

## Department of Human Services' 2021-22 Budget Briefing – Q&A

The following questions were submitted by legislators and stakeholders during the department's budget briefing. The questions and corresponding answers are organized by program office – any question not specific to a program office, or any question relevant to multiple program offices, appears in the last section of the document.

### Office of Child Development and Early Learning

- 1. Is there federal funding to support the Governor's minimum wage proposal specific to child care as there was the previous two years? If yes, in which specific federal line items and how much is allocated? If the minimum wage does not go through what would be your priority for spending the funds?**

The Child Care Services line of the DHS budget includes \$30.5 million in federal funds and the Child Care Assistance line includes \$90,000 in both federal and state funds. It is too early in the budgetary process to speculate how the funds will be used if the Governor's priority is not recognized.

- 2. There is a 6.48% increase in Early Intervention. Does that include a COLA?**

No, the proposed increase is intended to support growth in the Early Intervention 0-3 program.

- 3. Are the federal funds to increase CCW base rates from TANF or from federal child care funds?**

The CCW base rate increase in FY 2021-2022 will be supported with Coronavirus Response and Relief Supplemental Appropriations Act funding.

- 4. Are any CARES funds being devoted to the birth to three early intervention programs?**

No funds from the CARES Act that were authorized as part of Act 24 were allocated to Early Intervention 0-3.

- 5. Does the increase for Early Intervention (0-3) include an increase towards provider rates?**

No, the proposed increase is intended to support growth in the EI 0-3 program.

- 6. Can you please share more about the proposal to expand child care subsidies that is mentioned in the budget book as part of the "Back to Work" plan? We did not see funding attached to that proposal. We're hopeful you are looking at serving more eligible infants and toddlers in high-quality contracted slots. Do you envision using additional unspent federal child care funds for this?**

The department is actively engaged with the Keystone Command Center for Workforce and Economic Development. Back to Work initiatives will tackle some of the barriers identified in the 2020 Command Center Report. Additional details will be provided as they become available.

- 7. Can you share more about the proposal to assist businesses with starting or expanding on-site child care that is mentioned in the budget book as part of the Back to Work plan and nontraditional hour initiative? No funds appear to be attached to that proposal either. Do you envision using additional unspent federal child care funds for this? What pieces of that proposal are funded by the extraction tax vs. other sources like the federal child care dollars, and regardless of the source, are there specific amounts allocated for the employer onsite expansion/nontraditional hour initiatives?**

The department is actively engaged with the Keystone Command Center for Workforce and Economic Development. Back to Work initiatives will tackle some of the barriers identified in the 2020 Command Center Report. CCDF funds have not been part of the discussion to support this initiative. Additional details will be provided as they become available.

- 8. There are serious concerns in the Early Intervention sector that the workforce, particularly in the 0-3 space, is threatened. Teachers and therapists are leaving the workforce because there are fewer children/families in service. This sector has been operating at a deficit for years. Can you speak to this?**

There has been a dip in children receiving Early Intervention 0-3 services that we believe is directly related to COVID-19. OCDEL is seeing the rate of referrals increasing and the Governor's proposed budget includes an increase of \$10.951 million to support services for 46,000 children.

## Office of Developmental Programs

**9. How will the ID/Autism capacity be distributed?**

If funds for the waiting list initiative are appropriated, 732 individuals on the emergency list will be enrolled in the Community Living Waiver and 100 people with unanticipated emergencies will be enrolled in the Consolidated Waiver. From the 832 additional capacity, up to 20 Community Living Waiver slots and up to 20 Consolidated Waiver slots will be reserved for diversion from or transition of children with medical complexities from congregate care settings.

**10. Are there more specifics on the outcome-based incentive program for the expansion of independent living programs for people with disabilities that reduce the need for 24-hour residential services?**

ODP is developing incentive payments specifically for transitioning individuals from residential habilitation to lifesharing and supported living models. If funding for this initiative is appropriated, ODP will be engaging a stakeholder workgroup to advise on the incentive program.

**11. What is the increase in the State Center line item for given the planned closure of Polk and White Haven?**

The increase cost reflects the cost to continue operations. The department has continued transition activities for residents of both Polk and White Haven but neither is slated for closure until August 2022.

**12. We've heard of enhanced fee-schedule rates for January to June 2021 for CPS and transportation providers. As there is no supplemental request for the ID waiver, are you able to do this within existing funding levels?**

Yes, we are able to do it within existing funding levels.

**13. How will raising the minimum wage impact reimbursement rates for DSPs?**

With few exceptions, ODP rates were established with a wage assumption higher than \$12/hr. If the minimum wage is increased, ODP will need to make some adjustments to these rate assumptions and the allowable wage ranges in the self-directed program.

**14. Is the \$13 wage assumption a base wage assumption or a blend of base wage, overtime, and employee related expenses?**

The wage assumption is a blend of base wage and overtime. Employee related expenses are a separate factor and assumption within the rate setting methodology.

## Office of Long-Term Living

**15. Do you know the process DHS will be using to develop the Direct Care Training program? PALA would like involvement in the program so PCH/ALR providers have input into the content of this program.**

As the funding is for training for direct care workers under the OLTL home and community-based waiver programs in the participant-directed model, we are happy to take input on suggested content. It is likely that DHS would not be creating the content but providing approval to an entity that will provide this training to the direct care workers, per the explanation in the Governor's Executive Budget.

**16. For the \$1.1 million to establish a new direct care worker training program, does the department have an established curriculum and/or will they be taking stakeholder input?**

As the funding is for training for direct care workers under the OLTL home and community-based waiver programs in the participant-directed model, we are happy to take input on suggested content. It is likely that DHS would not be creating the content but providing approval to an entity that will provide this training to the direct care workers, per the explanation in the Governor's Executive Budget.

**17. In the MA CHC line, what is the assumed percent increase in the PMPM for the CHC MCOs?**

The department annually reviews and assesses rates to ensure actuarial soundness. That is, the rates provide for all reasonable, appropriate, and attainable costs, accounting for utilization trends; program, service cost, and enrollment changes; and applicable non-benefit costs.

**18. How much money was allocated to PPE for homecare workers, and what is your plan for distribute PPE to homecare workers?**

OLTL has used several mechanisms to distribute PPE to direct care workers who provide home and community-based services (HCBS) since the beginning of the public health emergency. A grant agreement was established between OLTL and the CHC-MCOs to procure and distribute PPE to participant-directed direct care workers. In addition to the CHC-MCO distribution process, OLTL also worked with community stakeholders to distribute several rounds of PPE to workers providing services in the participant-directed model. Finally, through flexibilities outlined in Appendix K of OLTL's HCBS waivers effective March 6, 2020, participants are able to request PPE be added to their person-centered service plans, as needed.

**19. With the minimum wage increase coming Adult Day Centers are concerned as they have not had a waiver rate increase in 10 yrs. Is there anything the Dept can do to assist Adult Day Centers to get an increase in the waiver rate to better be able to pay their staff the higher minimum wage?**

Rates for adult day services are negotiated between the facilities and the Managed Care Organizations. The Department ensures that there is sufficient access to the covered services under the program.

**20. Can you clarify what entity will be in charge of conducting the direct care worker training?**

The department has not yet determined how the funding for direct care worker training will be dispersed and what entity will be conducting the training.

**21. Do Direct Care Workers included in the budget include those DCWs supporting individuals with intellectual disabilities and autism?**

This training program will target direct care workers that serve adults with disabilities through participant-directed Office of Long-Term Living programs. To the extent that adults with intellectual disabilities or autism are enrolled in participant-directed services in Community Health Choices or the OBRA waiver, this will be available for their workers. The Office of Developmental Programs has a number of training contracts in place currently to support the Direct Support Professional workforce serving people with intellectual disabilities and autism.

**22. Is there funding to address Guardianship fees?**

There is no additional funding for guardianship fees.

## **Office of Mental Health & Substance Abuse Services**

**23. Do we know the capitation rate increase for the BH-MCO's?**

BH-MCO rates are set by the department's actuaries based on the rate setting methodology outlined in the agreement and the requirements of CMS. Rate increases & decreases vary across contractors.

**24. How does the budget address county mental health funding?**

This information is available in [DHS's Blue Book](#).

**25. At what percentage will Medicaid reimbursement rates for mental health providers be increased?**

Provider rates are set by the BH-MCOs, not OMHSAS, and vary per region.

## **Office of Children, Youth, & Families**

**26. On the child welfare budget, can you speak to the projected loss in federal IV-E funds for the Family First Prevention Services Act and what lines that would be recognized in?**

The child welfare budget accounts for a loss of federal Title IV-E funds related to implementation of the Family First Prevention Services Act. Please see the County Child Welfare Model (Federal Funds) included on page 275 of [DHS's Blue Book](#).

## Additional Q&A

**27. How will DHS handle the raise in minimum wage for providers who employ staff providing mental health services and ID and autism services. Increase contracts to cover the raise in employee compensation?**

OMHSAS: A percentage for provider rate increases is included in the Behavioral Health HealthChoices capitation rates annually. Additionally, Philadelphia's minimum wage ordinance is currently considered during the capitation rate setting process for Philadelphia county. It would be expanded to other counties as the increase rolls out. The BH primary contractors and their BH-MCOs are responsible for contracting rates with individual providers.

ODP: With few exceptions, ODP rates were established with a wage assumption higher than \$12/hr. If the minimum wage is increased, ODP will need to make some adjustments to these rate assumptions and the allowable wage ranges in the self-directed program.

OLTL: For OLTL, reimbursement rates are established between the provider and the Managed Care Organization. If this wage increase is approved, providers will need to work with the Managed Care Organizations to address any necessary rate increases.

**28. Several program revisions for lines such as, MA - capitation, MA- FFS, Trauma Center Supplemental payment, and others show reductions to general funds due to "nonrecurring prior-year carryover cost." Is that because of increases to the federal matching rate or something else? Specifically, does this represent a reduction to payments to hospitals or just a reduction in general funds?**

This is a cost that is not anticipated in FY 2021-2022 and does not represent a reduction to payments to hospitals.

**29. The Medical Assistance Fee for service line includes the following program revisions: 10,304,000 in "funding reduction" and 106,098,000 in "non-recurring academic medical center payments." Can you share any details on what these reductions represent?**

The \$10.304 million represents one-time costs from the prior year which are not included for FY 2021-2022. The \$106.098 million represents payments for academic medical centers that were budgeted in FY 2020-2021 but not yet approved for FY 2021-2022. These payments are made utilizing other Commonwealth funds and will be included in future budget updates once payment calculations are completed.

**30. Regarding the 1 million dollars budgeted for legal services and housing supports - I'm just wondering why these funding commitments are so low? Legal services resources are already dwarfed by unmet legal needs that have direct impacts on health outcomes; we all worry about all the people we can't reach in a good year, but this had been a really bad one. Same question regarding the 1 million for housing supports - we entered the pandemic already in an affordable housing crisis, made much worse and more visible by the pandemic.**

The \$1 million increase for legal services represents a significant increase to this line item (39% increase in state funds). The \$1 million investment in housing supports under the child welfare program is intended to be a pilot program and focused on those families whose children cannot be safely maintained at home due to housing concerns.

**31. Does this proposed budget take into account the likely extension of the PHE through 2021 which would include the temporary increase to FMAP?**

The budget assumed the extension of the PHE through September 30, 2021, but the extension of the enhanced FMAP for economic recovery through the end of the FY. Assuming the enhanced FMAP would continue absent the PHE is consistent with the federal government's response to the economic crisis of 2008 when enhanced FMAP was available to states until 2010.