

2025-26

Governor Shapiro's Commonwealth Budget



Department of Human Services Budget Briefing

FEBRUARY 7, 2025

VALERIE ARKOOSH, MD, MPH // SECRETARY, DEPARTMENT OF HUMAN SERVICES



Pennsylvania

Department of Human Services

DHS GSDing for PA

- **Completing Medicaid Unwinding on time, under budget, with 5th-lowest procedure termination rate**
- **Launching SunBucks & feeding 1.2M kids**
- **Published Blueprint roadmap on serving youth with complex needs & launched Pediatric Capacity Building Institute**
- **Launched PA-Navigate.com – join this referral network!**
- **Expanded tools & partnerships available in emergencies and disasters**
- **Medicaid-covered doula care & developing Maternal Health Strategic Plan**
- **Published new child care subsidy regulations & expanding focus on developing high quality care.**
- **Increased capacity at BJJS facilities to expand care options and reduce wait times.**
- **Eliminated provider enrollment backlog in PROMISE system**
- **ODP approved to transition to performance-based contracting.**
- **Implemented electronic health records at state hospitals on time and on budget.**
- **Began paying for street medicine services through Medicaid**
- **Launched Women's Health Services Program grant program**
- **Improving outcomes for participants in Community HealthChoices**



Governor Josh Shapiro's 2025-26 Commonwealth Budget

- **Creating Opportunity for Our Children and Our Students to Succeed**
- **Ensuring All Pennsylvanians Have the Freedom to Chart their Own Course**
- **Making Pennsylvania a Leader in Economic Development, Job Creation, and Innovation**
- **Speeding Up Tax Cuts for Pennsylvania Businesses and Delivering Commonsense Tax Reform**
- **Lowering Electricity Costs and Building a More Reliable, Affordable Energy Sector**
- **Cutting Costs for Pennsylvanians**
- **Helping More Pennsylvanians Access Quality, Affordable Health Care**
- **Investing in the Safety of Communities and the Public**
- **Making Government Work for Pennsylvanians**



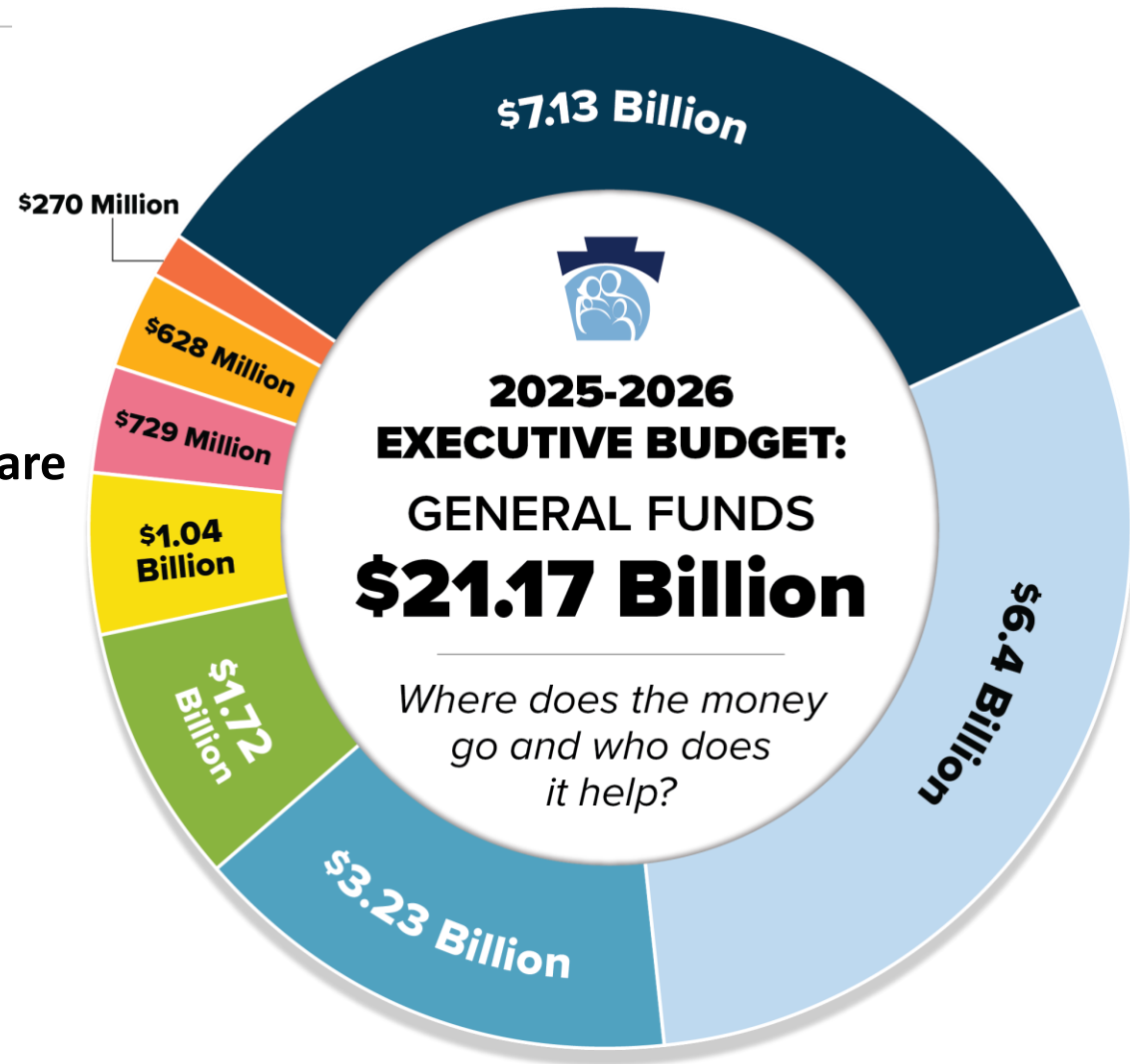
Human Services Spending **OVERVIEW**



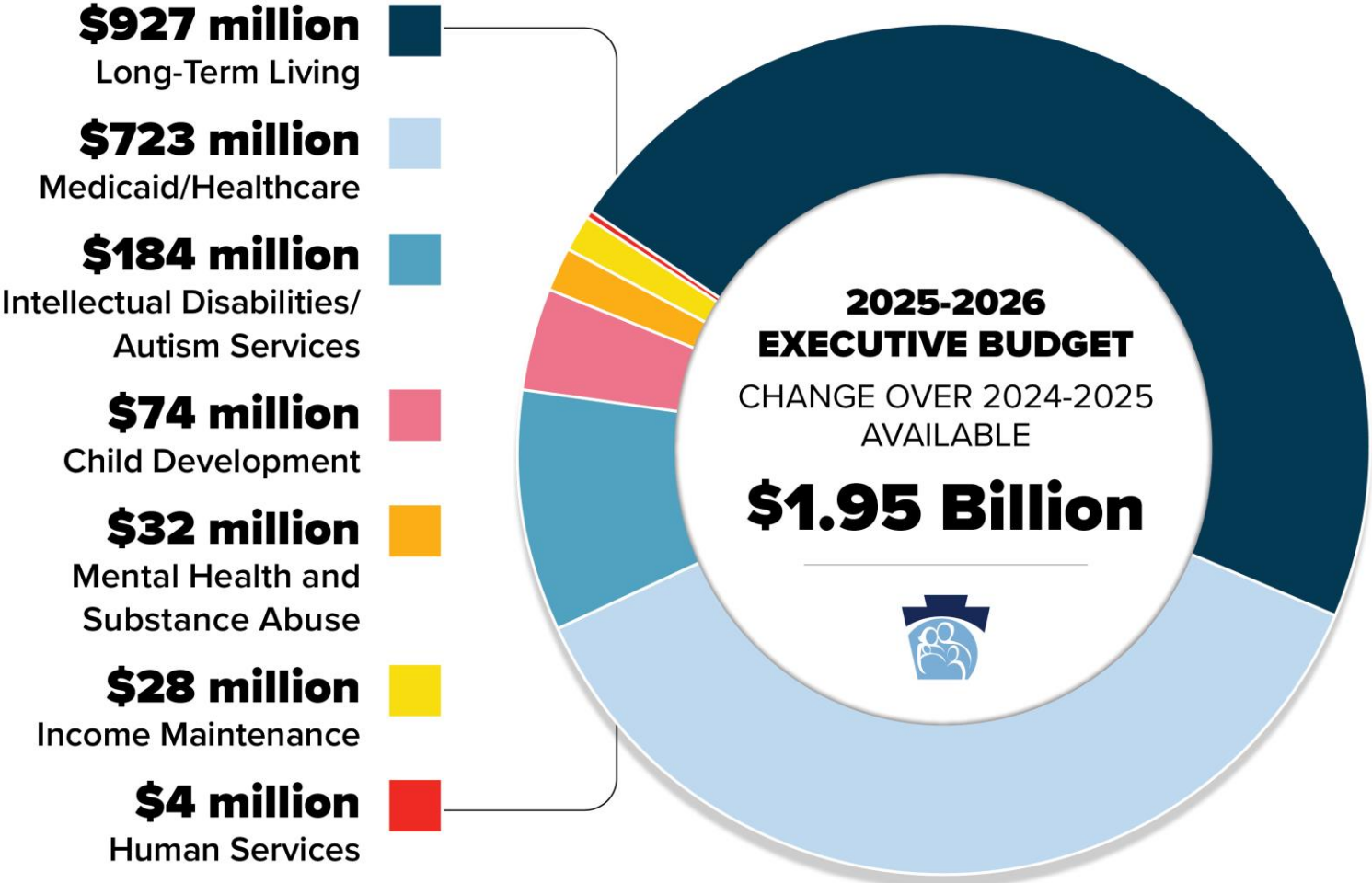
Pennsylvania
Department of Human Services

Projected Spending Across DHS

- Long-Term Living
- Medicaid/Health Care Delivery
- Intellectual Disability/
Autism Services
- Human Services & County Child Welfare
- Mental Health &
Substance Abuse Services
- Child Development
- Income Maintenance
- Human Services Supports



Change Over 2024-25 Available Budget



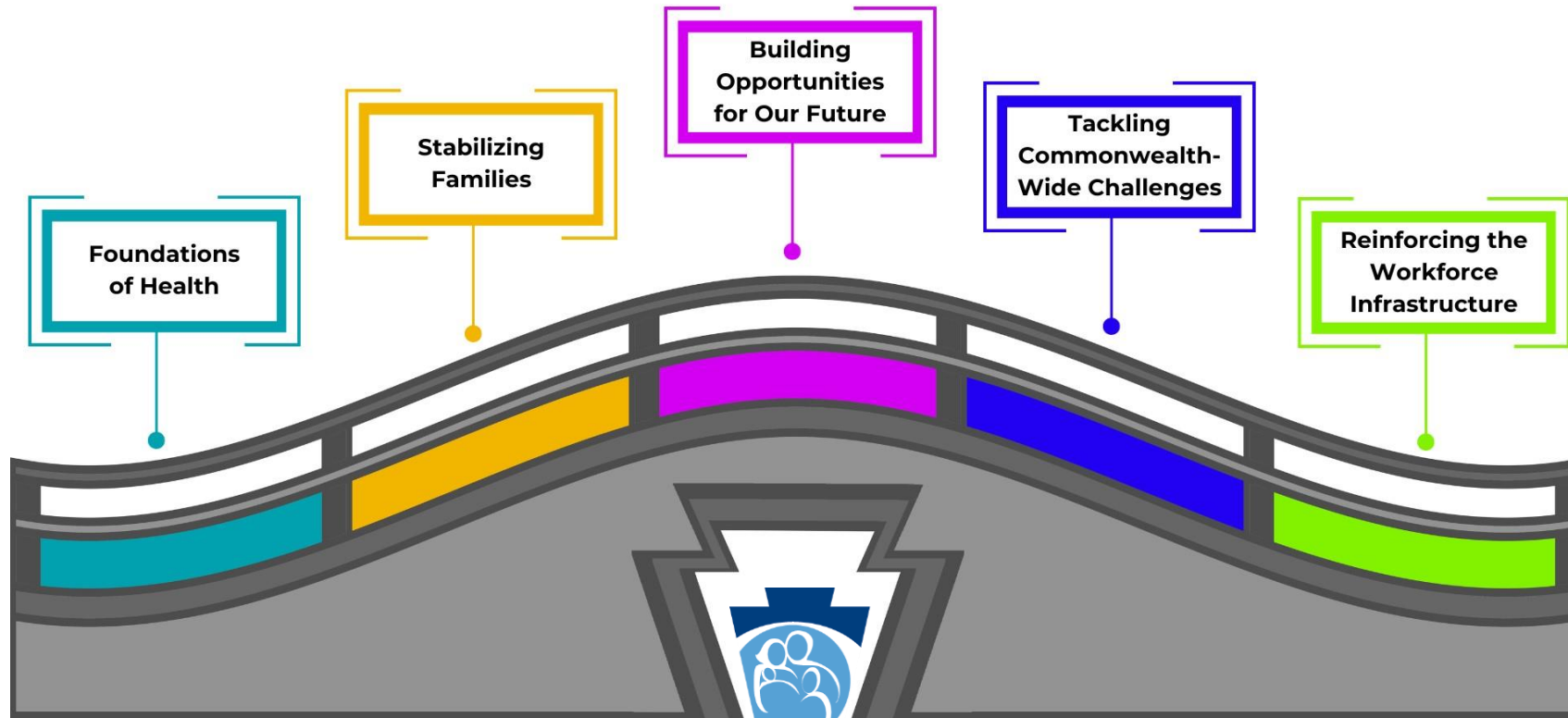
**This includes a \$17M reduction in Human Services Support over 24-25 available*

2025-26

Budget Initiatives & Investments

Bridges to Success

Supporting a Thriving Pennsylvania



Foundations of Health

- **Keystones of Health 1115 Waiver**

- At the end of 2024, Pennsylvania's 1115 Waiver application was approved by Centers for Medicare and Medicaid Services. Application included:
 - Continuous Medicaid coverage up to age 6 for eligible children
 - Enhanced reentry supports and care transitions for reentrants returning from State Correctional Institutions
 - Housing supports for individuals with serious behavioral health needs and/or disabilities experiencing or at risk of homelessness
 - Food and nutrition supports for people with certain diet-sensitive conditions and pregnant/postpartum people who are food insecure



Foundations of Health

- **Reentry Supports - Keystones of Health 1115 Waiver**
 - Provide pre-release coverage (up to 90 days prior to release from a State Correctional Institution) for:
 - Substance use disorder care, including medications for opioid use disorder;
 - Intensive case management to support warm hand-offs for post-release clinical and social services to:
 - Improve continuity of care
 - Reduce recidivism
 - This program would reduce overdose deaths, improve health outcomes, provide short-term supports during this critical life transition, and reduce recidivism following community reentry.
 - The initiative would start in State Correctional Institutions in 2026 and expand to a limited number of county jails in 2027 and 2028. The populations include justice involved adults with serious mental illnesses, substance use disorders, serious chronic illnesses, autism, and/or who are pregnant.



Foundations of Health

- **Continuing ODP Multi-Year Growth Strategy**
 - Last year Shapiro Administration is beginning a multi-year strategy to expand access to home and community-based services and effectively end the emergency waiting list for adults with intellectual disabilities and autism.
 - In the last year:
 - **Invested \$354.8M in new funding for rates, supporting increased wages cross this system**
 - **DSP Vacancy Rate now 14% - lowest since 2015**
 - **Invested \$74.8M to begin process of eliminating adult emergency waiting list**
 - **Waiver capacity increased by 1,300 people since this fiscal year**
 - **2025-26 Budget annualizes these investments to continue this progress**



Foundations of Health

- **Building the Investment in County Mental Health Base Funds**
 - Continuing to support county-run behavioral health system of care.
 - **Investing an additional \$20M to bring Shapiro Administration new support for county programs to \$60M since 2023**
- **Expanding Crisis Services Around Pennsylvania**
 - Crisis response teams help ensure that when someone calls 988, there will be someone to respond and somewhere to go. With the rate of calls to 988, it is expected that demand for in-person follow up will more than triple over the next five years.
 - **Continuing support for Pennsylvania's crisis response system.**
- **Supporting 988 Call Centers**
 - Pennsylvania's 12 call centers receive more than 10,000 calls to 988 each month – calls that can save lives.
 - **Investing in our frontline 988 workforce to help call centers meet local needs -- \$10M in state funds**



Stabilizing Families

- **Increasing the Minimum Wage**

- Pennsylvania's minimum wage has not moved since 2009 – unlike each of our neighboring states.
- Nearly 85 percent of workers who would benefit from a minimum wage increase are adults ages 20-65.
- A stagnant minimum wage holds people in poverty and disproportionately impacts women and people of color.
- Increased minimum wage could generate \$100 million in increased revenue to the Commonwealth by increasing our residents' purchasing power
- **The 2025-26 Budget supports a \$15 an hour minimum wage to promote economic opportunity for Pennsylvanians.**



Building Opportunities for Our Future

- **Early Intervention Rate Increase**

- Early Intervention programs assist with healthy child development by providing greater support if a child is experiencing a developmental delay.
- Rate increase for Early Intervention will support this workforce and help children & families access services.
 - **\$10M in state funds will draw federal funds for a total of \$22.6M for Early Intervention Rates**



Tackling Commonwealth-Wide Challenges

- **Supporting Pennsylvania's Hospitals**

- Building off 2024-25 work to support rural hospitals, continuing this work by investing another **\$10M (\$35.1M total) that will directly support rural hospitals.**
- Providing a new **\$10M (\$35.1M total) to maintain access and services for patients and hospitals throughout Pennsylvania**

- **Increasing Access to Care in Forensic Treatment Units**

- Currently there are limited options for community-based treatment for individuals who are justice involved.
 - **Supporting both diversion from state hospital treatment and discharges from them by investing in county initiatives -- \$5.75M in state funds**

- **Supporting Transitions from Institutional Care to Community Placements**

- Individuals placed in civil units in state hospitals for long periods of time may also have trouble finding appropriate community-based placements, which would allow them to live in a less restrictive setting.
 - **Supporting community-based services through Community Hospital Integration Project Programs -- \$1.6M in state funds.**



Reinforcing the Workforce Infrastructure

- **Supporting the Childcare Workforce**
 - Lack of childcare can collectively lead to \$3.5B in lost wages, revenue, and economic activity for Pennsylvania
 - Building on support for access to care, budget invests in childcare workforce who dedicate their lives to children
 - **\$55 million to enable licensed child care centers who participate in Child Care Works to give child care workers recruitment and retention bonuses of at least \$1,000**
- **Increasing Direct Care Worker Wages**
 - Direct care workers help older adults and people with disabilities live with greater independence and dignity.
 - **\$21M in state funds draw federal funds for a total of \$47.8M to increase wages, support paid time off, and increase access to health insurance for 8,500 direct care workers in participant-directed model of care.**
- **Supporting Enhanced Long-Term Care Staffing Ratios**
 - **\$15.3M in state funds enable federal funds for a total of \$34.8M to support nursing home partners to reach staffing ratios dictated by federal rules.**



Thank you for joining us!

Bridges to Success

Supporting a Thriving Pennsylvania

