homes.

13 So, when somebody's going to sign up for
14 PACE and they're directed to the Office of Medical
15 Assistance, is there a concern that people might
16 not be willing to follow through, or how do we
17 address that possible stigma?

18 SECRETARY OSBORNE: From my particular
19 lens, Mr. Chairman, it's not necessarily about a
20 box on a table of organization of where we're going
21 to send a person to enroll. Part of our
22 opportunity to create a new system is also looking
23 at eligibility; also looking at how we help someone
24 navigate through that system.

25 So, I wouldn't necessarily want you to

1 think that, all right, anybody applying for PACE is
2 gonna call the Office of Medical Assistance
3 programs, but more of a way for how the Department
4 of Health and Human Services is gonna help
5 individuals navigate through the system at that
6 single point of entry for eligibility and
7 assistance.

8 CHAIRMAN SAMUELSON: We'll keep the name
9 PACE, PACENET. It just might be a different
10 location is what's being proposed?

11 SECRETARY OSBORNE: Correct. That would
12 focus more on the processes, rather than where
13 we're lining things up on a table of organization,
14 although equally important. But for a consumer,
15 you know, the consumer shouldn't have to worry
16 about whether they're on a box on a table of
17 organization in state government.

18 They need to worry about what phone
19 number are we calling at state government or local
20 government. They're our partners in all of this in
21 terms of the County Commissioners Association and
22 across the spectrum of human services, the role
23 that they play in this as well as a whole host of
24 other, I know providers and communities across the
25 67 counties of Pennsylvania that we need to ensure

1 that we're getting their feedback in terms of what
2 eligibility processes are and what that no wrong
3 door is for Pennsylvanians regardless of age or
4 stage of life to get into the -- to access the
5 services that they're seeking.

6 CHAIRMAN SAMUELSON: Thank you,
7 Secretary Osborne.

8 MAJORITY CHAIRMAN BAKER: Thank you very
9 much. This concludes our two-hour hearing this
10 morning. Thank you for your gracious time and
11 efforts and talent and the good work you do.

12 Thank you.

13 (At 11:00 a.m., the hearing concluded).

14 * * * *

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I, Karen J. Meister, Reporter, Notary Public, duly commissioned and qualified in and for the County of York, Commonwealth of Pennsylvania, hereby certify that the foregoing is a true and accurate transcript, to the best of my ability, of a public hearing taken from a videotape recording and reduced to computer printout under my supervision.

This certification does not apply to any reproduction of the same by any means unless under my direct control and/or supervision.

Karen J. Meister
Reporter, Notary Public