

MESSAGE IN BRIEF

- The Department of Human Services (DHS) is announcing two changes to the planned effective dates of the new Physical HealthChoices agreements originally planned for June 2017.
 1. The first is to adjust the initial effective date to January 2018 to allow sufficient time for transition after the bid protests from non-selected bidders are resolved.
 2. The second is to phase in the effective dates for each region across the state. The change in rollout detailed below is in response to consumer and advocate concerns raised with Secretary Dallas.
- The changes will help ensure an orderly and efficient transition for consumers when the new agreements become operational in each region.

WE ARE WRITING TO LET YOU KNOW that Pennsylvania is adjusting the effective dates of the new managed care organization (MCO) agreements for its Physical HealthChoices Program.

Bid Protests

In January, after conducting a competitive selection process, we announced the selection of the six physical health MCOs (PH-MCOs) that would deliver health care coverage to Medical Assistance beneficiaries. Several of the non-selected PH-MCOs have filed bid protests and, as a result, the transition to the new agreements scheduled for June 2017 is no longer feasible.

In order for a PH-MCO to operate effectively the PH-MCOs need to:

- **Develop adequate provider networks.** PH-MCOs will not have enough time to develop the networks by June that meet the network adequacy requirements. DHS has not been able to engage with the selected offerors on the final agreement requirements related to network adequacy, nor has DHS been able to receive or evaluate the PH-MCOs' network development plans and progress.
- **Complete readiness review.** DHS requires each PH-MCO to successfully demonstrate its readiness to meet all of the requirements contained in the agreement. This is a rigorous process that requires adequate time for the PH-MCO to demonstrate compliance with operational and policy requirements to DHS prior to final execution of the agreement before the PH-MCO begins formal operations.



Consumer Concerns Regarding Transition to New Providers

We have heard from advocates, consumers, and providers concerning the timeframe for implementing the new HealthChoices agreements, including how they will interact with the planned implementation of Community HealthChoices (CHC) — the commonwealth's plan to increase opportunities for 420,000 older Pennsylvanians and individuals with physical disabilities to remain in their homes.

As a result, DHS is announcing a change to the implementation schedule. Instead of implementing all regions at the same time, the Department is phasing in the implementation of the new agreements by region according to the table below. The following schedule will provide our MCO partners, consumers, and providers the time necessary to complete an orderly and efficient transition:

Region	Physical Health Start Date	CHC Start Date
Southwest	January 2018	January 2018
Northwest	January 2018	January 2019
Northeast	March 2018	January 2019
Southeast	July 2018.....	July 2018
Lehigh/Capital	January 2019	January 2019

For more information, visit www.HealthChoicesPA.com or www.dhs.pa.gov. Thank you for your patience as we work towards improving health care delivery in the commonwealth.

Ted Dallas
Secretary