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House Appropriates Committee Budget Hearing with DHS
Tue, Mar 04, 2025 10:40AM • 2:43:49

SUMMARY KEYWORDS
SNAP program, accountability standards, federal funds, education investment, workforce issues, school nurses, early learning, reimbursement rates, direct care workers, participant-directed services, 988 call centers, mental health crisis, Medicaid funding, youth development, intellectual disability., Childcare, economy, direct care workers, minimum wage, home and community-based services, nursing homes, Medicaid funding, rural hospitals, healthcare coverage, budget cuts, Pennsylvania, vulnerable populations, Department of Health and Social Services, Trump cuts, Department of Insurance.

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Chairman Jordan Harris (D-Philadelphia) 00:00
Before we begin, we're going to go to a secretary who has answers that were answers to questions that were posed during the first half. I just wanted to

Secretary Valerie Arkoosh 00:22
follow up on two I thought, really important questions about our SNAP program. One of the questions was the accountability standards that we hold authorized representatives to in that program. So if an individual is unable to say, go to the grocery store on their own, they can authorize a representative to take their EBT card and go to the store on their behalf. And the reason that we didn't have it right at the tip of our tongues was

because since 2022 which was before any of us got here, DHS voluntarily updated their procedures so that the authorized representative has to sign the same set of accountability standards that the actual recipient snap has to sign. And so we will follow up with osig, because the folks at osig don't realize perhaps, that they are able to investigate an authorized rep in the same way that they would investigate a SNAP recipient. We will make sure that we know that. And then the second question was a very, completely appropriate question, about education in our SNAP program, and we voluntarily opt in to a federal opportunity to provide education in fiscal year 23 we don't have 24 numbers yet. We spent, invested, really, $29 million of federal funds to educate SNAP recipients. And in that one year, we reached 650,000 of our about 2 million SNAP recipients with education about healthy eating, healthy food choices, healthy preparation of food and things like that. So just wanted to share those chairman, you can make sure those representatives, thank you very much. Appreciate that. Thank you. Thank

Chairman Jordan Harris (D-Philadelphia) 02:11
you, Secretary. We're going to start with Representative Webster, thank you, Chairman

Rep. Joseph Webster (D-Montgomery) 02:17
and Secretary of question. Good to see you right here. And have a moment to ask, and I'm kind of all over the place, I'm going to talk a little bit about maybe work, workforce and reimbursement rates. I'll start sort of with a statement some like other colleagues here. I'm an advocate for nurses. I know it's a workforce issue, and and school nurses and other parts of you know, whether it's Department of Corrections and other places, but workforce and nurses across the board is an issue school based health centers. Can you just take a second and talk about what we're doing to increase our nurses and incentivize that career field? Yeah,

Secretary Valerie Arkoosh 02:59
sure. So obviously, nurses are integral to so much of the care that gets provided to Pennsylvanians in every corner of our Commonwealth. And I was extremely pleased to see the governor's budget recommendations to increase the amount of funding available for loan repayment, particularly for nurses and physicians that work in some of our more underserved communities, and also, there's an additional funding line proposed that would incentivize folks into primary care, which is very much where we see many of our nurses. We are very strong proponents of a number of our school based programs. We work with entities on school based access program. We have our school based health centers. And then there's also the school assistance programs, which can connect students to services outside of schools. And then, of course, through all of our home and community based services, we support caregivers, you know, sort of up and down the the certification and licensure range, but they're integral to everything we do at DHS, clearly

Rep. Joseph Webster (D-Montgomery) 04:06

like from so just a quick change of subjects, because, because, obviously that's in all different sectors of your work and and our government. But so let's for a short amount of time we have switch early learning real quickly and increase it the governor's put into the budget. How does that? How does that really translate to wages and workforce in that arena?

Secretary Valerie Arkoosh 04:35
Yes, a great question. Representative. So the governor's proposed a 10 million increase to early learning providers who, and I want to make sure that that is distinct from our pre K counts also another very important group, but the early intervention providers are doing the work that really has been shown with lots of evidence to pay off for a lifetime if a child has a speech issue, a learning issue, a behavior issue, a physical a physical motor behavior issue, that early intervention is where it really pays off. Sometimes the issues can be nipped in the bud relatively easily, and that has a lifetime impact for that child. The funding in the sector has been slow to increase. The needs have increased a lot, and so we're very hopeful that this ten million increase for early intervention rates will be supported by the General Assembly.

Rep. Joseph Webster (D-Montgomery) 05:33
Thank you. It looks like I still have a moment, so switch to some of our larger, sort of overarching reimbursement rates home and community. Based Services, adult services, home visiting, personal assistant services, nursing those things. How do we continue to make all that work? And I'm sure some of that's related to whether there's federal funding or not. But how does that play? Yeah,

Secretary Valerie Arkoosh 05:59
but putting aside the federal funding. Questions, it's extremely important that we honor the wishes of our older adults and individuals with disabilities to live in their communities of choice, which is almost always at home or some home like setting and in order for that to happen, we need people to be able to come into those homes and provide that essential care. In this year's budget, the governor is proposing an increase for our direct care workers that participate or that are part of the participant directed direct care workforce, and that's very important, because those are the workers that the individual participant is able to hire and direct themselves. And so that means that the participant gets the hours of care, the days of the week, all those things that really are important for them, they're able to direct that themselves. It

Rep. Joseph Webster (D-Montgomery) 06:50
does seem, if I have this right, that while we're focused on direct care workers, we we've left out some other categories that may be something that we should be doing to highlight that.

Secretary Valerie Arkoosh 07:03

Always happy to discuss that. And of course, the governor has also proposed a increase in the minimum wage to $15 an hour. And that is so, so long overdue and would have a huge impact on our child care providers. We still have many individuals who work in child care that are not making $15 an hour. Thank you,

Rep. Joseph Webster (D-Montgomery) 07:21
and I'm waiting for the red light didn't come on, but it's right there. Thanks. Thanks, Mr. Chair,

Rep. Dave Madsen (D-Dauphin) 07:33
good afternoon Secretary, thank you for you and your team for being here, and really appreciated your folks coming out to celebrate sunbucks and beautiful reservoir Park in my district. So thank you for that. My first question actually sort of piggy back off the previous gentleman's comments. Personal Care Services are essential for individuals that require them to live safely in their homes and communities. Can you explain what DHS has done to address the workforce challenges for personal assistance services? Sure. So

Secretary Valerie Arkoosh 08:03
you're going to put them into sort of two buckets. I'm going to start very quickly with some of the work that we did last year in the governor's budget for direct support professionals that work with individuals with intellectual disabilities and autism. There was approved by all of you, a historic investment in those services, and as a result of that, the provider organizations that connect DSPs with clients see have seen an increase in the number of workers available, and they have the lowest vacancy rate, which is 14% that they've had in a number of years. So we do know that when these investments are made, they actually translate in the real world to more workers providing care. And of course, that's what we need. In this year's budget, the governor is proposing to increase rates for the direct care workers in the participant directed program. That is a program that primarily serves people with physical disabilities, and not necessarily intellectual disabilities, but who need those personal assistance services to stay in their home? And the focus is on the participant directed workers, because, as I mentioned a minute ago, those are workers hired directly by the person, so the actual participant gets the kind of hours and flexibility and shifts that they want. And then those workers don't work for an agency. They work for the participant. And as a consequence of that, they don't have access to a provider or an employer provided health insurance plan. They don't have access to an employer provided paid time off system. And so this increase in wages to them will allow for some personal time off. It will allow them to hopefully be able to go on to Penny and purchase a health insurance plan that's affordable for them, and that money that increase will really, almost in its entirety, go directly into their pockets. Thank

Rep. Dave Madsen (D-Dauphin) 09:58

you for that follow up question. The 2025 26 budget proposes investing in increased wages for certain direct care workers. Can you help us understand the differences between participant direction services in care through an agency? Yeah.

Secretary Valerie Arkoosh 10:11
So as I just alluded to a little bit, direct care workers that work for an agency are working for an employer. So they work for the agency that's their employer in participant directed the employer is actually the individual receiving services. So there again, lot more flexibility in that system. That individual can hire a trusted family member or friend if they wish. In that program, they can choose the person that's providing their care with the agency model, there's not quite as much flexibility for the participant. The participant may not be able to get quite the shifts that they want or the necessarily the exact person that they want. And as I mentioned, also, if that person working for an agency is working for a larger agency, they may have access to things like health insurance or paid time off, which the individuals and participant directed don't have access to.

Rep. Dave Madsen (D-Dauphin) 11:08
One final question, can you explain why DHS only proposes to increase the MA rates for the participant direction services? How much of a percentage rate increase for these programs? Is it? How will they increase the rates increase wages of direct care workers?

Secretary Valerie Arkoosh 11:24
So the goal this year, or the focus this year, was on those participant directed workers. And even, you know, with just the 8500 people that would be in that particular program, the cost to the state is in the 2721 Yeah, $21 million and then would be a total of about 40 million going to those workers. The cost to do something similar for the entirety of workers that is in the agency model is on the order of $800 million it's a dramatic difference. There are many, many more individuals that work for agencies and are a part of the participant directed system. So just looking at a lot of budget realities before us, this decision was made to focus on this particular group at this juncture for all those reasons that I outlined and but always, of course, open if the General Assembly wishes to further that in some way to talking about including others.

Rep. Dave Madsen (D-Dauphin) 12:30
Thank you so much.

Rep. Regina Young (D-Philadelphia) 12:36
Good afternoon. Everybody. Happy Women's History Month. I am loving the optics in the front of the room. Wanted to put that out there. My question is really around like the 911, call centers. It's a much needed and much utilized entity that focuses on crisis and suicide. This is a huge impact on the people in the Commonwealth. Can you tell me what can happen to those providers if the federal funds are removed?

Secretary Valerie Arkoosh 13:10
Yeah, well, so thank you for lifting up our 988, I think you mean 911 or 988,

Rep. Regina Young (D-Philadelphia) 13:17
988. teamwork makes the chain work. Thank you.

Secretary Valerie Arkoosh 13:19
Yeah, I also want to record you right? So our 988, call centers have been a real success story here in the Commonwealth. We currently have 12 of them, and we are about to have two more that open, or are about to open, I should say. And what is great about where we're at today is that we are now answering over 90% of the calls from Pennsylvanians right here in Pennsylvania, we've got the capacity to take those calls right here, which is a great step. It's also really important to know that about 85% of the people that call the issue that they're called about is handled right there on the phone. That means that person doesn't call 911, right and have any police involvement. It means that they don't show up in an emergency department. They get whatever help they need right there on the phone. And then, of course, we've also been able to build out our mobile crisis response. There is some level of mobile crisis response available now in every county, not necessarily 24/7, but we're building in that direction. We've made a lot of headway. So these are all things that are very important to that crisis continuum. The goal being that people get the help they need, where and when they need it, and reduce unneeded emergency room visits or police involvement. Neither of those systems are really trained to address these issues right now, 988 does receive federal grant funding from SAMHSA, the federal entity that works on Substance Abuse and Mental Health Services. The governor has proposed a very important 10 million for 988 to make sure that we keep the funding here stable and that it can continue to grow. There are particular services within 988 that we would use these ten million to expand. One in particular is our text chat service. More and more people are texting 988 rather than calling, and we're having a hard time keeping up with the text responses. So some of the dollars would go to that and then, very importantly, for our counties, some of these dollars would go to increase the interoperability between that 911 system and the 988 system the counties have to run 911, it's an enormous expense for the counties, and so anything that we can do to help offload some of that responsibility and increase that interoperability between the two, so that calls can just be directed over appropriately to 988 that would be not only a win for the person, but a win for our counties as well. So this ten million would be used in some very needed

Rep. Regina Young (D-Philadelphia) 15:57
ways. I love that. Thank you so much for that. Can you touch on how those non English speaking people can also gain access to you have language barriers? How are you addressing those needs?

Secretary Valerie Arkoosh 16:10

We do have language services on 988, we have access to language line, and we have, in some cases, people who are multilingual, so we try to make sure that everybody can get the help that they need in the language that they're most comfortable speaking in. So

Rep. Regina Young (D-Philadelphia) 16:26
you have all how many languages, language access services do you provide?

Secretary Valerie Arkoosh 16:33
So on language line, I think language line provides access to virtually you know, most languages, yeah. Thank you. So I don't know the exact number, but it's many. I

Rep. Regina Young (D-Philadelphia) 16:47
just wanted to make sure it wasn't just a normal one or two.

Secretary Valerie Arkoosh 16:49
Oh no, no, no, no, no. It's very broad,

Rep. Regina Young (D-Philadelphia) 16:52
awesome. Thank you so much.

Rep. Tim Brennan (D-Bucks) 16:58
you Chair. Thank you all for being here and following up on some of rep Young's questions on emergency mental health services. I had a question about the crisis walk in centers. Bucks County is working on a great project, public private partnership between Lenape Foundation, Doylestown health, our local hospital, and the county. I'm wondering how is the anticipated funds going to be spent? Have we had an idea on that? Is it for new facilities? Is it to support the existing facilities? Yeah.

Secretary Valerie Arkoosh 17:32
So in this year's budget, the governor is proposing to continue a $5 million increase from last year for crisis walk in centers or crisis stabilization centers. And again, just to put that into that continuum that I was just speaking of. So it starts with somewhere to call, which is 988, someone to respond, which is that mobile crisis team, potentially, and then somewhere to go. And these crisis stabilization centers are short term stay, types of locations where an individual can be assessed and then warm handoff over to what next treatment is appropriate for them. And so the $5 million that was allocated or appropriated last year has been or is going to counties that don't have a crisis, walk in center right now as and they are actually getting ready to open five new ones. They'll probably all be opening this year. And then in this year's budget, there's a continuation of those dollars. But I do want to point out that county base funds, which is also part of the garden of governors budget, which is to allocate an additional 20 million to county base funds. Counties have the flexibility of using some of those county mental health based dollars toward crisis services.

Rep. Tim Brennan (D-Bucks) 18:53
Understood, and this is a this is a question in the course of proposing a registry to identify people who have abused somebody with a disability. I saw some of the problems that the Bureau of hearing and appeals are having, getting through a tremendous amount of work that they have. I saw it a little bit as a private attorney doing act 534, cases for corrections officers and mental health nurses. I'm wondering, do we have a do we need more judges there? It seems as if that they're having a hard time getting through what they have, although they're doing wonderful work, there seems to be a legislative desire to handle some of these registries. We've seen it with a child line as well. And I have to think that we're going to have to anticipate a problem from the federal government cutting SNAP and Medicaid and creating even more burdens for an already burdened office. I'm wondering if you can tell me a little bit about I mean, and this is a crucial thing for people to have due process, hearings, to have what they're entitled to constitutionally. So I'm wondering if you could speak to that and what your feelings are regarding the staffing there.

Secretary Valerie Arkoosh 20:04
Yeah, yeah, I'd be happy to do that. Thank you for the question. So our Bureau of Hearings and Appeals does an incredible job. They hear 1000s and 1000s of cases every single year, and we're in a and let me just be clear that the enormity of what they see here. They hear child line cases, they hear Medicaid appeals, they hear reduction in services, appeals for personal assistance services. I mean, it just runs the gamut. So the short answer to your question is, could we use some more judges we could and in fact, part of our compliment request is an effort to replace some individuals that are currently contracted employees in our Bureau of hearing appeals with permanent Commonwealth employees, and so that is part of addressing some of that need. But I do have to also point out that there is ongoing litigation, and I can't get into the specifics of the litigation, but depending on how that litigation is resolved in Commonwealth Court, it has the potential to lead to an enormous increase in the need for full hearings, particularly for individuals who have who are facing charges of child abuse, who've been reported to child line. So we're in a little bit of uncertainty period here at BHA depending on how that litigation ultimately ends up, we potentially could need significantly more personnel there.

Rep. Tim Brennan (D-Bucks) 21:31
And one last question i i had some constituents reach out to me about Keystone. Keystone, first that are running businesses and they're reporting delays and issues with approvals. I know there was an auditor, an inspector general audit at some point. What are we doing to oversee the MCOs? And is there anything you can tell me on that specific issue?

Secretary Valerie Arkoosh 21:52
Yeah, sure. I mean, certainly, if you hear from a constituent about a specific issue with one of our Medicaid MCOs, let us know right away, we are on top of those folks quickly

when we hear especially, particular complaint that we can act on. But just generally speaking, they have many contractual obligations for how quickly they provide services, how quickly they pay bills, all those types of things. So if there's any problem that your constituents are having, you should just let

Chairman Jordan Harris (D-Philadelphia) 22:23
us know. Thank you. Thank you Chair. Thank you. Thank you gentlemen, Chairman Heflin,

Rep. Doyle Hefley (R-Carbon) 22:29
thank you Chairman, and thank you, Madam Secretary, for being here today. There's a number of reports that DHS must submit to the General Assembly. Can you provide like a list of all the statular, statutorily required reports in the last date that they were submitted, an example the child fatality reports required as an act from 2006 but do Is there a list of those reports and when they're due and when they're sent to the General Assembly?

Secretary Valerie Arkoosh 23:00
I am certain that list exists. I do not have it in front of me today, but we can certainly get it to you. Okay, I appreciate that. I sign off on those reports regularly, so I know they're coming over all the time, but I don't have the complete list in front of me.

Rep. Doyle Hefley (R-Carbon) 23:12
Thank you. The proposed regulations were issued regarding these psychiatric residential treatment facilities, primarily for adolescents. Chairman Warren and I sent a letter to Burke expressing concerns about these regulations in their comments, Burke suggested that DHS continue to advance notice, I'm sorry, DHS issue and advance notice or final rule making, to engage the stakeholders and reach a consensus. Does DHS intend to issue those advanced that advance notice, and what is the proposed timeline and process for the issuance of those final regulations? So

Secretary Valerie Arkoosh 23:54
are you talking about the psychiatric rehabilitation regulations,

Rep. Doyle Hefley (R-Carbon) 24:01
psychiatric residential treatment facilities. Yes,

Secretary Valerie Arkoosh 24:04
you know what I'm going to ask Jack deputy Smith to come up. She has the specifics on that,

Jen Smith 24:10
sure. Thanks. Chairman hefley, we received quite a number of comments as a result of that initial publication through irk for the prtf regs. So we've been spending the last

month or so sort of really combing through all of those comments, beginning to engage in stakeholder conversations. Will be having another series of webinars with stakeholders here coming up to hash out still some areas where there's real discrepancy with the stakeholder feedback we received. You know, some people feel really strongly there should be more of something, and another group feels really strongly there should be less. So trying to reconcile some of those issues, we still do intend to get the final form regulations submitted to Eric during calendar year 2025, but I don't have a specific time frame, because we really want to make sure we address some of the questions and concerns that were raised by you, as well as some other stakeholders.

Rep. Doyle Hefley (R-Carbon) 25:08
Obviously, we hear from constituents. I can tell you that a lot of my colleagues have talked to through our committee about issues where we have adolescents that are looking for these services and they can't find the services. There's definitely a shortage. So making sure that the providers and working with that provider network to ensure that they can be compliant is really important. So so there's no push to say, get these regulations out by summer of 2025

Secretary Valerie Arkoosh 25:35
we want to do it right.

Rep. Doyle Hefley (R-Carbon) 25:38
just as a follow up to Representative Eckers question regarding the performance based contracting, how can we assure families that have complex medical or behavioral health issues and are receiving services from the residential providers that they will continue to receive those services when their provider is not credentialed as a select or clinically enhanced provider, and how many providers have been credentialed in the top tier? In the first submission, I think you had, you said there were there any at all that were credential in the top tier? Yeah,

Secretary Valerie Arkoosh 26:16
I'll have Deputy Secretary Aaron's come up and address this specific numbers. But again, I just want to reiterate what I said this morning, which is that this is not an effort to kick people out or be punitive in any way. This is an effort to make sure that this incredibly vulnerable population, many of whom don't necessarily use words to communicate in other ways to express if they've had problems, gets high quality care, and we are looking to actually build the whole system up for exactly the people you mentioned, those with the most complex needs. This program will incentivize these providers to take on these most difficult cases in a way that we have not been able to incentivize them before. Really, I should say, compensate them before.

Kristin Ahrens 27:05

So. So in the first round, we had 36 providers submit for their tier determination. 20 of those requested tier determinations for select or clinically enhanced letters went out last week to five of those providers who have now so of 25 of them did make it as select or clinically enhanced. We are currently in another data submission period for providers. We have 65 applications as of this morning that we are working through. I'm very confident we will have a number of select and clinically enhanced providers that come out of that. One of the really key things that we can't lose sight of with performance based contracting is thanks to the appropriations for this program, there has been a really significant investment in building provider capacity. Specifically, there are additional funds for clinically enhanced and select providers to accommodate the fact that we are requiring higher level of clinical support for individuals in those services. There's also performance. Pay for performance. We've got about $40 million that's available for capacity building for the provider community to support them with, with meeting the new standards with performance based contracting. Thank

Rep. Doyle Hefley (R-Carbon) 28:23
you. And I see the times out, but it is important we have a, you know, a segment of the population which needs these very specific types of services, and we want to make sure that providers have all the tools that they need, especially with the closure of the state hospitals, we're seeing folks that are really struggling to find those services. So thank you for your time. We agree with you.

Rep. Dan Williams (D-Chester) 28:46
thank you and Madam Secretary, thank you and your team for being here this afternoon. One of the departments initiatives is to provide pre medical, pre release, medical assistance coverage for re entrance and continuous eligibility after incarceration, and this initiative is a critical step towards preventing health care gaps that have historically contributed to high rates of overdose, recidivism and poor health outcomes. Would you talk a little bit about how those re entering benefit from the 30 days of medication upon release. Sure.

Secretary Valerie Arkoosh 29:27
Thank you, Mr. Chairman, so this is you're referencing our 1115 waiver, which is one of the programs that was approved in late 2024 by the outgoing administration, and it allows us to use our Medicaid dollars in new and different ways that we have not been able to use them for previously. This flexibility that we've been allowed would bring in 90% of the cost covered by federal dollars. The state would cover 10% and it would allow us to partner with the Department of Corrections, who has been able to reduce recidivism over the last few years, but we still see well over 50% of individuals in Pennsylvania who leave one of our SCI recidivate so this would be a partnership with Doc. It would allow our teams to go in 90 days prior to release and begin to work with a set of individuals. We would prioritize individuals with serious mental illness, a substance use disorder or a serious chronic disease, or someone who is pregnant or recently given birth, and we estimate around 7000 people or so would be assisted. They

would walk out the door with doctor's appointments with medication in their hands a primary care doctor identified for them, and one year of coverage in Medicaid. And this is extremely important. We know this helps reduce overdose deaths. We know that it helps individuals stay out of the emergency department, because if they're not connected to care, they're just going to go to an emergency department, which is not helpful to the emergency department or the individual for the long term, and so it is a much more holistic way of setting these folks up for success. We want them to return to their communities, be able to get jobs, get back on their feet, and be contributing members to their community.

Rep. Dan Williams (D-Chester) 31:16
Thank you. Listen. How will the services they need be continued in the community.

Secretary Valerie Arkoosh 31:22
So the plan would be that there would be what we call warm handoffs. So for the folks that are involved with them while they're still incarcerated, needs would be identified. Doctors would be identified, case management folks, or would be there for them once they were released, and because they have that one year coverage of Medicaid, they would be eligible for case management, be able to see doctors. You know, all those pieces would continue. They would have prescription medications covered. So they'd walk out with 30 days, but then they'd be able to get those prescriptions renewed.

Rep. Dan Williams (D-Chester) 31:56
Madam Secretary, thank you, Chairman, thank you.

Rep. Kate Klunk (R-York) 32:01
thank you, Mr. Chair, and thank you Secretary for you and your staff. Being here today in my new role as our Republican Chair of the Children and Youth Committee, I've had a chance to meet with some of our psychiatric residential treatment facilities. So I would like to confirm with the department that those regulations that Chairman hefley have spoken about, you do not intend to do any roll out until the fall later this year, so not this summer, like originally stated.

Secretary Valerie Arkoosh 32:39
We get you an update on that and congratulations.

Rep. Dave Madsen (D-Dauphin) 32:49
Hello, hey.

Jen Smith 32:51
So for those less familiar with the process, the regulations that were already put out for public comment was just sort of the initial version of those regulations, then you receive all the public comment. And then before they can become officially promulgated regulations, they have to go again through that process and be put before the irk and

then there has to be a vote. So we're at that point right now between those two submissions to the arc, so we can't effectuate any change until the final form regulations are submitted and approved. So we're working through all of the comments that came in. There was a significant amount of stakeholder feedback. We want to make sure that we've sufficiently addressed all of that before we're submitting the final form regulations for both so so

Rep. Kate Klunk (R-York) 33:40
we're not expecting summer. You're expecting more fall based on your previous comment, yeah, I

Jen Smith 33:46
believe it will be in the second half of the calendar year. Is probably a much more realistic time frame. Okay,

Rep. Kate Klunk (R-York) 33:51
thank you, because I would love to be able to report back to these organizations. Madam Secretary, the governor, recently proposed a budget that would include $55 million for child care, recruitment and retention payments. Can you answer this yes or no? Are those payments intended to be one time payments only?

Secretary Valerie Arkoosh 34:12
That is my understanding. Okay, thank you.

Rep. Kate Klunk (R-York) 34:15
Will the funding be for full time staff or full time and part time staff.

Secretary Valerie Arkoosh 34:23
The funding is intended at this juncture for teachers and teaching assistants. I'm not aware that there is a requirement to be full time to go with that. But if you're a teacher or a teaching assistant at one of a child care provider that is a participant in child care works, that is a definite stipulation. I don't think the amount of hours that you work is related.

Rep. Kate Klunk (R-York) 34:47
Okay, so then additionally, for the requirements, would there be a length of time that you have to be employed with that particular organization to be eligible to receive that benefit?

Secretary Valerie Arkoosh 35:02
I don't know that it's been decided at that level of detail, and we're certainly open to working with all of you if you have thoughts on that. I think the intent of these dollars is to kind of do both. So the goal is both retention and recruitment. And so if someone were a relatively new employee, and they were to get say, if they were full time

employee got that $1,000 maybe that is also considered part of recruitment and retention for somebody that's relatively new. So I don't know that the distinction in this particular workforce space is that distinct.

Rep. Kate Klunk (R-York) 35:38
Okay, would there be a requirement for an individual who receives this one time payment to commit to a certain number of months of working after receiving that particular payment. Yeah,

Secretary Valerie Arkoosh 35:49
I don't think we just haven't gotten into that level of detail either. And again, that is something that we can absolutely discuss with you. If you go ahead and approve this these dollars, we're open to getting your input on what that looks like,

Rep. Kate Klunk (R-York) 36:01
okay? And I appreciate that, that you're willing to talk about it, because I've been on, you know, my listening tour out with my child care facilities. And one thing that they've shared with me, because I asked them, Do you think that this would actually help with your retention and recruitment? And they said, Actually, no. They said, We need regulatory reform, and we need changes in the regulatory space to let us do what we do best in helping educate and take care of our children, and some of the regulations just are in the way, especially when it comes to training staff, and especially creating a pipeline for a Pre apprentice those high school age children, soon to be young adults, who could be transitioned into that workspace. So they also don't believe that those one time payments are going to help, because we've seen it before in the pandemic, and we just didn't have the individual stay. So do you have hard data that shows that giving these individuals these one time payments will actually result in retention? Where is that data?

Secretary Valerie Arkoosh 37:09
So I've actually spent a lot of time visiting child care providers myself all over the state, and I have heard something different. I have heard that they think it would really help to get people, to help people feel appreciated, even if it is a one time payment, it's an acknowledgement of how hard these individuals are working. And would actually help. Also, the governor has proposed an increase in the minimum wage to $15 and we have accounted for that in our budget. In our childcare space, we have many childcare providers who are not making even $15 an hour, and that may be the bigger piece of this. So I think those two things together, that minimum wage increase and these recruitment and retention bonuses would go a long way to helping these childcare providers. I also just want to clarify that there are definitely entry level positions under current regulations that don't require a college degree. There seems to be a little bit of the disconnect there. Now, if you're going to be a supervisor, you do need higher degree requirements, but there are entry level positions right now, today, in our current regs that

allow people to come into child care without a child college degree. That's the biggest complaint that

Rep. Kate Klunk (R-York) 38:26
I and thank you Secretary, I look forward to working with you on this, and maybe we can continue this conversation to help our child care industry. Thank you. Thank

Chairman Maureen Madden (D-Madden) 38:40
thank you. Chairman, good afternoon. Secretary and staff, I'd like to first commend you on the progress on the studying of 988, and 911, interoperability, and all the progress you're making with texts and answering phone calls and the mental mobile mental health crisis unit that was originally a resolution that I proposed in 2023 after the tragic death of Christian Hall, a young man who was considering suicide and called 911, and then ended up being shot by the State Police. So that we're making all that progress is incredible, and I thank you so much for all that work. I'd like to talk to you and switch over to the Life program, something that's near and dear to my heart and I hear often from stakeholders and our senior citizens, what a wonderful program it is because of its holistic approach of care, coordination and preventative care. However, it seems to be one of our best kept secrets when we talk about it, it seems most people hear about CHC community health choices and not about life. So moving forward in the aging our way plan, how do we propose? How do you propose to really highlight the Life program and give it an opportunity for people to explore and understand what it is. And I'm a little biased, as my husband is a musician, has been playing at life Geisinger for over 10 years, and at Christmas time, I bake cookies because I sing really badly, and you just see the love, and you see the community, and you see just how wonderful it is and how people feel like they're being cared for. So we'd really like to promote it, and love to know what you're doing to that end.

Secretary Valerie Arkoosh 40:22
Yeah, thank you for that question. I really appreciate it, and I share your your commitment and and enthusiasm around our life providers, they really do a great job. So I, I'm right there with you, and we have been aware for the last couple of years that the life providers, to some degree, think that their programs are not being as promoted as some of the other programs, and so we have worked closely with them. We have worked collaboratively to increase the independent enrollment broker referrals. And I just, again, just take it back one step, there's an independent enrollment broker that people go through. And the job of the IEB is to present people with all of their options. And so we have substantially increased the information that we have. We've actually worked with the life providers to give them information, to make sure it's getting out accurately. And we also send an annual letter to CHC participants to let them know that life is an option, and that has increased their enrollment about four to 5% per year as we do that. So, you know, we've been working pretty closely on this issue to make sure that information is getting out accurately. We still don't have every county participating in life, and you know that may be part of some of the challenge for the independent

enrollment brokers is that not every county has it, and so they have to be very mindful of, you know, who they're talking to where, but if you have ideas, you know, we're very open to understanding what more we could do to make sure that they feel like they're getting a fair shake at that very first stage with that independent enrollment broker.

Chairman Maureen Madden (D-Madden) 42:01
Well, we are planning an upcoming informational hearing about the life program versus CHC, so I look forward to sharing more ideas and information at that time. Thank you so much. Thank you Chairman.

Rep. Emily Kinkead (D-Allegheny) 42:24
you, Mister Chairman, thank you Secretary, it's been a marathon and not a sprint for you. I'm wondering. I want to talk a little bit about the rape crisis line item. It's been flat funded again for the fifth year, and we're looking at increased costs to our rate prices centers by 28% and increase in overall demand for services. Can you explain why the that was flat funded again this year?

Secretary Valerie Arkoosh 43:03
Yes, I do appreciate the question, and I very much appreciate the need. And you know, as you know, this is an extremely tight budget year, and there were a lot of extraordinarily difficult decisions that had to be made. We are working very hard to make as many accommodations available. There's a lot more availability now of the telehealth exams so that an individual can go, you know, almost anywhere at this point, and via telehealth, get a trained sexual abuse evaluation you know, by someone who's trained to do those evaluations and things like that. But unfortunately, that was not something that was slotted for increased funding this year by the in the governor's budget.

Rep. Emily Kinkead (D-Allegheny) 43:50
Thank you. I want to we've talked a little bit about, you know, snap and and, you know, other food insecurity. I programs. I want to talk a little bit about sunbucks. I know that there has been some issues with the rollout. Initially, the kind of difficulty of folks act accessing it because they were in CEP schools, but they no longer. It was no longer universal for those folks. But I'm wondering, if you can talk about how sunbucks is going to be moving going to work moving forward?

Secretary Valerie Arkoosh 44:32
Well, first of all, I just have to give a shout out to my team, because in six months, just six months notice, they stood up this program that helped put $120 into the food budgets for the families of 1.2 million kids last summer. That is extraordinary, and they did it in six months. And believe me, it was not easy. And part of the challenge, of course, remains, you know, getting all the information that we need about the eligible children from the many, many school districts that we have in the Commonwealth. So just want to give a shout out to them, because it was like around 24/7 around the clock

kind of work to get that stood up. But we're really, really proud of that work, and we will be continuing the program. It is 100% federally funded, and we will be able to roll out those benefits earlier in the summer this year, because obviously we're not standing it up from scratch this year, so we're looking forward to that. And are there other specific questions that you have about it? Or

Rep. Emily Kinkead (D-Allegheny) 45:34
no, I just wanted to kind of highlight that. And yes, it was a short it was a short turnaround, but, but you know that we're content.

Secretary Valerie Arkoosh 45:44
And you know, obviously, I know, you know. But not to put too fine a point on it, it's the summer where so many food insecure kids really struggle, because they don't, you know, under our governor's leadership, they all have free breakfast. Everybody has free breakfast, and many children have a no cost lunch as well. And then summertime comes and that all ends. There are we all know, you know, we have incredible schools and charitable organizations that do summer backpack programs and things like that, but it's not the same, and so some bucks really helps to fill a gap in that summer time. Yeah.

Rep. Emily Kinkead (D-Allegheny) 46:16
Pivot to one more topic. Do you have a time frame for creating Medicaid payment a Medicaid payment mechanism or state plan amendment for community health workers?

Secretary Valerie Arkoosh 46:28
I wish I had an easy answer to that question. So we are big fans of community health workers, myself, my whole team here at DHS, we right now, have a required through our managed care organizations that they need to provide certain services in the communities, and use community health workers to provide those services. So it is absolutely the case right now that community health workers can be hired through our Medicaid MCO programs and do the incredible work that they do in our communities. We've been working very closely with the community health workers. They would like to find a path to be enrolled as providers within Medicaid, as doctors and psychiatrists and dentists and many others are that has turned out to be quite complicated for a whole variety of reasons that we probably don't have time to go into today, but my team had multiple listening sessions with them, I think eight in November and December, and then are starting now with some smaller group, more intensive meetings to try to really delineate a scope of services. You know, the way that I would like you to think about this is Medicaid is very old at this point, right back to the 60s, and it was created in a very hierarchical system of doctors writing orders for very specific services for patients in hospitals. Mostly, we've evolved to a very different kind of program that's much more holistic, much more community based, and much more preventive, working in those upstream issues to try to keep people healthy in the first place. And we are working

mightily to prove to put these sort of, I'm going to say, non traditional, but extremely important providers into this system, and it's not built for them. And so it's hard, and we've been making slow but steady progress with doulas, with a certified peer specialist. We are still, to some degree, struggling with certified recovery specialists, and we're struggling with community health workers for a whole variety of technical reasons. So we're committed, but bear with us as we try to make this program fit into 21st century care that it was not designed for.

Rep. Emily Kinkead (D-Allegheny) 48:43
Thank you. Thank you, Mister

Rep. Ann Flood (R-Northampton) 48:47
you Chairman, Madam Secretary. I have a real quick question, and then I have something deeper that I want to follow into. But I just wanted to go back to a previous question that I had regarding the intellectual disability waiting list, as you previously stated, I understand that you're managing the waiver capacity by the amount budgeted, not necessarily by slots. Per se, there has been a 19% reduction in the waiting list up to this point, but specifically, how many individuals not slots? How many individuals do you believe will be served and removed from the waiting list for fiscal year, 2526 your program measures do not indicate serving additional individuals.

Secretary Valerie Arkoosh 49:37
Actually, they do, and I know, and I'm not being disrespectful, so right now and again, this is what I was saying earlier. We have to altogether move away from that sort of slot mentality, more to a budget mentality. And over time, people come in and out, people pass away. You know, things change from people. And so when a person passes away, there's funding then available for somebody else. Before we would have said there was a slot, but now we're thinking of it as actual funding, and we are making maximum use of the dollars with this new approach, because that way, if a person doesn't need that full gamut of services, on day one, they can get what they need, and we can use additional dollars to help someone else. So we might actually get two people services where before, under the slot system, we could only have one. And so just right now today, we still have waiver capacity of 41,555 and we have just over 40,000 enrolled. So we know today we have additional capacity to fill, and are working to fill that quickly through this year. Okay, thank you. That helped is that, yeah, that helps. It's a, it's a real, I know is from being a county commissioner. It's a very big shift in thinking, because we always worked on slots, right? Yeah, but that's now we're working with the counties, and we're just Allegany, I think, right? The first one to start, we're working with all the counties very closely to help them kind of change this mindset as well. It's not going to happen overnight, sure. Big shift, yes, but we think it's the answer.

Rep. Ann Flood (R-Northampton) 51:10
Okay, thank you. And it's my understanding also, Madam Secretary, I'm switching gears now that there are programs in the Commonwealth, including through your

department's youth development centers, to provide services to youth with sexual behavioral treatments needs. I had a young girl that had come into my office with her parents. She was nine years old when she was raped. A few years later, she start cutting herself, self harming. Then followed the suicide attempts. She was recently, recently diagnosed with intellectual disabilities. She was at a local children's home where, while she was there, was preyed upon by a worker who then raped her again. She's been told by qualified mental health doctors that she needs to be in a residential treatment facility. Why does Pennsylvania have programs that treats boys but not girls for the complex problems that she has? And this is what I've been told. You know, when I've called out to your department and asking, how can we help this woman or this girl, I should say. They said, Well, we have programs for boys, but it doesn't apply for girls. And when I asked, Why is that, they said, well, there just aren't enough girls for that type of program. I find that hard to believe. You know, maybe it's just that they're not being identified, because there's that idea out there that there aren't programs available for them. But how do I explain this to this beautiful now, 16 year years old little girl, that's like when I ask her, How is she doing? And the tears are running down her face because she can't understand what's happening to her. She has this hyper sexualized ideation as well, which is adds to the problem, and she doesn't know, because she keeps, she keeps trying to kill herself. What does her future look like when we as a state, she's coming to us, looking for help, and we say, we don't have a program for you. You're not the right gender. What? Does it need? A legislative fix. What do we do?

Secretary Valerie Arkoosh 53:23
So first of all, I'm very sorry. I mean, this is heartbreaking to hear a story like that, and I would be happy to work with you in this individual we have a whole team now that deals with complex children with complex needs, which obviously this child absolutely falls into. I don't know why you were told that. I'm certain that there's ways that we can try to help this girl, and if, for some reason, there's not, we can work to understand what we need to do to fix that. But we'd be happy to follow up with you. Obviously we can't discuss the specifics here, but get you connected to that team and see if they can work with the family and the young woman to get her the help that she needs.

Rep. Ann Flood (R-Northampton) 54:03
Well, her family has been huge advocates for trying to help her, and I know just at Christmas time, after meeting with her, she was hospitalized against for a suicide attempt. And I just think we can do better for our youth, and we can find ways to help. So I would love to work with you if afterwards, we can talk about maybe how we can connect with your team. Definitely, so we can connect. I hope we can help. Thank you. We should help. Thank you. Thank

Chairman Jordan Harris (D-Philadelphia) 54:25
you General lady. Representative Khan,

Rep. Tarik Khan (D-Philadelphia) 54:28

thank you. Chairman Harris, thank you. Secretary arkoosh. And in the governor's budget, I was really heartened to see that he included full practice authority for our nurse practitioners to be able to practice to the full extent of what they've been trained to. I'm the first nurse practitioner ever elected in this assembly, and really excited that we may be able to join the 30 other states in the District of Columbia as a state that allows nurse practitioners to stay and work to the full extent of their of their authority. Can you talk a little bit about the impact of this? What that would mean for access to care in urban and rural areas, having nurse practitioners be able to practice the full extent of their authority?

Secretary Valerie Arkoosh 55:13
You know, honestly, I don't have specific data on it, because that's really more of a department of health issue, I think, on some lens. But I mean, I think it's obvious to say that there would be increased accessibility. I think that in a time where we do have very severe shortages of practitioners, that when practitioners can work to the maximum abilities of their license, that's extremely important. So I would imagine that it would help.

Rep. Tarik Khan (D-Philadelphia) 55:41
Thank you. Thank you. We talked earlier about the proposed $880 billion in cuts to Medicaid, which would be just catastrophic to our communities. And under the under Medicaid, though there is some flexibility of where money can go, and so currently, Pennsylvania is one of, I think, only three states in the nation that doesn't allow for assisted living for that to be reimbursed under Medicaid. Can you talk hezeman? Because I'm working across the aisle with Representative Marcel in a bill that would actually allow assisted living providers to be able to be reimbursed under Medicaid, like 47 other states. Can you talk a little bit about the thought process of where, where DHS is on, allowing that to occur, allowing assist living, to get reimbursed under Medicaid?

Secretary Valerie Arkoosh 56:33
Yeah. So we are always trying to maximize the opportunities to live in the community, for anyone who wants to do that. And obviously our assisted living facilities are part of that continuum. So I'm going to get a little weedy on you here. So stay with me. So first of all, the term assisted living residents has different definitions in different states, and so I'm not trying to evade the question. I'm just saying when you see one state's paying for assisted living residences, it might actually be something quite different than our in Pennsylvania assisted living residents. So that's just at the baseline. Federal dollars do not allow us to pay for room and board, hard stop, and that's been one of the sort of hang ups, so to speak, at assisted living facilities, who would love for us to pay for room and board. We could do that with state dollars. If the General Assembly wants to take that on as a full state cost, it is within your purview to do that, and we would pay it. In the meantime, we have three, all three now the third one is about to start of our CHC, managed care organizations are running pilots, and those pilots provide what's called an in lieu of service. The service is a nursing home, so they are working with two of

them, I think, are up and running, and the third is about to start with a handful of assisted living residents who are willing and able to provide that nursing facility eligible level of care. And under that scenario, an MCO participant could choose to stay at an assisted living residence instead of going into nursing facility. As part of this pilot, in which case, those cases, those services, would be covered. But it is. It is also the case right now that if somebody qualifies for home and community based services, meaning that they are they have clinical conditions that would potentially make them or would make the nursing facility eligible, they can stay at an ALR and pay room and board out of pocket, and then through this pilot, the MCOs can pay for that bundle of services that would allow them to stay there. So it's complicated, but we're working through it. Thank you. And there's not an easy solution to it without a lot of state dollars. Well, I'm

Rep. Tarik Khan (D-Philadelphia) 58:59
not in the yellow I'll ask this last question to give me very brief if you can the 1915 waiver in terms of housing insecurity, I think some states have been looking at possibly using it to help with housing so because people obviously that don't have housing can't take their medication and they're end up in the hospital. Any thought about possibly doing that in Pennsylvania through the 1115 waiver

Secretary Valerie Arkoosh 59:27
So absolutely, that was one of the component waivers that we had approved in December of 2024, by the Biden administration. And while we had hoped to start implementation in this budget cycle, we this is part of the stepwise implementation. Thank you so much. Thank you. Thank

Chairman Jordan Harris (D-Philadelphia) 59:44
you gentlemen representative all summer. Thank you,

Rep. Jeff Olsommer (R-Wayne) 59:47
Mr. Chairman, and thank you again, Madam Secretary, I'd like to give a shout out to our Wayne County Commissioners and their team back home. In the very near future, they will be opening a new 24/7 mental health and crisis center with beds for short term stays. This will have a significant impact on Wayne County and on the region, surrounding the community, surrounding the region, the senator or the center will have the ability to treat adults and children, which is a significant issue. It really will keep families from having to drive states or hundreds of miles, at the very least, to treat their children. Madam Secretary, the enacted fiscal year for the enacted fiscal year, 2425 the budget included funding for youth development and increased bed capacity. The program measures on page E, 27 through 40 of the governor's executive budget show a projected increase in youth served at contracted placements. Have the new beds as a result of the enacted current year budget not come online yet, or are there additional adjudicated youth in the system?

Secretary Valerie Arkoosh 1:01:22

So there are youth. So if you look at the number of youth in our system over time, like, let's go back 567, years ago, actually, let's go back 10 years ago. Kind of pre Sandusky, the number of youth in the system is definitely down, which is great news, and the number of providers is way down for a whole variety of reasons, and it went down even further during COVID. And so we are in a position now. And I think you were here this morning, you heard a little bit about the issues coming out of some of our southeast counties with increasing needs for youth to have beds. We don't have more youth in the system than we did 10 years ago. We have less but we needed to increase the bed capacity. Those two things got out of whack, and so we got into a position where there were youth waiting in detention in many of counties across the Commonwealth we had when we came in, when we got here in January of 2023 I think we had about 157 youth on a waiting list. They've been adjudicated to secure treatment with the state, and we did not have a bed for them. Today, I think we have 27 people on that list. Yeah, 27 people on that list. And so the reason that we have gotten that down is because we've built more beds, and it was further compounded by the fact that a number of these youth are getting these time commitments. They now represent a significant percentage of our youth. So it's been a multi factor situation that we've been working very quickly. So this, but that waiting list is basically down to just a couple weeks as many a month at this point for someone to move into our care, and we've done that by increasing capacity a little bit.

Rep. Jeff Olsommer (R-Wayne) 1:03:13
Thank you. On page 62 of your department's budget materials, your operating budget reflects a decrease for the conclusion of the right of passage link Granbury youth service program and a decrease for the transportation contract. Can you provide information on this program? Sure.

Secretary Valerie Arkoosh 1:03:37
So that was one of the short term solutions that we implemented took relieve overcrowding and reduce that waiting list for some overcrowding in Philly and waiting lists in many other counties. We sent a total of 16 youth to Texas. 15 of them completed their time there successfully. One did not because they were brought back here to face adult charges. So that wasn't a treatment failure. They just had to come back for further court proceedings. That program ended December of 2024, because this other capacity that I just described to you had opened. So we no longer need that contract, and don't intend to restart it. Okay? Thank you.

Rep. Jeff Olsommer (R-Wayne) 1:04:21
Are there similar programs still in operation,

Secretary Valerie Arkoosh 1:04:25
sending youth out of state or?

Rep. Jeff Olsommer (R-Wayne) 1:04:28

no in state or out of state for that matter? Are there still, do you still have any other pro Are there similar programs

Secretary Valerie Arkoosh 1:04:37
We contract with a number of private providers as well

Rep. Jeff Olsommer (R-Wayne) 1:04:40
Are they? Are they out of state? There's still some. Are

Secretary Valerie Arkoosh 1:04:44
we all in state now? Yeah, entirely in state. Yeah. And remember, judges decide where these youth go is not us. So judges in every county in the Commonwealth adjudicate youth, and they decide, is this youth going to come to a secure state treatment facility. Are they going to go to this particular facility? And they make those decisions for a variety of reasons, the needs of the youth, the proximity to family, all sorts of things we contract with providers all over the state.

Rep. Jeff Olsommer (R-Wayne) 1:05:14
Okay? Thank you very much. My time is up. Thank you. Thank

Rep. Ben Waxman (D-Philadelphia) 1:05:17
wthank you, Mr. Chairman, thank you again. It's good to have you guys here. It's been a long day. I'm impressed by the stamina of you and your team. So I just wanted to ask about the MCO assessment, and the first question that I have, we've touched on this in various ways throughout these this hearing. But can you confirm that DHS is seeking a legislative reauthorization of the expiring MCO assessment, and if so, can you just kind of quickly describe how it's collected, what the rate is, how much has been connected over the years, and particularly if any of this, funds have been returned the assessment. Funds have been returned to Medicaid, MCOs or private insurers over the years.

Secretary Valerie Arkoosh 1:06:07
So let me give you a little bit of the kind of the background in the history of this, because it goes back many, many years. So in Pennsylvania, Medicaid is funded through state funds, with additional funding from a series of assessments that are imposed on various health care entities, and that includes hospitals, nursing homes and managed care organizations. The money that is received from these assessments is used to draw down additional federal funds, and assessment revenue is used to offset state funds that are required to support the Medicaid programs, and it ensures that low and no income Pennsylvanians actually are able to access their medical care, beginning in 2015 consistent with CMS federal rules with respect to how States could impose assessments on managed care organizations, the General Assembly passed legislation to authorize the current MCO assessment, and then the General Assembly reauthorized that in 2020 the assessment is collected through a per member per month assessment as of January, that is $30.47 and we anticipate that that will add $2.3 billion for state

fiscal year, 2526 to Medicaid funding that the assessment is up for reauthorization at the end of June. It actually expires. And so, of course, these things are always up to the General Assembly. If the General Assembly chose not to reauthorize the MCO assessment, then the there would be a $2.3 billion

Rep. Ben Waxman (D-Philadelphia) 1:07:54
What about final part of my question about whether or not any of those assessment funds are returned to either MCOs, commercial insurers. So

Secretary Valerie Arkoosh 1:08:13
the rate setting process, and we actually, hopefully you got this when you sat down, this actually goes through the annual rate setting process for MCOs, gave everybody a handout, because there's been a lot of questions about this, and it's pretty darn complicated, but if you look at the part that's called, yeah, non benefit components, that is where Medicaid MCOs can account for all their operating costs, and it allows them to recognize taxes paid to the state. We don't regulate commercial insurance companies, so I can't speak for exactly how that works for private insurance companies, but I believe that private insurance carriers can account for operating costs such as taxes and assessments imposed on their commercial customers in their commercial rate filings. But that's really a question for PID to get clarity on that. So it's all part of the rates. And I think the way, again, speaking on the Medicaid side, the way to think about it is that it comes back into the rates of these managed care organizations. Some years they might get a lot of it back. Some years they might not get it all back. It's it has. There's no direct tie there. Rate setting is very complicated, and that is just one of the factors that goes into the rate of any particular MCO.

Rep. Ben Waxman (D-Philadelphia) 1:09:39
It is very complicated, and I appreciate you walking us through it. I guess what we have heard from some, certainly folks in my district about concerns that this could lead to an increase in premiums. I guess I'd be interested to hear your response to that, and if that's a valid concern,

Secretary Valerie Arkoosh 1:10:00
I don't know that with certainty. It's certainly on the Medicaid side. The rate setting process is the process, and there are no premiums on the Medicaid side. If the concern is on the commercial side, I think the how that is handled on the commercial side, in terms of their accounting for that and their rates, is a question that I don't have the expertise to answer. I

Rep. Ben Waxman (D-Philadelphia) 1:10:23
see my time is running down, and so I appreciate your answers. And thank you very much. And thank you Mister Chairman,

Rep. Charity Krupa (R-Fayette) 1:10:30

thank you Mister Chair. I would like to briefly, just to clarify the record with respect to the your answers to Representative flood regarding Intellectual Disability Services, and I'm referring specifically to eat 27 dash 36 of the governor's executive budget for 2025 2026 with respect to the numbers for numbers of persons receiving Intellectual Disability Services, the estimated for 2024 25 is 59,379 the estimated for 2025 26 is 59,379 so there is no increase there, with respect to the mental health services and the forensic bed capacity. The governor's executive budget includes several new initiatives on the mental health services, line item appropriation, including 5.8 million for community based programs to serve people who do not require the level of care provided in the state hospital or are being discharged from a university. First of all, can you tell me specifically what level of care that is? How many beds would this proposed funding support and in which counties?

Secretary Valerie Arkoosh 1:11:41
And I'm sorry, are you talking about the chips beds or the forensic beds?

Rep. Charity Krupa (R-Fayette) 1:11:45
I'm speaking, I'm asking, I'll ask you that. So I'm referring to the new initiatives in your mental health services line appropriation of 5.8 million. So the community based services that are to serve those who do not require the level of care provided in state hospitals were being discharged from an institution?

Secretary Valerie Arkoosh 1:12:04
Let me get to that before I answer that, which I will you just correct on the ODP question.

Gloria Gilligan 1:12:10
So you were referring to the program measures in the governor's executive budget. I do see that. I believe it's simply an error, and we will work with the governor's office to correct the

Rep. Charity Krupa (R-Fayette) 1:12:19
program. Okay, so you can understand our confusion there. Thank you for knowledge totally understood.

Secretary Valerie Arkoosh 1:12:24
Thank you for pointing it out. Thank you. We'll get that corrected. Thank you. Okay, so back to the forensic beds. So as you know, we are committed and able to provide treatment for people who are involved in the criminal justice system, so that they, if they are deemed not to be able to be able to stand trial, that we can restore them to competency to stand trial. We are not always successful in that work.

Rep. Charity Krupa (R-Fayette) 1:12:48

, and I'm from Fayette County, and there's a horror story from Fayette County in that particular fact pattern, an individual who was not fit to stand trial, but there was some type of absurd delay in him being deemed incapacitated. He was incarcerated for a significant period of time. I mean, I believe two years or more, and it was just one part of the system felt him after another part of the system, after another part of the system.

Secretary Valerie Arkoosh 1:13:12
So that is exactly the problem we're trying to fix. Thank you. Thank you for mentioning that. So historically, from from time to time, there have been very long waits for individuals who have been deemed not able to stand trial. They're still in their County Correctional Facility. I was county commissioner. I know what this feels like, that there was not a state hospital bed for them in our forensic division. And so what these forensic projects proposed to do is to make sure that we can continue to move people to lower levels of care to make room for exactly the type of individual that you're speaking to. So the if an individual is not able to ever stand trial, they're just deemed non restorable in terms of competency, then we are trying to move them to a different setting, which could be an appropriate type of setting in a community. We have many counties that are doing these community options, and then that would open up the space for someone like what you talked about, so that that time in the County Correctional Facility is as short as possible.

Rep. Charity Krupa (R-Fayette) 1:14:19
So is the 5.8 million? Is that all going to that particular program? The

Secretary Valerie Arkoosh 1:14:25
I have 5.75 Yes. And we believe with this funding, we would be able to create 26 additional slots, which is projected to serve 124 people annually.

Rep. Charity Krupa (R-Fayette) 1:14:38
Okay? And I do, I have to say, Representative flood did a really heart felt job of telling one specific person story. I think almost every member here probably has a similar story. Unfortunately, in their district and the system, it should not take somebody reaching out to their state rep to reach out to you to get the assistance that they need, and it has a terrible trickle down effect. I mean, not only do you have this individual in crisis, then you have, hopefully, a family that's also in suffering through that crisis. It impacts our children and youth when they don't have an appropriate play place to place a child in their care that has these issues. It's impacting, as you just noted, the legal system. And I mean, the juvenile beds is a terrible issue, but there's also an issue with the adult beds. So, so what are, how quickly is the time frame to make sure that we get to a point there should never be anybody in crisis that needs to be in a mental health facility? You know, I hear, I've heard horror stories of juveniles, female juveniles, that end up in a hospital bed in the ER for 10 days. That should never happen.

Secretary Valerie Arkoosh 1:15:47

So the issue of complex children has been here in the Commonwealth for years. I've been here for two but it has been an absolute priority of mine to fix it. We now have, as I mentioned, an entire team. I have someone on my executive team, whose only job is to work with complex kids, and we've made significant progress. You may have heard about our blueprint Working Group, which was a statewide effort to bring county level folks, providers, all sorts of people, together to come up with a strategic plan for how to fix this problem. We are going through the short term, medium term, long term recommendations and starting to implement one of the things that we've done is a pediatric Capacity Building Institute. Last year we had 35 participants from around the state. It starts again next week, and this year we have over 50. And what that is doing is it's giving people the skill set to work with these really complex kids. They're very much like the individual that the representative flood described multiple, usually trauma abuse and then multiple other things that have come with it. We now have a total of four people on that team. We have regional heads. We are moving as quickly as we can so that you have someone you know exactly who to call when something like this comes up, and we have a system to work with that child and hopefully get them the care that they need. I agree with you that this has been something that has been so difficult to deal with that folks have kind of just kind of done this with it, because it's been tough. I'm not telling you. I have all the answers yet, but we've made an enormous amount of progress in two years. Last year alone, this team, which wasn't even at full capacity, helped 250 kids get treatment resolution out of the ED into appropriate levels of care. So we are on it. I asked just a little bit of patience as we continue to build a system that just didn't exist before. Frankly, and we love to work with you to help make it stronger. Thank

Rep. Charity Krupa (R-Fayette) 1:17:41
you. I see I'm out of time. Thank you for your testimony. Thank

Rep. Justin Flemming (D-Dauphin) 1:17:48
thank you. Chairman, thanks again. Secretary, I want to commend the gentlelady from Lawrence County for talking this morning about the O L, T, L, workforce, the Office of long term living workforce. And you illuminating the fact that 8500 workers are going to get a rate increase. I just had some additional questions about that. Are CHC over waiver and act 150 programs included in that proposed rate increase.

Secretary Valerie Arkoosh 1:18:17
Yes, okay, if they're in participant directed, okay, okay,

Rep. Justin Flemming (D-Dauphin) 1:18:30
does the increase cover union and non union attendance? It would

Secretary Valerie Arkoosh 1:18:36

cover anybody in participant directed, okay, so direct worker in part in the participant directed model. The participant directed is a model, right? So if you were worker in that model, yes.

Rep. Justin Flemming (D-Dauphin) 1:18:49
Okay, so it doesn't matter if you're organized, if you aren't, if you were in a participant directed model, then you are subject to that rate increase. You should see that rate increase. Wonderful. Okay. And then do you know what the rate increases by percentage?

Gloria Gilligan 1:19:10
do know. Hold on. So right now, on the fee schedule, it's around $15 an hour for participant directed workers on average. So we'll move it to roughly $18 an hour. So it's like a 5% increase. Okay,

Rep. Justin Flemming (D-Dauphin) 1:19:21
wonderful. Thank you, and happy birthday Gloria. So so given, given the cost disparity in home based care for Well, let me, let me ask a question. First, I have heard from some providers in in personal care homes, that there are some disparities in terms of how those are paid for. I think we have. We're one of very few states, and please correct me if I'm wrong, Secretary, but I believe we're one of few states that doesn't allow personal care homes, or does not allow medical assistance to be a payer for personal care homes. Is that correct?

Secretary Valerie Arkoosh 1:19:59
So this is kind of what I was getting into with. He was representative Khan earlier, we are not allowed to pay for room and board with federal that's a federal rule, okay? If the General Assembly wish to allocate state dollars,

Rep. Justin Flemming (D-Dauphin) 1:20:15
we could do that. Okay, okay,

Secretary Valerie Arkoosh 1:20:18
to be clear we would not be able to draw down federal participation for that, it would just be state dollars, okay,

Rep. Justin Flemming (D-Dauphin) 1:20:24
how would that be? Would that be detrimental? Would it be loss?

Secretary Valerie Arkoosh 1:20:29
No, it would be, I mean, it so it would be an issue, is it becomes a trade off for other programs, okay? It would not be a trivial amount of money by any stretch of the imagination. And so it would just be a trade off with other programs, okay,

Rep. Justin Flemming (D-Dauphin) 1:20:43
but I, I believe, and I'm happy to speak with the department a lot more about this, but I think it would be an enhancement to what we're doing now. And the reason why I think that is because the cost of keeping people in home based or like personal care home settings, is a lot more than skilled nursing, and so I think we can realize those savings on the back end, if we can keep more adults out of skilled nursing and more in home based care, which most consumers prefer.

Secretary Valerie Arkoosh 1:21:14
So just I know I'm kind of splitting hairs here, but just to be clear, folks that are in personal care homes and are choosing to live there. They are not generally nursing facility eligible, if they became eligible then they would be eligible for and they were in Medicaid, they would be eligible eligible for home and community based services to allow them to live in the community, not necessarily in that personal care home, depending upon how it's set up, but they could move to a different community setting, where they could get home and community based services that would be paid for by Medicaid. Because, you were correct, it is more cost effective for them to stay in the community than go to a nursing facility. Okay,

Rep. Justin Flemming (D-Dauphin) 1:21:57
yeah, thank you for that clarification. I'm just saying like, and I saw this unfortunately with my father, like he stay, he was able to stay in his home, but his condition did degrade because he didn't have access to a higher level of care just being in his home. And so one, one last quick thing, I want to thank and commend the department for meeting and greatly overcoming the challenge of the Medicaid and continuous coverage unwinding. I know you all spent a great deal of time trying to make sure that folks didn't fall off the rolls, but I am hearing issues about compass issues of delays extended down, times freezing screens, et cetera. Wait times have now gone from like five minutes to up to 30 or more minutes. What is the department doing to try to get its hands around the issues with Compass and yeah, and I know I'm running out of time, so I'll

Secretary Valerie Arkoosh 1:22:52
make it really quick. Okay, so we have been working on a compass modernization program, and one of the things that we've done is we made the compass website fully mobile, because we know most people have handheld devices, not laptops. So we're really working to meet our clients where they are. In the course of some of these upgrades, we have absolutely run into some glitches. Unfortunately, one of them turned out to be a login issue from a certain operating system on a certain device. That took us a long time to figure out that that's what the problem was. We have since fixed that. So I think most of what your constituents are seeing, hopefully, is getting better or has gotten better already. Well, that's wonderful.

Rep. Justin Flemming (D-Dauphin) 1:23:30

Thank you Secretary. Thank you Chairman, thanks

Rep. Eric Nelson (R-Westmoreland) 1:23:36
thank you Mr. Chair. We're going to pick up our questions, you know. And I appreciate you staying for the for the afternoon in that area, in the area of able bodied workers without dependents, which is its own sub class, you know, Westmoreland County, we have an enormous need for workers. And I do appreciate, I want to make sure that I'm saying it correctly the you know, the work of the department and Deputy Secretary farm in trying to help us engage, or re engage, some of these folks in the morning session. You had mentioned that it was maybe going back as far as 2009 and that the federal government has guidelines to apply trying to build on that a little bit. You know, this is an article that was earlier this year on MSN Pennsylvania's job market defies odds. Unemployment holds steady at record low amid shocking labor force changes. The article goes on to say our longest streak of lowest unemployment since 1976 but we are still waving the work requirements for able bodied workers without dependence, so not with kids, not with caregiver adults. Can you touch on why

Secretary Valerie Arkoosh 1:25:09
so representative? I asked that question myself because it did not make sense to me. And as I dug into this, what I came to understand is that, ironically, so first, let me first talk about who these folks are. Most of these folks are individuals with barriers to employment. You know, they may not have a college I'm sorry. They may not have a high school diploma. They may have other issues. We know that at least 35% of them have a diagnosis that makes it difficult for them to work, like serious mental illness and substance use disorder or cancer getting chemotherapy. I mean, that's 35% of our able bodied adults. They're still in that category individuals that would have, I'm sorry, when there's a very tight job market and employers have their pick of candidates. These individuals are not going to be at the top of the list. Respectfully,

Rep. Eric Nelson (R-Westmoreland) 1:26:07
Madam Secretary, there is not a tight job market. We are desperate for workers. And even if you say 35% of those workers may have issues that 70% of those workers that could get re engaged, it doesn't matter to Westmoreland County if they have a high school degree or not. What matters is re engaging them and those folks, 90% of them, are receiving medical assistance at a cost of $30 million a year in taxpayer funds. So if you said that year over year, we're waiving these work requirements for people we need in our hospitals, in our nursing homes, in our factories. I mean, that's $150 million we're spending at the same time we have 3700 people on a waiting list of our most needed individuals with disabilities. It just seems like we are protecting one group at the expense of another.

Secretary Valerie Arkoosh 1:27:04
Remember, snap dollars. Snap the snap money that these individuals receive is 100% federal funds. Yes, it's not impacting any of those other state dollars.

Rep. Eric Nelson (R-Westmoreland) 1:27:14
Medicare medical assistance dollars are state dollars,

Secretary Valerie Arkoosh 1:27:18
right? But many of our Medicaid recipients are working. I mean, these folks might very likely get jobs that did not make enough money to get them.

Rep. Eric Nelson (R-Westmoreland) 1:27:27
This is 160,000 able bodied workers without dependents, 70% of which it as we move forward, it would be really good to get these folks. I mean, I'm a father of seven, sometimes you got to be encouraging to get them off the couch.

Secretary Valerie Arkoosh 1:27:42
representative, I just want to be clear that those waivers that we know go back to at least 2009 didn't necessarily apply statewide that whole time they were in regions where there there's very strict federal requirements for these waivers. We anticipate that the statewide waiver we will no longer qualify for as of this May is very likely now there will still be regions in the state.

Rep. Eric Nelson (R-Westmoreland) 1:28:09
30 seconds left. I'd like to pivot to concerns that we have, growing concerns with our MCOs, in our community, health choices, specifically in 2020 we were serving 380,000 This is coming from the Office of long term living. You know, database, we had 380,000 folks for $3.3 billion in 2024 the number rose to 385,000 but we're now at 5.8 billion, and this year it's 6.7 billion. So that's like 4000 more people at almost double the cost is how much profit are these MCOs generating?

Secretary Valerie Arkoosh 1:28:57
Not much. So let me tell you what's happening. The population is aging. As you know, we are having more and more people that are over age 65 and they are living longer. And as they live longer, their needs increase. Where we're seeing the majority of that increase in community health choices is in those personal assistance services. And so we're seeing that someone that maybe last year only needed, you know, 10 hours a week this year needs 20 or 25 as you know that this is a workforce that's been extremely difficult for providers to recruit. They are needing to pay higher wages. The acuity of the services that a lot of these folks need are escalating as they age, it is still more cost effective to keep these folks in the community than it would be in a nursing facility. Remember, the alternative is that these folks go into a nursing facility. It's not like there's a nothing. It's nursing facility or community, and it is still more cost effective even with the increasing costs of medications and workforce and all those things for these individuals to stay in the community.

Rep. Eric Nelson (R-Westmoreland) 1:30:04

Great. I see I'm out of time. We just want to make sure those dollars are making it to the facilities. Absolutely.

Secretary Valerie Arkoosh 1:30:08
Yeah, you can ask any of the MCOs about how we negotiate race with them, and they're I, as I've said to people, I'm not going to get this congeniality from any of the managed care MCOs that we negotiate very hard. Thank you, Mister Chair, thank the

Chairman Jordan Harris (D-Philadelphia) 1:30:21
gentleman representative, Abney,

Rep. Aerion Abney (D-Allegheny) 1:30:25
thank you. Chairman Harris, Madam Secretary, want to talk a little bit about the homelessness assistance program. In last year's budget, I think we increased this funding $5 million and in the proposed budget, it looks to maintain that level of increase. And so wanted to see if you could tell us a little bit about what counties are able to use that funding for, and what some of the programs that the counties are actually doing around homelessness assistance.

Secretary Valerie Arkoosh 1:30:51
Yeah, we were extremely grateful for those dollars. That was the first time that the Homeless Assistance Program had seen an increase in a number of years. I just lost my page here representative, I'm sorry. So this the program funds emergency shelters, rental assistance, including eviction prevention and also re housing individuals. It provides case management. It can provide bridge housing for someone that's moving from one place, one situation to another, that sort of intermediate housing, and a number of other services. So the most recent year that I have full data for is 2324 but we just built on this data, you know, last year, and we'll have more to report next year in state fiscal year, 2324 we provided 59,355 individuals with emergency shelter, rental assistance, case management, bridge or transitional housing and additional services that translates into 353,839 bed nights of emergency shelter to 11,009 unhoused Pennsylvanians. So that kind of gives you a sense of the scope of some of this work. Rental assistance went to 11,505 Pennsylvanians to prevent evictions and to help with the security deposit, or first month's rent for someone who was being rehoused. And then we provided case management services to 32,042 clients, and 101,571 received bridge or transitional housing support.

Rep. Aerion Abney (D-Allegheny) 1:32:31
And this is all data

Secretary Valerie Arkoosh 1:32:33
so this is 23-24 we just don't have unfortunately, we didn't have it in time for this, but that additional funding will allow us to increase which, you know, are desperately needed.

Rep. Aerion Abney (D-Allegheny) 1:32:45
And when do you think we'll have the data for so we'll have,

Secretary Valerie Arkoosh 1:32:50
hopefully, you know, by June, we should be able to share some additional updates on for the last Yeah. Awesome.

Rep. Aerion Abney (D-Allegheny) 1:32:58
Wanted to talk also a little bit about, I know DHS is now allowing medical providers to bill for services provided to individuals who are living on the streets. Can you talk about how this new effort in street medicine helps to address the healthcare needs of homeless individuals?

Secretary Valerie Arkoosh 1:33:15
Yeah, sure. Thank you for raising that question. Representative is something that we're really proud of. We have created the opportunity for a site of service to be the street or the park or a corner. A typical site of service would be a doctor's office or a clinic or a hospital. And now the street, anywhere on the street, really can be a site of service. And this is so important because physicians and nurses and medical students and dentists and, you know, midwives and all sorts of people for years have gone out as volunteers and cared for individuals who are unhoused, but now they can be paid for. And this care is extremely important. This care allows these providers to build relationships with individuals with the goal of getting them into a safer space, to encourage them into treatment if they have a substance use disorder or serious mental illness. And it's building those trusted relationships that is often able to get someone to agree to be helped. It can goes a long way to doing everything from providing vaccines, making sure people have Naloxone, providing very simple dental care and other care. It helps to keep people out of emergency departments, where we know our emergency departments are busy enough, so it is a huge success, and we're now seeing that since it's being paid for if the individual is Medicaid enrolled, which most of them are, the vast majority of in house people are in Medicaid. And if they're not, they're probably eligible, and so folks can enroll them. What we're seeing now is that more and more hospitals and other provider groups are starting street medicine teams, because now they can get some reimbursement for it. So it's just a win win all the way around. Thank you, and thank

Rep. Aerion Abney (D-Allegheny) 1:35:06
you for the work that you're doing your department as well. Thank you, Mister Chairman,

Chairman Jordan Harris (D-Philadelphia) 1:35:08
appreciate it. Thank you gentlemen, Representative Marcel, thank you

Rep. Kristin Marcell (R-Bucks) 1:35:14

Mister Chairman, and thank you so much for coming back this afternoon to answer more questions with us. I wanted to ask a little bit about performance based contracting. We've been hearing concerns from providers of home and community based Intellectual and Developmental Services regarding od P's transition to performance based contracting. Last year, this administration prioritized these services by recommending increases to their funding. Now it seems contradictory to be increasing the regulatory and financial burden on these providers, as well as ODP through the implementation of performance based contracting requirements specifically under current regulations, providers already have two oversight inspections, quality assurance and improvement and the annual licensing survey. They also have monthly monitoring visits with supports, coordination, organization, performance based contracting, adds a third annual recertification or re qualification inspection. And so I have a few questions about that. So one is who is actually doing these assessments through the performance based contracting.

Secretary Valerie Arkoosh 1:36:29
So while Deputy Secretary Aaron comes up, let me just say, and we've talked about this a number of times today, the goal here is to raise the quality of care for the most vulnerable group of Pennsylvanians that I can think of, that we are paying for that care with taxpayer dollars. And I think that taxpayers deserve to make sure that their dollars are being well spent and providing high quality care for this very vulnerable population, a population who isn't necessarily able to communicate when something has gone poorly for them. The goal with performance based contracting is to give providers incentives to do better, so that we are paying for quality, not quantity. We have some enormously complex individuals living in the community, and we want it to be that way. We want to make sure that everybody who wants to live in the community gets to live in the community. We need our providers to step up and meet that need, and this is how we're able to both incentivize and then subsequently compensate them for taking on some of these much more difficult cases and build the capacity we need to treat this entire community. And the deputy secretary can give you more of those details.

Kristin Ahrens 1:37:47
Thank you. Yeah. So a couple of clarifications. One the rate increases that went into place July one of 2024 were for all ODP services. So that was for all home and community based services, not just residential or residential. There was additional funding that was in the appropriation that is specifically to support the implementation of performance based contracting. So that includes rate add ons for two of the four performance tiers, and that includes a significant amount of funding for pay for performance, which at this stage is all aimed at supporting providers with capacity building in terms of the regulatory oversight. You're correct. This is an incredibly highly regulated industry, for the reasons that the Secretary cited. So our residential providers are subject to both program regulatory oversight and to licensing regulatory oversight. One of the things, and that's all compliance that is straight compliance that does not get us to outcome based payment, that doesn't get us to quality outcomes. That's what we

want to do with performance based contracting for the high performers. We believe that we will be able to pull back some of the other regulatory oversight. So

Rep. Kristin Marcell (R-Bucks) 1:39:05
when would that potentially be? So I think streamlining, like I was reading articles about performance based contracting, and basically they talked about the perversion of incentives and that you have all these unnecessary duplicative steps, and while you're trying, of course, like everyone wants to be helping this population, like everyone agrees on that, but at a certain point, you know there's, there's a need to streamline and potentially just make it a little bit easier. And

Kristin Ahrens 1:39:33
we don't disagree. Our hypothesis with performance based contracting is for providers that can meet those higher performance standards, those quality standards, we believe that we'll be able to start seeing this in a year that we we will have evidence that says that we don't need to do our oversight or regulatory oversight in the same way for those providers, that we will be able to lessen that. So I think after years,

Rep. Kristin Marcell (R-Bucks) 1:40:00
I know my the yellow lights on. So I just wanted to mention that I'd love to know, since you're saying it's a year away, like if we can get a sense of what the cost is annually to conduct all of these inspections separately. So if it's going to take a year for us to potentially streamline, is there a way to see how much it's costing to do all those levels and in the hopes that we can eventually streamline it and make it a little bit more, you know, a letter a little more efficient.

Chairman Jordan Harris (D-Philadelphia) 1:40:29
Thank the gentle lady representative Mullins, thank

Rep. Kyle Mllins (D-Lackawanna) 1:40:35
you, Mr. Chairman and Madam Secretary, for hanging in there with us for a second round, as we've discussed at length, regarding this recent rate study of the Office of long term living and home and community based services programs, along with act 150 the last rate review or Study was in 2014 what efforts could you speak to that DHS is making to ensure that your agency is doing more regularly scheduled rate review for these home care programs? Say every three years, it's similar to what's done with ODP home community based services programs.

Secretary Valerie Arkoosh 1:41:20
Well, I agree that actually, honestly, I'm not certain when the last full formal rate study was done, but I can tell you that in 2022 we had an 8% increase in personal assistance services. So that was the last time. And then now, two years later, we did this formal rate study, and which has been published, and you can certainly take a look, and we're happy to answer any questions that you have about it, the numbers are substantial, and

that is why, facing a very, very tight budget year, the governor made the decision to focus the increase on the 8500 direct care workers in the participant directed model, knowing that those dollars will basically entirely go into those workers pockets and allow them some supports for some personal time, personal time off if they wish to take it, and also hopefully make insurance a little more affordable for them to purchase, neither of which they get because they don't work for an agency. Gotcha.

Speaker 1 1:42:20
Thank you, gentlemen. Representative Brown,

Rep. Marla Brown (R-Lawrence) 1:42:26
thank you, Chairman, Madam Secretary, you spoke earlier about our aging population, and they're living longer, and their needs are increasing because of that which we all know. So as it relates to that, the behavioral health MCOs received a mid year rate adjustment of 4% in 2024 to offset losses that were seen across the state. But I continue to hear from constituents that this isn't enough to sufficiently meet the services needed across the state, even with the increase that you've proposed in the budget. So I understand that higher acuity after the pandemic has been a national trend, but are you confident that your actuary has appropriately projected the needs of this program moving forward,

Secretary Valerie Arkoosh 1:43:22
we are we again I'll point to my hand out here that should be at your desk, that shows you the robust rate setting process that has gone through with our actuary to determine rates each year. Once those rates are determined by the actuary, then we enter into a negotiation period with the managed care organizations, and then ultimately rates are signed off on in the behavioral health space, there's not full renegotiations every single year. There's contract adjustments and then full rate negotiations every so many years. But we've seen just as you know, you know increased growth in the underlying cost that these providers are facing, and we know that right workforce is more expensive, there's increased utilization of services. I think maybe one of the good things from the pandemic is people are much more comfortable acknowledging that they may have a behavioral health issue and seek help for it. So that is increased utilization of these services, which in the long run is a good thing, but we are increasing rates by 8.2% this year. So we will implement and we will do what we do every year, which is continue to monitor, as you saw in 2024 we did do a mid year rate adjustment. I'm not in any way saying we're going to do that this year. That was pretty extraordinary what we did last year, but I cited as evidence of the fact that we are keeping very, very close eye on how all of our primary contractors are doing throughout the year, and

Rep. Marla Brown (R-Lawrence) 1:44:59
how do you ensure that those increases are going toward patient services. So

Secretary Valerie Arkoosh 1:45:05

the increases go to the primary contractors, and that can be a county, an individual county, or group of counties, those counties contract with a managed care organization. So when I was County Commissioner montgomery county, we would put it out for bid. Every couple years we contracted with Magellan, and then the county negotiates those rates with that managed care organization for services in that county. Those counties should know better than anybody what they need in terms of services in their counties.

Rep. Marla Brown (R-Lawrence) 1:45:37
So can you then share the percentage of allocated funding per behavioral health MCO that is spent on care. Do you know what that would be?

Secretary Valerie Arkoosh 1:45:51
I don't know if we I think we can try to get through that. I don't know if we have that exact number or not.

Rep. Marla Brown (R-Lawrence) 1:45:59
Do you monitor statistics like that, I will

Secretary Valerie Arkoosh 1:46:02
tell you that they would be held like any insurance company to the medical loss ratio. So it has to be at least 85% of every dollar has to go to patient care, where they have to refund money. I mean Affordable Care Act requirement.

Rep. Marla Brown (R-Lawrence) 1:46:15
If you're able to forward those on to us, that would be, if we have them, we can, yeah, and

Secretary Valerie Arkoosh 1:46:19
I think if you refer back again to the annual capitation rate setting document, you'll see that non benefit load or non benefit component, that's sort of the pieces that are not the direct services to patients. So it's a it's part of rate setting. It's an allowable cost. But I think what you're asking is just specifically, how much of what calendar year rate that component is yes,

Rep. Marla Brown (R-Lawrence) 1:46:45
okay, thank you. Thank you for being here. Thank

Chairman Jordan Harris (D-Philadelphia) 1:46:48
the gentle lady, representative, Siegel, thank

Rep. Joshua Siegel (D-Lehigh) 1:46:52
you Chairman. Thank you Secretary Cruz, for continuing to be with us. I want to start on the subject of Medicaid, because I think it's experienced a tremendous amount of scrutiny today, and I just want to try to lay out some of the facts. Lay out some of the

facts and figures. So I think all too often in the federal discussion, there are two ways that policymakers like to stipulate that we can find savings without taking away benefits from beneficiaries. And the first one they always talk about, frankly is the work requirement component. To my knowledge, only one state in the country has ever actually imposed broad, unilateral work requirements. Think it was Arkansas, and it was disastrous, right? Tried and then a court struck it down. One in four beneficiaries lost access to that health care. 95% of the folks that were subjected to that work requirement actually were determined to have been eligible for some sort of a waiver anyway, because they were caring for someone. Can you just talk a little bit about the fact that I think it's two thirds of folks on Medicaid are currently engaged in work, and then the vast majority of folks have some reasonable excuse talk about the danger of a work requirement as it relates to making sure people actually get access to good care?

Secretary Valerie Arkoosh 1:47:55
Yeah, you know we have so we haven't done any analysis on this year, because we don't know what any proposal is going to be, and I'm not going to ask my staff to spend hours and hours of time, just broadly hypotheticals, but we do have some information from back in 2018 when work requirements were proposed under the first Trump administration, and the conclusion of this team at the time was that we would have to hire several 100 new workers to oversee and implement this kind of supervision that would be required to actually determine how many hours somebody was working, and that the cost of the administration of this program, and this is why, actually, Arkansas and Georgia both tried and gave up. The cost was so much greater than and I use this word reluctantly, savings of someone who's forced to disenroll from Medicaid didn't even begin to add up. And just remember that individual now who doesn't have access to health care will have a heart attack or will be in a car accident through no fault of their own, has to go to a hospital, and now a hospital will have to treat someone in an emergency. They're required by law to do that with no way to be compensated for their care. So the fallout is way beyond what it's going to cost. DHS, it is what it means for our entire system of care.

Rep. Joshua Siegel (D-Lehigh) 1:49:25
So to be clear, it seems that you would get an expanded bureaucracy, right? The state of Pennsylvania would have to hire hundreds of new individuals, creating a mountain of Byzantine paperwork, right? We're going to force working people to go through more and more hurdles to get access to critical care, and many of those folks are going to wind up being determined to be eligible for some sort of waiver anyway, because, as we've seen in other states, we're only just making people jump through hoops that they shouldn't have to jump through anyway. And then the other articulated sort of savings they always talk about, and I speaker Johnson has said a lot about this, is is the improper payments, so to speak. And I believe that the National Health and Human Services determines that Medicaid improper payments is about 5% but nearly three quarters of that was simply recorded as improper documentation. I believe that's accurate. So I think Could you just comment a little bit about, you know, at least at our

level, that improper documentation more often just means that, you know, maybe a form wasn't collected or some information was omitted, but it does not mean that the corresponding payment was unlawful or should not have been provided, correct, right?

Secretary Valerie Arkoosh 1:50:26
Yeah, I think you heard me speak earlier about the incredible work that our Bureau of program integrity does on cost avoidance, and it's over $400 million of cost avoidance, but that gets counted as in some of these calculations, as potential improper payment. That's money that was never spent in the first place, if it was cost avoidance. And so there is this narrative going around in Washington that they can save $880 billion over 10 years by reducing waste, fraud and abuse. It's a fantasy. It's just an absolute fantasy. What this will mean is that fewer people in Pennsylvania will have access to health care. Those that do have access to health care will have fewer benefits. Those individuals and their families will pay the price, and so will our hospitals, who have no room to take on any more uncompensated care. It will be a disaster for our Commonwealth. I

Rep. Joshua Siegel (D-Lehigh) 1:51:21
thank you, and I share your sentiment that the mathematics being thrown around in DC is nothing more than delusional arithmetic, and all it's going to wind up doing is adversely affecting the most vulnerable parts of our population. As we said, two thirds of these folks are working they're doing everything right. They just simply don't make enough to be able to afford health insurance, and they certainly don't get it through their employer, so they're relying on a lot of this. This is the only way to gain access to critical prescription drugs, pre screening, making sure that they don't fall into worse health. And so I think it's a win for society. And I think the worst thing we can do is force people that are doing everything right to go through the indignity of suspicion, this, this constant stigma around you need a little bit of help because your job doesn't pay enough, we're going to make you go through even more work just to demonstrate a little bit of assistance. So thank you.

Chairman Jordan Harris (D-Philadelphia) 1:52:07
Thank you gentlemen. Representative devanzo, thank

Rep. Eric Davanzo (R-Westmoreland) 1:52:11
you. Chairman Harris and Madam Secretary, thanks for coming back. I have a situation in my district. It's confusing, so I'm going to do my best to explain it. There's a lot of acronyms in here. So one situation I have is a mother received a notice her daughter's room and board in a group home would increase by 50% it would go from $712 a month to 479 or $1,479 a month. The provider was trying to use the room and board, room and board to recruit some of the funds because their daughter is receiving services through the O L T, O, okay, the residents receiving services under the o d p, they only saw a $7 increase. DHS is planning to get involved with this a little bit. We've been dealing with this since December. I understand there's a difference in ODP and O L T L, but the O D, P rates are reviewed regularly, and my concern is that the low O L T L rates are causing

situations such as one as my constituent is experiencing. How can we plan to address these issues to ensure that both groups are receiving the fair they're both being treated fairly well.

Secretary Valerie Arkoosh 1:53:21
First of all, we would be happy to work with you on your constituents issue. It's hard for me to parse it out, you know, without knowing more details, but certainly, please, you know, circle back with my team, and we'll be happy to get into it and see if we can help sort out what's going on there. But to your larger question, I think that you know, again, there has been a historic way of approaching these rate determinations here in the Commonwealth, where they're done periodically. And I think that for the stability of the Commonwealth's budget and for the stability of our providers and the stability of the workforce in these systems, that a system that just looked at regular, yearly, incremental, sort of cost of living type of approach would be a win win all the way around. There's many things that would have to happen to go from where we are today to that, but they're certainly not insurmountable, and it's something that I would be very interested in exploring with the General Assembly, if you're interested.

Rep. Eric Davanzo (R-Westmoreland) 1:54:23
Yeah, no, no, definitely. And if I looked at some of this right, the Office of the O L T L there the governor's proposal this year would be $6.7 billion would be their budget proposal. And the O L T O is is run by an MCO Community Health Choice. And they're set to make, and they're allowed to make a 3% profit, but you know, their their profit this year would be $202 million and it's just, it's it's concerning. It's alarming that we're taking taxpayer dollars, giving it to the O, L, T, L, and I get how business works. But my my constituents, are somewhat being squeezed here. That's how we feel. So

Secretary Valerie Arkoosh 1:55:02
community health choices is actually consists of three managed care organizations that provide services to a specific but very large group of Pennsylvanians who are older adults, who are Medicaid and Medicare eligible. They're, you know, very low income individuals, and they have the opportunity to receive services in the community or in a nursing facility. There is a, as we've been discussing, 9.3 rate, percent rate increase in community health choices. But I do want to acknowledge, and I neglected to remind representative Nelson of this. And perhaps Mister Chairman, you could remind him of this for me. Oh, you are, I'm sorry I didn't see you. I'm glad you're still you moved right? Or am I just imagining that $1.16 billion of the rate, incur of the Yeah, the rate that's included in the rates for this year are changes in the nursing facility reimbursements that the General Assembly has approved. So just as a quick reminder on that, in January of 2023 there was a legislated 17 and a half percent increase to nursing facilities, and then another 7% nursing facility rate increase effective this January of 2025 so in total, that's 1.1 6 billion included in the rates for changes in that CHC budget. That is a big chunk also, in addition to of the other things that we talked about, representative of why that CHC budget is going up so much,

Rep. Eric Davanzo (R-Westmoreland) 1:56:47
perfect. Appreciate your answers. Thank you. Thanks.

Rep. La'Tasha Mayes (D-Allegheny) 1:56:54
Thank you, Chair secretary, we've made great strides around uplifting the importance of and the role of doulas, the roles that they play during child, during childbirth, and just for the benefit of educating my colleagues in the public a doula is a trained professional who provides emotional, physical and informational support during pregnancy, labor, birth and postpartum for black moms, doulas are one of the great interventions to guard against maternal mortality and morbidity because of the work, the long standing work of rep Cephas and the black maternal health caucus, we passed a bill last term that provides Medicaid coverage for doula services. And this is groundbreaking. It's groundbreaking because we know the importance of accounting for the ways that we have disparate health outcomes, especially if you're a black mom. Could you just provide us an update on the progress that the Department of Human Services has made on enrolling doulas in the Medical Assistance Program, as well as what are some things that we can do as legislators to help grow grow the pipelines, grow the opportunities and access for doulas to become certified with the Medical Assistance Program. Thank you

Secretary Valerie Arkoosh 1:58:21
for that question, representative, and we've been honored to work with you and the entire black maternal health caucus on this very important issue. I just have to share very briefly, you know, I worked on labor and delivery floors for years. I'm an obstetric anesthesiologist, and I will be the first person to tell you that having a doula on the labor and delivery floor working with an individual patient is a way to make sure that that patient's voice is heard clearly and effectively. We all know that not everybody is heard when they interact with the healthcare system. And having that doula there, I think, is a big piece of why it makes labor and delivery, in particular, safer for black women, because it makes sure that their needs are conveyed, that they're what they're experiencing throughout that process is conveyed and heard. Very, very important piece there. So we are making good progress. We have now got officially in our Medicaid program, the state plan amendment for doulas has been approved, and so they are fully covered in our program. And as of February, just a few days ago, there are 46 unique individuals with 65 service locations in the program. There are 11 groups of one doula each that are in the program now, but they took that group enrollment, I think, hoping to attract others into their group. And we're really excited about that. Just a quick reminder that doulas do need to be certified in order to become enrolled in Medicaid, but we've worked with the Pennsylvania doula association to make sure that that certification can be done at no cost,

Rep. La'Tasha Mayes (D-Allegheny) 2:00:02

right? And so before that, there was a huge gap and the ability for someone who was a doula to be able to enroll in Medicaid. Because we needed both. We needed the legislation to say we want Medicaid to cover doula health services, but we also needed the pipelines of doulas and the education around certification to be able to put them on the right track to enroll in so again, this has been years and years and years in the making. We're so excited at the progress, and I do want to reiterate, what else can we do as legislators? How else can we attract more doulas? Because we know the need is great, both on Medicaid and private insurance, in hospitals, at birth centers, etc. How can we help grow the pipeline? Because this need is great, and we know that it is a proven intervention.

Secretary Valerie Arkoosh 2:00:48
Yeah, I think continuing to do what you're doing, to publicize it, to make sure people understand what a rewarding career this can be for folks, and what essential services doulas are providing. I think once people understand what it is, you know, the part of the problem, maybe, is the name people hear doula and they don't actually know what that is. So I think there's a lot of education and public awareness that needs to happen. But we do find that once people understand what it is and become doulas, it is their life's work, they are passionate about it, and we're so happy that we can make sure that when they're caring for someone in our Medicaid system, that they can be paid.

Rep. La'Tasha Mayes (D-Allegheny) 2:01:24
Thank you. And last thing is, my time comes to a close. We're noticing that for doulas, they generally are have in the past at least, and probably in the present, they consider, considered it as part time work. Do you think the opportunity to enroll in the MA program for reimbursement will help it to become a full time living wage career over a person's lifetime. I know that a lot of dollars I've encountered, they've just been part time, and some people prefer that way. But I think how can, how can we grow the career of doula, of being a doula in this commonwealth?

Secretary Valerie Arkoosh 2:02:00
Yeah, I sure hope so. I don't actually know if all commercial plans cover doulas. I know many people private pay for doulas, and so, you know, I think looking at that might be of interest to see if commercial plans also cover doulas. I just don't know. It might be a question for Commissioner Humphries. We were very mindful in setting the rates in the Medicaid program, at least on the fee for service side, you know, obviously MCOs always end up negotiating, you know, separately from that, but at least on the fee for service side, we did set a rate that we felt was competitive with our understanding of what was being paid in the private sector. So, you know, hopefully the answer to your question is, if that's what somebody wanted to do that they would be able to afford to do it.

Rep. Gina Curry (D-Delaware) 2:02:48

Thank you Chairman, hello again. I just wanted to talk about the fact that I was so excited to hear Governor Shapiro talk about his plans to increase the development of care for women who go through postpartum depression after they have a baby. We know that last session, we enacted legislation with that was act 102 in 2024 that would help educate which was on the mom the bus, I just want to say that which would help to educate individuals about postpartum depression, but much more can be done. That's why I was so excited to hear the governor's plan to push that forward. We know that postpartum, the postpartum period, can be a very challenging time, but I just want to give statistics so others can understand that a lot of women go through it, 15 to 20% of new moms. But when we talk about the black maternal health caucus, we know that 25 to 40% of black new black mothers have postpartum depression. So here's the push. We know that it's important that individuals understand and they can ask for help. A lot of this comes with many things that happen during the pregnancy or after the pregnancy. What services are available to individuals through the department to help offer services and supports to help these moms understand the symptoms of postpartum because a lot of times after birth, you're sitting around, you're like, am I feeling crazy? I can say because I've had three what's going on, right? And we know that there's things that are much more intense, like postpartum psychosis, that we don't often talk about, but that definitely attacks women after they give birth. So how are you working with the Department of Health to address these conditions like postpartum and maternal health? Thank you

Secretary Valerie Arkoosh 2:04:52
for raising that issue, and just the fact that you're here talking about it publicly is part of the answer. I sat on the maternal mortality review committee from its inception in 2018 until 2023 when I had to step off, when I became secretary. And as you know, more more than 50% of our maternal deaths are postpartum, and quite a number of them were related to behavioral health, types of conditions, one of which was unrecognized postpartum depression or untreated. It could be either. I think we need to do a couple of things. One is we must dramatically reduce the stigma around this issue. You know, there's this narrative out there that everyone should be so happy you had a baby, everything's wonderful. Life is great, but that is not necessarily the reality for, as you pointed out, maybe as many as a quarter of new parents, and we need to destigmatize that it's okay to ask for help and that it's, you know, people are feeling a lot of things when they just have kids, right? And

Rep. Gina Curry (D-Delaware) 2:05:54
I think the same is for partners and fathers. I mean, they don't know what's going on, either. So, and either do

Secretary Valerie Arkoosh 2:05:59
a lot of medical professionals, right? It's gonna be my next point. So we need point. So we need to educate there. We are working through the maternal health strategic plan to come up with some very tangible recommendations around some of these things.

There's this new app called myama that we've developed, I think you're familiar with it, that can be a resource for new parents and pregnant pregnant moms. So we have a lot of things in the works that I hope will destigmatize and make it easier for folks to get connected to treatment.

Rep. Gina Curry (D-Delaware) 2:06:25
Wonderful. Thank you very much. And the last question that I have is pregnant folks, pregnant women are sometimes challenged by substance abuse issues, and requires substance use disorder treatment prior to and after delivery to help improve health outcomes for both mom and baby. What are some of the ways that DHS is helping these women to gain access to the treatment they need both before and after they have their baby? And how are you helping these women to remain sober and manage their health through the postpartum period and beyond if they need additional care.

Secretary Valerie Arkoosh 2:07:01
So you may be familiar with plans of safe care. Plans of safe care is a voluntary effort for new parents, whose babies are born, substance affected, and provide our we are making sure that, let me take a step back. Plans of safe care has been available all across the Commonwealth for a while now. It hasn't necessarily been the most robust of our programs to help families. So we have there's been a lot of work done around this. There's a lot of support for making plans of safe care more robust. We recently applied for and were the able to receive a two and a half million dollar award for technical assistance to work with a whole host of stakeholders on this to make plans of safe care much more robust. So the idea would be that at birth, if the infant was identified as substance affected, that that family would be offered supports and services. It is not a report to child there's a requirement for reporting to child line, but it doesn't go in as an abuse report. It's a separate pathway, and the hopes would be that by making this plan or these efforts much more robust, that we can help a lot more families be successful. Thank

Rep. Gina Curry (D-Delaware) 2:08:22
you very much. I look forward to working on that more with you and thank you Chairman,

Rep. Dave Madsen (D-Dauphin) 2:08:32
thank you Chairman, good to see you again, madam secretary for follow up question that's pretty straightforward, can you provide update on the elimination of the four walls rules from CMS? Yes,

Secretary Valerie Arkoosh 2:08:45
I would be happy to do that. So for those of you who have not been following this one closely during the COVID 19 pandemic, all of the regulatory requirements around telehealth to deliver behavioral health services were lifted very successfully. I would add, people were able to partake of telehealth, behavioral health services in very

comfortable ways from their homes. It was done very successfully when the public health emergency ended, CMS reverted back to their original rules and regulations, one of which is not so affectionately known as the four walls requirement, and it requires that either the patient or the provider be located in a clinic that's the four walls in order to bill for those services so One or the other can be somewhere via telehealth, but one of them has to be in a clinic or enrolled site of service, so obviously, this has caused some issues for folks. Happily, CMS in November, released a new final rule where they didn't eliminate the four walls requirement, but they did establish a pathway by which a state could apply to for a plan amendment that would relieve that four walls requirement. We are in the act of or in the process of applying for, that we were anticipating that this rule change might come, so we got to work immediately, once it did, and hopefully sometime within the next six months to a year, we will be able to relieve that four walls

Rep. Abigal Salisbury (D-Allegheny) 2:10:42
I Thank you. Chairman, my question this afternoon relates to families that have medically fragile children at home, and I know that we've talked a lot today about nursing shortage and overall care taking shortage. I wonder if you can talk a little bit about what DHS is doing to help some of these families keep their children at home with them and not have to send them to be cared for at some other location that might have more staffing options. Yeah.

Secretary Valerie Arkoosh 2:11:16
So you know this is another interesting evolution that COVID, to some degree, has triggered. During COVID, those families couldn't get nurses to come into their homes. And so parents really stepped up, very much by necessity, but they really stepped up and they continued to take care of their children in very strong and robust ways. So again, with the end of the pandemic, we've gone back to a lot of the kind of normal, traditional rules and regulations that are required. We are very interested in finding ways to make sure that parents can be supported, and also that nurses are getting reimbursed appropriately for coming into homes to doing this work. So there's sort of two things in play. One is that we are in regular communication with many of the nurses that do this work, and keeping a mindful eye on rates that are paid in that space, and at the same time, we are working with parents and looking at ways that they could be paid through this system a little bit more easily. It would require that statutory change that would change the way that nursing delegation, the delegation of nursing services can be done. So that would be a role for the legislature. Yes, definitely a role for the legislature. Right now, the nursing board doesn't do that, but there is actually, I think, proposed legislation that would affect that change.

Rep. Abigal Salisbury (D-Allegheny) 2:12:56
And I'm curious about how how these rates are determined. You talked about appropriately compensating the nurses who do this work. Can you talk a little bit about how that gets calculated? So

Secretary Valerie Arkoosh 2:13:12
that is more of a market based approach in terms of how that's done, and again, becomes part of the appropriation for any given year.

Rep. Abigal Salisbury (D-Allegheny) 2:13:23
Do you have any information for me on we talked earlier in the morning about when some people need different levels of care, and so some people are able to have the care professionals come in, but they are not nurses. And then some people get to the point where they might need a more skilled person who has more training, who has more education and has more medical knowledge. Do you know where that tipping point is, where families might need to bring in a nurse rather than a different type of professional?

Secretary Valerie Arkoosh 2:13:55
You know it would have to do with the needs, the assessment of the needs of that particular child. I can't recite them to you at the top of my head, but that is pretty codified in terms of when needs meet. A new level of expertise in terms of treating that one of the things that we have done is set up pediatric resource centers for families. There's a couple different, couple different regions around the state where they're located, but they serve the entire state, and it's a kind of a one stop shop for families with children like this, where they can get all sorts of resources for how to approach the in home care of kids like this with very complex needs. Yes, some are on ventilators. You know, there's other these are really tend to be very complex kids.

Rep. Abigal Salisbury (D-Allegheny) 2:14:46
And from speaking to people in my district, we've had people contact us for all different types of things. I remember we had someone contact us on a Friday afternoon because her power was scheduled to be shut off, and she did have a medically fragile child at home, and she was terrified because equipment might be turned off, and you just never know. Sometimes you have to keep certain medications cold, and now your refrigerator is going to warm up. Are there any resources for where we can send constituents, perhaps to your department? Are there other resources that we could direct them if they have an emergency like that, for a child at

Secretary Valerie Arkoosh 2:15:21
home. So, you know, in a true emergency like that, the first place to go is to their electricity service provider. They do all have Emergency, emergency medical waivers for a situation like that. So the first job is to make sure the lights stay on right, the electricity keeps coming.

Rep. Abigal Salisbury (D-Allegheny) 2:15:40
Fortunately, they were kind to us. In that situation, we were able to sort it out.

Secretary Valerie Arkoosh 2:15:43
Yeah, that's good. And then, of course, we have our LIHEAP program, which can, if it really that is a heating program, so it would depend on how they got their heat, but if their heat was electric and it was winter, they may be able to apply for an emergency allotment through light heat. But if it's, you know, it's tricky in those situations, I think that primarily the place to start is with their electricity provider, who the and they do have community programs for individuals who are not able to pay their bills.

Rep. Abigal Salisbury (D-Allegheny) 2:16:11
Thank you very much. I see my time is a laugh. So thank you very much for your information, and thank you for all of your work all day. It's been a long day for you, I'm sure.

Chairman Jordan Harris (D-Philadelphia) 2:16:19
Thank you gentlemen. Chairman struzzi, thank

Minority Chairman Jim Struzzi (R-Indiana) 2:16:22
you. Chairman Harris, thank you, Madam secretary and your team for staying with us. I want to revisit one of the first questions that were asked this morning from representative Coutts on your 2425 supplemental. I think just we're asking for a little bit more clarity there, and that you did say that prior year funds were used to offset some of those costs. And I want to make sure we have the numbers before us moving forward into this budget discussion. But can you share the exact number of your fiscal year, 2425 supplemental need, and then how much of your prior year funds were used to offset this amount and result in the net supplemental request of 251 million.

Secretary Valerie Arkoosh 2:17:02
Sure. I'm going to let Gloria get into the details of that, but I just want to say this is a normal process that's done across multiple short, yeah, I

Minority Chairman Jim Struzzi (R-Indiana) 2:17:09
understand that. I just want to make sure we have the correct numbers,

Gloria Gilligan 2:17:12
yeah. And I should clarify, like, I don't know that we said that we used prior year balances to reduce the supplemental need. What I said was there's a process by which you can request a waiver to hold prior year funds or expenses that should have been attributed to the prior fiscal year. So we did use prior year funds for expenses that were attributable to fiscal year, 2324 and then we accounted for that need as we move forward. There are also,

Minority Chairman Jim Struzzi (R-Indiana) 2:17:41
can you get us those numbers? That's what I'm asking for. There's

Gloria Gilligan 2:17:43
they're actually spelled out in the budget materials. You actually have them, but if you want to me to break them out in like a spreadsheet, sure we can

Minority Chairman Jim Struzzi (R-Indiana) 2:17:51
do that. I'm sure we can find them. But I think it would be easier if you just provide them to us. You know, there's a big budget book there. It is a big a lot of numbers.

Gloria Gilligan 2:18:00
I like people to read it. We put a lot of time into it. Yeah, we'd appreciate

Minority Chairman Jim Struzzi (R-Indiana) 2:18:04
that exact amount of the supplemental. And then you know what prior your funds were used, if you could provide that for us specifically. So looking at the numbers, and first, I want to preface by saying I truly appreciate where your department does. I was on the Human Services Committee every year that I've been in office. Up until this year, I've had a number of pieces of legislation designed to address some of the issues that we've been discussing here today, and I understand the important role Human Services play in our communities, for our families, for young people, for elderly people, but but I think we have a fundamental math problem with this budget. So looking at the Medicare or the Medicaid amounts that we essentially have to cover. And as I said the beginning, there's a 1.9 almost $2 billion increase in the proposed budget, and that's mainly due to those those rates, just 660 million for capitation and roughly 940 million for community health choices. We have to pay for those correct okay. And so looking at the budget proposal, the governor has expected revenues for the upcoming year are only roughly between 1.4 and 1.6 billion. So essentially, the expected revenues for the next fiscal year are wiped out by the need to cover these Medicaid costs. So that, to me, again, creates a fundamental math problem for the budget. And then on top of that, your your proposal spends for new initiatives roughly about 150 million. And then the governor, on top of that, is spending another 1.5 billion in new expenditures. And if we take all the other new taxes that he's proposing off the table, we're still just going to break even if we cover the Medicaid cost. So that's that's really a concern for me, and I think it's something that you know, as we move forward in these budget discussions, are really going to have to take into account. But I want to ask, given that consideration, throughout the year, your department issues various medical assistance bulletins announcing new services or providers in the Medical Assistance Program, do you anticipate adding any new providers or services in fiscal year, 2526

Secretary Valerie Arkoosh 2:20:26
possibly. We're, as you've heard earlier, we are looking at the possibility of adding community health workers. We are continuing to work through the way that certified recovery specialists are used. We're very much hoping to implement the 1115 waiver for the just for the re entry services, which should have a very positive impact on recidivism and overdose deaths and the way that reentrants access medical services in our

Commonwealth by going to, you know, being able to go to a primary care doctor instead of an ED, which ultimately saves money.

Minority Chairman Jim Struzzi (R-Indiana) 2:21:05
So those would have to be legislatively allocated. You would need legislation to move forward with those.

Secretary Valerie Arkoosh 2:21:10
The 115 we would definitely. if we add another category of providers, not necessarily, but I do think, you know, it's really important, chairman to note that in the rates this year, and I will be the first person to tell you, and I'm sure you, hopefully you read my budget testimony, this isn't a typical year for us, all right? And there's a couple of things that really jump out, you know? One is, and I'm not saying that these weren't justified, but I just think it's important on the record to say these things out loud, that ambulance rate increase that was authorized by the General Assembly this year, adds $160 million we talked about GOP ones earlier, and we're taking a hard look at it. That's under our control. We're taking a hard look at it. Dental feet, very minor, but 24 million nonetheless. We talked about the nursing facility increases that were legislated. We didn't ask for those increases just last year, you know, 7% and with those two years it increases. It's 1.6 1.1 6 billion, the personal assistance services that we've talked about at length today, that is 8% but I do want to point out that that is the most cost effective way to take care of our seniors. It keeps them out of nursing facilities, which, as you know, leads a huge increase program. And so I don't want the narrative to be here that we're doing something that is not very mindful of taxpayer dollars. There's just a lot of competing interests here, a lot of providers who are asking for increase in rates. And this is the reality that we're facing together. You

Minority Chairman Jim Struzzi (R-Indiana) 2:22:41
are essentially making my point. Thank you. You yourself said, this is a very tight budget year, and as I said, there are there are services that are essential within human services that we have to provide for, but we have to budget for those. So we find ourselves going into this budget already in the hole by $1.6 billion and by no fault of your own because a lot of these do come through legislation. We have to be prepared to account for those. And then spending on top of that is, I think, where we have to maintain some level of control, because we have to balance this budget by June 30, constitutionally. And given these kind of numbers and the kind of proposed spending that's in front of us in the governor's overall proposal, it's going to be very difficult to do that and continue to talk about spending on new initiatives, not just in your department, but across the board. And we've heard over these past two and a half weeks, you know, just spend, spend, spend. And I think we need to exercise some level of responsibility, because what your department does is essential to our communities, and we need to provide for those services. But as you said continuously throughout this morning or this entire day, we need to be responsible with taxpayer dollars

Secretary Valerie Arkoosh 2:23:49
just and I would share just that some of the things that we're proposing in our programs, which, and believe me, as you know, there are a lot of things that we took off the list, which has been very difficult. We are proposing things that we have evidence will reduce the rate of increase in our Medicaid programs. I mentioned several hours ago that historically, our rate of increase has been 1.9% in the Medicaid program, year over year, approximately the national increase tends to run about 3% I'm really proud of how this program has done, one of the biggest things that we do is we hold these managed care organizations, they are 100% at risk, fully capitated, 100% at risk. But the things that we're proposing, like the re entry program, are designed to keep that rate of spending as low as possible. So I just want to put that context in. We're not just adding these things on to add them. I understand we're adding them on with a purpose, sure,

Minority Chairman Jim Struzzi (R-Indiana) 2:24:44
and I 100% appreciate that. Just one more quick question, the SNAP benefit cards and all the stuff that were discussed, theft, as you put it, why are we not or maybe we are, but I don't you haven't mentioned it. Why are we not pursuing the chip enabled cards? Yeah,

Secretary Valerie Arkoosh 2:25:00
that's a great question. So the chip enable technology has only recently become available to states. We talked briefly about the fact that the Food and Nutrition Services, which is part of Ag, the US Department of Agriculture, not our ag, picks vendors, there's two, and they've only recently enabled this technology, there will be a state cost to the chip enabled cards. The feds are federal dollars will cover half the cost. We believe the state share will be about $7 million to switch over to these chipped cards. We would love to be in a position to do that. A part of the reason why you didn't see it as a budget initiative yet is because we have seen two states that have already begun implementation, and they have had some IT problems on the back end. So we want to make sure that when we come to you and say, Okay, we're ready now, like it's going to work and we're not going to have problems that this is something that we very much want to do. It's not quite ready yet. Well, I appreciate that. I wish it was yes, I'd be in line well,

Minority Chairman Jim Struzzi (R-Indiana) 2:26:11
I mean, based on what we heard today, I couldn't even imagine relying on these benefits and then finding out at 12:01am, that they're gone and you have no chance to get them back and provide for your family. So I think that's very important that we do everything we can to help these individuals and this program to prevent theft. So thank you all for being here. Thank you, Mr. Chair.

Chairman Jordan Harris (D-Philadelphia) 2:26:29
Thanks gentlemen. Thank you so much for being here. Couple questions for you, how many people in Pennsylvania are currently on Medicaid?

Secretary Valerie Arkoosh 2:26:40
Our most recent numbers are 2,994,014 and that was as of December.

Chairman Jordan Harris (D-Philadelphia) 2:26:48
So about 3 million people. Yes, about 3 million people. Who are those people? I think, I think for the benefit of folks who might be watching, folks who don't know. I think we talk about Medicaid, I don't think folks have a full understanding of the profile of the folks that we're actually talking about. Who are those folks on Medicaid?

Secretary Valerie Arkoosh 2:27:09
Well, 1.3 million of them are children. So really, 1/3 little over a third of the population are children. 312,000 are older adults, meaning that they're 65 years of age or older, and so low income that not only you know, they get Medicare because they're over 65 but they're so low income, they also qualify for Medicaid. And then in terms of working age adults that are non disabled, it's about a million okay. Okay, most of you know many of them

Chairman Jordan Harris (D-Philadelphia) 2:27:46
are so about 300,000 seniors, 1.3 million. Are our children Correct? Where do they live?

Secretary Valerie Arkoosh 2:27:55
Where do they live? They live, everywhere in every county in the Commonwealth, we shared with all of you, individual district data about what who within your district is in Medicaid in SNAP and receiving those benefits. Many individuals are in our rural counties. Very high rates of Medicaid use in our rural counties. I'm sorry, I didn't hear that. Very high.

Chairman Jordan Harris (D-Philadelphia) 2:28:25
very high rates of Medicaid users in our rural counties. Okay, I heard a statistic that 45 counties in the state of Pennsylvania had a population of 20% of their people on Medicaid? Oh,

Secretary Valerie Arkoosh 2:28:41
I'm sure it's at least that, because 23% of Pennsylvanians get their health care through Medicaid, 23% of Pennsylvania so it's about

Chairman Jordan Harris (D-Philadelphia) 2:28:49
one in five, yeah, so one in five Pennsylvanians get their health care from Medicaid, like closer to one in four, okay, so closer to one in four, okay, so close to one in four get their health care for Medicaid, right around one in five people in 45 of our counties would have been on Medicaid as well, right? So understanding the population that we're talking about, one in four people getting their health care pension for Medicaid, one in five people living at 45 on those 45 counties or Medicaid, tell me what the Trump cuts of

100 of $880 billion would do to Medicaid budget in Pennsylvania and to that one in four and one in five population.

Secretary Valerie Arkoosh 2:29:33
It would be devastating. It depends on how those cuts come down. There could be different ways that they structure it, but the bottom line is, there would be many more uninsured individuals. There would be many people who still had Medicaid, but with far less benefits. And not only would those individuals bear the brunt of it personally and their families, would be a lot of children, potentially, that no longer had access to health care. And of course, our hospitals who are required to treat people in an emergency would see an enormous increase in uncompensated care in their emergency rooms. Now,

Chairman Jordan Harris (D-Philadelphia) 2:30:11
Secretary, you are a doctor, correct? Okay, so you are very well aware of the hospital crisis that we have here in Pennsylvania, not necessarily in Philadelphia County, but in rural parts of Pennsylvania. We have a shortage of care in many rural parts of Pennsylvania. So based off of your testimony, if those cuts were enacted and those folks were not on Medicaid and getting that health care the hospitals were then have to still service those folks, but not be paid for correct, right?

Secretary Valerie Arkoosh 2:30:47
It would be devastating. If you look at the, you know, we talked a little bit about rural health this morning, and the priority that this has been for the governor and this administration. If you look at the hospitals that are in counties, class four through eight, about half of them are have negative profit margins. The other half have positive profit margins. But let me be clear that we're talking about like half a percent or 2% or two and a half percent positive margins. You know, a good hospital maybe has a 4% positive margin. These hospitals are doing okay, but they can't tolerate any sort of increase in uncompensated care. And for the other half that are already with negative margins, they have no capacity to absorb uncompensated care.

Chairman Jordan Harris (D-Philadelphia) 2:31:36
So if these cuts were to come down from the federal government, these folks are now no longer, may not be have any Medicaid coverage. They go to those hospitals in those you know, counties four through eight, some of our most rural, you know, poorest counties. What would happen to those hospitals that are on the margin if they would then be forced to provide service that they couldn't get reimbursed for.

Secretary Valerie Arkoosh 2:32:03
So under the law, if an individual shows up in an emergency, heart attack, car accident, in labor, you know, whole number of things they are required to care for that individual. And so that would be just uncompensated care that they would have to eat. We know, from 2015 when Pennsylvania expanded Medicaid and brought 750,000 people into the

Medicaid rules, we have reduced uncompensated care for our hospitals by 27.7% and that includes the fact that prices have been rising. Take that into account, we've reduced that uncompensated care by almost 30% since 2015 which is extraordinary, all of that would go away. So

Chairman Jordan Harris (D-Philadelphia) 2:32:47
actually, would it be fair to say that many of those hospitals and or health systems over a short period of time may be forced to either cut back on services or close if the number of uncompensated visits that we're seeing were to drastically increase because people were on Medicaid.

Secretary Valerie Arkoosh 2:33:07
Yes, I think it's fair to say they would have to either cut back on services, reduce their services, and in some cases, they would likely close.

Chairman Jordan Harris (D-Philadelphia) 2:33:14
So if they would close, and that would mean that many of our citizens in rural Pennsylvania would find themselves in a place where if they got sick, they would not have a hospital to go to, right?

Secretary Valerie Arkoosh 2:33:27
And that's already the case, because some rural hospitals have already closed, and so we there are many counties where people have to drive an hour or so to get to a hospital that would only worsen.

Chairman Jordan Harris (D-Philadelphia) 2:33:38
So it was seen that those proposed cuts could be drastic and dire to the rural Pennsylvania with regards to their health care coverage, absolutely okay. Thank you. Switching over to child care real quick. How many do you guys know? How many of our child care workers make under the minimum wage.

Secretary Valerie Arkoosh 2:34:06
Don't know if we have the exact number, but it's, it's a considerable number. I think it's, I don't know if it's the majority, and maybe close to the majority. Okay, so we can, we can, I think, get you a better estimate. I just don't have that exact number in front

Chairman Jordan Harris (D-Philadelphia) 2:34:22
of me. So then that would mean that a considerable amount of our child care workers would see a pay increase, should Pennsylvania pass a minimum wage. So those child care workers that make under minimum wage, do many of them also receive services from DHS for themselves?

Secretary Valerie Arkoosh 2:34:46
Yes, they do. Okay. They qualify for Medicaid. So if

Chairman Jordan Harris (D-Philadelphia) 2:34:50
minimum wage was passed, many of those folks would see an increase right in their wages. Some of them would see an increase and then would not necessarily need services from DHS, correct?

Secretary Valerie Arkoosh 2:35:03
Yeah, at this point, even $15 an hour at 40 hours a week still qualifies you for Medicaid. So it wouldn't necessarily remove all of them from Medicaid, but sometimes, you know, there's somebody who's now making 16 or 17, if the floor goes to 15, maybe they get up to, you know, 18 or 19, then you would start to see some folks that would no longer be eligible for benefits. But we are at a place. We're so far behind in this state in terms of our minimum wage that even $15 an hour qualifies you for Medicaid at 40 hours a week.

Chairman Jordan Harris (D-Philadelphia) 2:35:39
So wait. So So let's, let's talk about that one quickly. So if you may, if you may, if we pass minimum wage tomorrow and everybody's making $15 an hour, you're saying that people would still be so financially strapped that they would still qualify for Medicaid. It would be, wow, that's interesting.

Secretary Valerie Arkoosh 2:36:01
$15 an hour is not a living wage, and I'm sure you're very familiar with that idea of a living wage, something that would allow you to pay rent and rent that is less than 30 acre, no more than 30% of your income, and still have money for food and other things. $15 an hour a full time job at $15 an hour still qualifies you for Medicaid. It's not a living wage.

Chairman Jordan Harris (D-Philadelphia) 2:36:23
It's crazy that some of the folks taking care of our most precious resource, our children, can't even afford to take care of themselves, and have to find themselves still on government assistance. But you would believe, based off of what some folks say, that these are folks who are staying home, not staying home, actually taking care of our children, correct? That's correct. So they would be very valuable to the economy of Pennsylvania, because if they weren't taking care of our children, then their parents may not be able to get to work.

Secretary Valerie Arkoosh 2:36:55
Childcare is essential for our economy. It is the crux of our economy. If parents can't afford childcare and have a place for their children to work, then they can't work. And every parent wants to know that their child is safe, somewhere safe and thriving so they can concentrate on their job. These childcare workers are essential to our economy.

Chairman Jordan Harris (D-Philadelphia) 2:37:16

other area that I'm very concerned about that's a part of your budget, direct care workers. Do you know how many of those direct care workers are making under the $15 minimum wage,

Secretary Valerie Arkoosh 2:37:28
a majority

Chairman Jordan Harris (D-Philadelphia) 2:37:29
So you so you would say a majority in the in

Secretary Valerie Arkoosh 2:37:32
the direct care, not the direct service provided the DSPs that work with the intellectual disability community, they're making more. But many direct care workers and community health choices are making less than $15 an hour before right around it depends on the region of the state, some are making right around 15.

Chairman Jordan Harris (D-Philadelphia) 2:37:50
Correct me, if I'm wrong, these are the folks who are providing in home type of services for grandma, making sure she eats, making sure grandpa takes his medicine, making sure that those folks stay in their home and not end up in a hospital or skilled nursing facility. Correct, correct. But many of them also make below the minimum wage.

Secretary Valerie Arkoosh 2:38:14
Some just below, but yes,

Chairman Jordan Harris (D-Philadelphia) 2:38:17
so if those workers just disappeared because they could make more money, let's say working at Chick fil A, right? Would you say that in the grand scheme of things, Pennsylvania will see an increase in our DHS budget, because many of those folks who they're taking care of in the home would be transferred to a skilled nursing facility or find themselves in a hospital?

Secretary Valerie Arkoosh 2:38:41
Correct. So by definition, if you qualify for home and community based services, it means that you have conditions that would qualify you to be in a nursing home. And nursing homes are an entitlement. Of the services that we offer in the community are actually offered under what's called a waiver, and we do that because home and community based services, as we've mentioned today, are more cost effective than the cost of a nursing facility. And so if, you know, wave a wand and Home and Community Based workers went away, those direct care workers went away, then we would be required, because nursing facility care is an entitlement to move all of those individuals into a nursing facility at a higher cost than what we're paying for them to stay in the community, which, of course, is where they want to stay.

Chairman Jordan Harris (D-Philadelphia) 2:39:34
So should the federal government move forward with the proposed $880 billion cuts according to what we've talked about earlier, we would see we could possibly see a drastic cut in Medicaid funding at the state level, and our ability to provide that service for people. Correct? That's correct. So if those cuts happen, then that means that many of those people would no longer have Medicaid coverage, which means that the hospitals and doctors offices that they go to would not be reimbursed for their services. Correct, correct. Many of those places are in rural parts of Pennsylvania that already have a shortage of hospitals and health care in those areas, in those hospitals will therefore be overburdened with folks who they're not going to get reimbursed for. Correct would you also agree that that would mean that many of those hospitals and health care centers would probably, in a few years, find themselves maybe either limiting their services or closing their services? Yes, in addition to that, should those cuts come down from Washington, DC, the $880 billion proposed Trump cuts. Would that have an effect on our child care workers and our child care providers in our ability to pay for those services as well?

Secretary Valerie Arkoosh 2:40:54
Well It would have an effect on the individuals who were Medicaid enrollees. They could potentially lose their Medicaid our funding to that pays them is a different line, not tied to

Chairman Jordan Harris (D-Philadelphia) 2:41:06
many. So those parents, those direct care, you know, service providers, as in, like the child care workers, they themselves could lose health care coverage, and their children could possibly also lose health care coverage, correct? So that means now that child that gets sick can't go to the doctor, so mommy or daddy would probably have to stay home and take care of them. So I say all this to say, I mean, it is very clear that, should these cuts happen, it would be drastic for our Medicaid population, which, according to what you said is 3 million Pennsylvanians, correct?

Secretary Valerie Arkoosh 2:41:45
It will be catastrophic,

Chairman Jordan Harris (D-Philadelphia) 2:41:46
catastrophic for the 3 million people. I would say so catastrophic to the 3 million people, but it would probably be, we probably wouldn't recover in rural Pennsylvania, because many of those health care providers and hospitals would close because they would have to provide services by law, to folks who no longer have health care coverage correct.

Secretary Valerie Arkoosh 2:42:16
It would take a situation that is already very difficult from a budget standpoint for rural hospitals, and make it much worse. So

Chairman Jordan Harris (D-Philadelphia) 2:42:22
it is clear that nobody who represents or says that they care about rural hospitals could support the $880 billion in possible cuts to Medicaid,

Secretary Valerie Arkoosh 2:42:36
certainly not here in Pennsylvania. Thank you so

Chairman Jordan Harris (D-Philadelphia) 2:42:39
much, Madam Secretary. Thank you all for being with us for was it five and a half hours now for our DHS, budget hearings? Thank you to the Secretary. Thank you to this whole staff for all of the work that you do for our most vulnerable populations all across Pennsylvania. Shante, I didn't forget about you. I was going to ask my question, but I'm let you live today. I got you. Are I appreciate what you do too. I'm just sad she worked with me, with all of our childcare providers back home. We love the work that you do as well. We appreciate you. I got you. We will be back here tomorrow morning, at 10 o'clock where we will be with the Department of Insurance, 10 o'clock here, this committee hearing is adjourned. You. Ned.

Minority Chairman James Struzzi (R-Indiana) highlighted Gov. Josh Shapiro's budget request for DHS at approximately $21.1 billion, a proposed increase of $1.96 billion.

Rep. Emily Kinkead (D-Allegheny) asked about a recent information technology (IT) update at DHS that caused processing issues in Allegheny County, questioning the necessity of the update and how future problems could be avoided. Sec. Arkoosh explained the complexity and cost of upgrading IT systems for better security and efficiency, acknowledging a glitch during the upgrade but assuring it was resolved. Rep. Kinkead inquired about the Supplementary Nutrition Assistance Program (SNAP) benefit theft and DHS's response, including a hotline and potential implementation of chips in cards. Sec. Arkoosh addressed the nationwide issue of SNAP benefit theft, reporting $8,872,130 in stolen SNAP funds replaced between October 1, 2022, and December 2024, and detailed efforts to enhance security and collaboration* with law enforcement to prevent theft.

Rep. Thomas Kutz (R-Cumberland) asked Sec. Arkoosh about the projected amount and purpose of her supplemental budget request. Sec. Arkoosh explained that Medicaid programs faced unusual increases in 2025 due to the unwinding process and delayed care during the COVID-19 pandemic, leading to a supplemental request of $251 million. Rep. Kutz then inquired if prior-year funds were used to offset the $251 million requested for Medicaid programs, to which Gilligan confirmed that prior-year funds were utilized but did not impact the supplemental request. Rep. Kutz expressed concerns about discrepancies in the projected annual growth rate of the department and Gov. Shapiro's projection. Sec. Arkoosh explained that the department's Medicaid spending grows by about 1.9% annually, below the national average. Rep. Kutz

highlighted a potential disconnect between Gov. Shapiro's budget proposal and the typical annual growth seen from DHS, suggesting a follow-up conversation to address these issues.

Rep. Tarik Khan (D-Philadelphia) expressed his approval of Gov. Shapiro's budget proposal to increase Medicaid funding by $2.5 billion, emphasizing the importance of Medicaid funding for his patients and asked Sec. Arkoosh to discuss the necessity of the $2.5 billion increase for Medicaid. Sec. Arkoosh answered that Medicaid is a vital program in Pennsylvania, covering over 3 million residents, including 1.3 million children and 312,000 older adults. She added that it enables people to live at home instead of in nursing facilities, supports workforce participation and ensures children receive proper health care. She stated that Medicaid costs have risen significantly due to increased patient acuity, higher hospital expenses and rising drug costs post-pandemic, but emphasized that 23% of Pennsylvanians rely on Medicaid for their health care needs.

Rep. Khan discussed the importance of patient and worker safety in hospitals, referencing a recent shooting at York County Hospital and his own experience of being attacked by a patient. He mentioned his involvement in writing and co-sponsoring legislation aimed at improving hospital safety and asked about the allocation of $20 million in the budget for patient safety services. Sec. Arkoosh expressed condolences for the incident at York County Hospital and discussed the challenges faced by workers in county assistance offices. She detailed a proposed $20 million investment to stabilize hospitals, especially rural ones and those in financial distress, and emphasized the need for the General Assembly to approve this budget.

Rep. Jeff Olsommer (R-Wayne) expressed concerns about the fiscal and operational risks of covering GLP-1 medications, such as Ozempic, for diabetes and obesity under Medical Assistance (MA), highlighting that these medications account for nearly $1 billion of Pennsylvania's MA program budget for fiscal year 2025-26. He asked Sec. Arkoosh if there is data indicating cost savings from the coverage of this drug class. Sec. Arkoosh responded that GLP-1 medications were recently covered by Medicaid starting in 2023, with limited data available. She indicated the distinction between the use of GLP-1 for diabetes, which has supportive literature for long-term health benefits and cost savings, versus their use for obesity, which lacks proven cost savings. She continued that DHS is reevaluating medical necessity guidelines and plans to propose stricter prior authorization criteria based on body mass index for obesity treatment.

Rep. Olsommer asked Sec. Arkoosh for specific recommendations related to the robust prior authorization for GLP-1 drugs. Sec. Arkoosh explained the new prior authorization criteria for GLP-1 medications for obesity, which will consider the patient's body mass index (BMI) and whether the patient has attempted other treatments first. Rep. Olsommer inquired about the number of states that provide coverage for GLP-1 medications and asked if there is Pennsylvania-specific data on patient adherence to these medications. Sec Arkoosh specified that they have some data on patient

adherence to GLP-1 medications, with the best adherence rates observed in patients with diabetes.

Rep. Olsommer asked about the estimated $1 billion DHS costs for the upcoming fiscal year, inquiring about the true costs when considering factors such as federal matches or manufacturing rebates. Sec. Arkoosh noted that rebates were factored into the total at $1.2 billion.

Rep. Aerion Abney (D-Allegheny) asked why housing and nutrition services were not included in the DHS's Medicaid demonstration waiver approved by the federal government, which included re-entry services. Sec. Arkoosh explained the stepwise implementation of Medicaid waivers, starting with re-entry supports based on the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act of 2018, to reduce overdose deaths, reincarceration rates and reliance on emergency room visits. Rep. Abney inquired if DHS would consider implementing other opportunities in the waiver, depending on federal funds availability, to which Sec. Arkoosh expressed hope for future implementation. Rep. Abney also asked about the support for eviction cases with the $2.5 million budget allocation. Gilligan stated that the funding helped provide services to 2,855 individuals in fiscal year 2023-2024 and is on track to assist approximately 3,604,000 individuals in total with additional funding.

Rep. Ann Flood (R-Northampton) acknowledged March as Brain Injury Awareness Month and inquired about Gov. Shapiro's budget proposal for fiscal year 2025-2026 concerning individuals with disabilities. Sec. Arkoosh explained the budget includes a 7% increase, amounting to $175 million, which annualizes increased waiver slots from the previous year and shifts strategy to give counties a budget to manage services more efficiently. She continued that this approach has led to a 19% reduction in the adult emergency waiting list and enrolled an additional 3,000 adults in community living and consolidated waivers. She added that the most recent count shows 3,703 individuals on the emergency waiting list, with over 40,000 individuals currently enrolled and a waiver capacity of 41,555.

Rep. Flood stated that the Department of Justice recently filed a lawsuit against DHS and the Department of Labor and Industry (L&I), arguing that certain automatic sprinkler requirements in the Uniform Construction Code are discriminatory toward community homes for adults with disabilities and autism. She explained that currently, when a one- or two-family dwelling is used as a community home, it is reclassified as a care facility, requiring costly hospital-grade sprinkler systems—standards that similar facilities are exempt from. She added that in response, she and Rep. Sheryl Delozier (R-Cumberland) introduced HB 711 to exempt community homes from these heightened requirements. She asked if DHS supports efforts to eliminate this alleged discriminatory regulation. Sec. Arkoosh responded that she could not comment on the matter due to ongoing litigation.

Rep. Kyle Mullins (D-Lackawanna) highlighted the proposed federal budget's potential to significantly impact social safety net programs, mentioning a proposed $30 billion reduction in SNAP benefits over the next decade, and asked about the current number of SNAP beneficiaries in Pennsylvania. Sec. Arkoosh said that SNAP benefits over two million people in Pennsylvania, injecting $367 million of federal funds into the state monthly, and warned of the considerable loss to Pennsylvania if SNAP were to end.

Rep. Mullins asked for clarification on the ratio of meals provided by the Charitable Food Network compared to SNAP. Sec. Arkoosh answered that the Charitable Food Network provides one meal for every nine meals that SNAP provides. She highlighted the impact of SNAP on Medicaid spending and noted a study that found that when individuals lose SNAP benefits, their Medicaid spending increases. Rep. Mullins asked for clarification on the funding of SNAP benefits and the average monthly federal benefit amount received by an individual on SNAP. Sec. Arkoosh explained that the amount of SNAP benefits varies based on family size and income, with a very low-income family receiving at least $23 a month. Rep. Mullins described the SNAP benefits as "hardly a lavish benefit" and asked about the impact on a family's ability to purchase food if their monthly SNAP benefits were decreased or eliminated. Sec. Arkoosh described the situation as catastrophic for individuals who have had their SNAP benefits stolen, highlighting the desperate situation of these individuals who now rely solely on charitable food networks.

Rep. Torren Ecker (R-Adams) followed up on a previous discussion about the waiting list for disability and intellectual disability (ID) waivers, mentioning a 19% reduction in the waiting list since the implementation of the new budgeting plan and inquired about the department's plans to address challenges associated with the waiver process. Sec. Arkoosh affirmed that there was a 19% reduction in the adult emergency weighted list since Gov. Shapiro initiated the multi-year growth strategy last year.

Rep. Ecker asked about the challenges providers face with funding, particularly in achieving the training or recruitment needed to reach the top tier of performance-based contracting, especially when they are the only providers in a county. Sec. Arkoosh responded that providers with licensing issues or other problems can still participate in the system and encouraged them to contact DHS for technical assistance and training. She mentioned that her team in ODP frequently organizes groups to discuss enhancing services and improving support for vulnerable populations in the state. Rep. Ecker requested a breakdown of how the proposed $5.5 million transfer in Gov. Shapiro's budget to home and community-based services will be utilized, in accordance with Act 54 of 2022. Sec. Arkoosh explained the Augmentation Fund's purpose, created by the General Assembly to support individuals with intellectual disabilities and autism as state centers closed. She highlighted a successful housing pilot in 10 counties, funded by the Augmentation Fund, which subsidizes rent for homes, a cost not covered by Medicaid.

Rep. Abigail Salisbury (D-Allegheny) asked about the lack of funding increases for senior care in Pennsylvania, noting the state's significant senior population growth. Sec. Arkoosh explained the impacts on DHS programs, particularly the Community HealthChoices (CHC) program, which has seen an increase in personal assistance needs. She also discussed the situation for personal care homes and assisted living residents, noting that while these individuals are not nursing facility eligible, they require some level of care and use Supplemental Security Income (SSI) or Social Security Disability Insurance (SSID) funds to cover costs, with the state providing a supplement. Rep. Salisbury highlighted the complexity of issues related to in-home care, including staffing shortages, nutrition, poverty and poor housing conditions. She asked if there was a plan to review how other states manage and utilize federal funds for these services. Sec. Arkoosh acknowledged that DHS is aware and has a proactive approach toward improving the health and living conditions of older adults in the community. She highlighted the proposal of the Food is Medicine 1115 waiver as a future measure to address specific needs and mentioned the department's active engagement in national groups to discuss and learn from other states' practices.

Rep. Marla Brown (R-Lawrence) raised concerns about the inadequate reimbursement rates for care of Pennsylvanian seniors wishing to remain at home and inquired about the impact of the proposed $21 million increase for direct care worker wages in the participant-directed care model for the fiscal year 2025/26, asking what age of long-term living direct care workers would be affected. Sec. Arkoosh mentioned that approximately 80,508,500 direct care workers in the participant-directed program will be impacted by the proposed wage increase. Rep. Brown requested clarification as to why increases were made to long-term living workers and not to others. Sec. Arkoosh explained that a wage and rate study initiated by Gov. Shapiro led to the decision to increase wages for direct care workers in the participant-directed program, highlighting the benefits of supporting personal time off and health insurance purchases for these workers.

Rep. Brown acknowledged the report on rate inadequacies between home care workers and providers for individuals with intellectual disabilities, noting the difference in rate setting between ODP services and OLTL services. She expressed concern about the difficulty in planning for future expenditures due to irregular rate studies and asked how rates for OLTL services are currently set. Sec. Arkoosh acknowledged the differences in rate-setting requirements between ODP and OLTL, noting ODP's three-year rate refresh requirement. She expressed openness to discussing a more incremental approach to wage increases with the General Assembly. Rep. Brown asked whether an actuary is used annually to determine appropriate service rates under OLTL. Sec. Arkoosh confirmed that DHS uses Mercer for wage and rate studies, which are not conducted annually.

Rep. Brown stated that the report indicated a need for rate increases ranging from 12%

to 44%, totaling a state cost of $856 million, in addition to a proposed increase of nearly $1 billion in CHC. She asked whether DHS had budgeted for this potential increase and considered cost-saving measures. Sec. Arkoosh answered that they have not budgeted for the rate increases outlined, only for the increase to direct care workers and participant-directed services.

Rep. Ben Waxman (D-Philadelphia) inquired about the impact of a federal spending freeze initiated by President Donald Trump, which led to the Medicaid payment system going down, asking about the disruption of services and operational challenges faced by the department. Sec. Arkoosh replied that the uncertainty caused by the federal spending freeze “was enormous and was enormously time-consuming and distracting” for DHS staff. She highlighted federally qualified health centers reliant on the affected payment portal, noting the quick resolution but “significant” disruption and concern it caused. Rep. Waxman asked about the nature of communication from federal officials to DHS before the restoration of the Medicaid payment system. Sec. Arkoosh explained there was no formal communication or notification from federal officials regarding the shutdown of the payment portal, highlighting a complete lack of the standard process and notices that typically accompany changes, especially concerning payment systems.

Rep. Waxman highlighted the unusual nature of these communications from the federal government and inquired if that has ever happened before. He also asked what other vulnerabilities for DHS and other departments these actions could have. Sec. Arkoosh reassured Pennsylvanians that Medicaid and SNAP benefits would remain unchanged despite potential federal interventions, emphasizing Gov. Shapiro's commitment to these services and acknowledging the state's limited response capabilities to federal changes. She pledged support for Pennsylvanians facing future challenges.

Rep. Charity Grimm Krupa (R-Fayette) asked about measures to prevent the misuse of SNAP benefits, particularly concerning the resale of items bought in bulk. Sec. Arkoosh specified that the issue with SNAP benefits is theft, not fraud, and mentioned DHS’s move towards chipped cards to prevent theft. She also noted that the limited amount of SNAP benefits restricts the volume of goods that can be bought for resale. Rep. Krupa inquired about systems to track unusual purchase patterns with SNAP benefits. Sec. Arkoosh apologized for misunderstanding the initial question and specified that while DHS cannot conduct investigations, they monitor for unusual usage patterns and refer cases as necessary. Rep. Krupa asked about measures to track or flag suspicious activities, like unauthorized debit card usage in foreign countries. Sec. Arkoosh explained that the vendor, Conduit, does not offer the function to track or flag such activity. Rep. Krupa suggested selecting a vendor capable of tracking and flagging suspicious activity, considering the significant budget involved. Sec. Arkoosh reminded that SNAP is a federal program funded with federal dollars. Rep. Krupa inquired about the selection of vendors by the federal government. Sec. Arkoosh said, “We have a choice of vendors that the federal government works with.”

Rep. Krupa asked if any investigation into vendors offering fraud prevention or theft detection services had been conducted and requested a follow-up. Sec. Arkoosh stated she does not know if it is possible for the available vendors to offer such services, doubting that either of the two vendors provides that function. Rep. Krupa emphasized the need to regulate SNAP benefits to promote nutritional awareness without penalizing vulnerable individuals for occasional indulgences, pointing out the increasing rates of diet-related illnesses. She asked what steps DHS is taking to encourage healthier food choices within the program. Sec. Arkoosh explained that DHS is restricted by federal rules regarding food choices in SNAP, which do not permit limiting what food items can be purchased. She mentioned that U.S. Health and Human Services Secretary Robert F. Kennedy, Jr. is interested in this issue, suggesting potential federal changes might occur soon.

Rep. Krupa asked if any studies or data had been collected on the long-term health effects of unrestricted SNAP purchases and the associated costs on Pennsylvania's Medicaid program, highlighting the impact of poor nutrition on chronic disease and health care costs. Sec. Arkoosh answered that a recent University of Pittsburgh study examined the impact of losing SNAP benefits, revealing significant cost increases in the Medicaid system. She added that individuals with diabetes saw their health care expenses rise by approximately $200 per person per month, while those with chronic conditions like high blood pressure experienced an increase of about $150 per person per month. She argued that this data suggests that cutting SNAP benefits may lead to higher overall health care costs.

Rep. La'Tasha Mayes (D-Allegheny) highlighted the federal cuts of $880 billion over the next 10 years to Pennsylvania's MA Program, affecting three million Pennsylvanians, including 750,000 under Medicaid expansion. She noted the decrease in the uninsured rate to 5.4% and a 27.7% reduction in uncompensated care at hospitals since the expansion. She asked Sec. Arkoosh about the impact of these cuts on health care services and the uninsured rate. Sec. Arkoosh confirmed that the proposed federal cuts to Medicaid would result in fewer insured individuals and reduced benefits, emphasizing the catastrophic impact on hospitals due to the inability to absorb the losses from uncompensated care. She highlighted the 27.7% reduction in uncompensated care since the Medicaid expansion in 2015.

Rep. Mayes asked Sec. Arkoosh for an update on the maternal health strategic action plan's status and its impact on pregnant women in the state, acknowledging DHS' efforts in combating maternal mortality and morbidity. Sec. Arkoosh mentioned the maternal health strategic plan is awaiting release from Gov. Shapiro's office and highlighted the collaborative efforts with other departments. She discussed conducting listening sessions across the state, where feedback indicated satisfaction with Medicaid coverage for pregnant individuals and mothers. Sec. Arkoosh expressed anticipation for the plan's release and the intention to work closely with stakeholders for

implementation.

Rep. Marci Mustello (R-Butler) inquired about Gov. Shapiro's proposed $15 million for long-term care facilities to meet federally mandated nurse staffing requirements, asking about the challenges related to staffing, the specifics of the federal requirements, how the funding will be distributed, and if any federal funds were received. Sec. Arkoosh explained the challenges of aligning state and federal staffing requirements for long-term care facilities, mentioning the General Assembly's financial support for staffing mandates and the additional, partially aligned federal requirements. She noted the submission of public comments to CMS, advocating for considerations regarding rural communities and the significant challenge posed by the federal mandate requiring a registered nurse to be present 24/7, which has been postponed for two years. Rep. Mustello asked for clarification on the specific years the federal requirement for a registered nurse to be present 24/7 in rural communities was postponed. Sec. Arkoosh confirmed the two-year pause on the federal requirement for a registered nurse to be present 24/7 in rural communities. She explained the process for facilities that cannot meet a federal rule, starting with a corrective action plan and potentially impacting licensing if unmet. Gilligan discussed an exemption process in the final rule from CMS but noted the lack of extensive details.

Rep. Mustello asked about a state mandate exemption process and expressed concerns about the nursing shortage's impact. Sec. Arkoosh mentioned Gov. Shapiro's proposal for loan repayment programs to address the nursing shortage in rural areas. Rep. Mustello highlighted the issue of the potential loss of nursing facilities in rural areas. Sec. Arkoosh noted a trend of individuals preferring to age at home, supported by programs like CHC, and acknowledged the challenges this poses to rural nursing facilities. Gilligan explained the proposed budget addresses the CMS final rule, with phase one requiring facilities to meet a standard of 3.48 resident hours and the final stage specifying requirements for registered nurses and other personnel. Rep. Mustello asked about discussions on rescinding the mandate and advocacy to remove current mandates. Sec. Arkoosh stated they have not been asked to submit feedback on the CMS proposed rule. Gilligan pointed to a proposal to increase funding for both urban and rural areas starting January 1, 2026, to help rural nursing facilities meet compliance standards.

Rep. Paul Friel (D-Chester) addressed concerns about DHS's interpretation of rules for congregate living for adults with disabilities, highlighting the isolation and lack of community due to strict rules. He asked what could be done in Pennsylvania to change that. Sec. Arkoosh responded, specifying the availability of a wide range of flexible living environments through ODP and emphasizing ongoing engagement with families to find suitable living arrangements. Rep. Friel asked what the rules are in terms of residential options. Sec. Arkoosh discussed the implementation of the CMS Center for Medicare and Medicaid care programs' settings rule in Pennsylvania, which concluded in 2019 after a five-year process and over 60 stakeholder meetings. She highlighted the state's

approach to these guidelines, such as the prohibition of adjacent houses but allowing duplexes with no more than two people each, contrasting it with Massachusetts' different application of the rules. Rep. Friel raised concerns about the adequacy of Pennsylvania's settings rule that limits houses to only two people per duplex, suggesting it might be insufficient for the needs identified by advocacy groups and expressed a desire for further discussion.

Rep. Jamie Barton (R-Schuylkill) addressed the sustainability of hospitals in Pennsylvania, emphasizing the importance of maintaining these community assets and appreciated the budget's recognition of these issues through new initiatives, including a proposal by Gov. Shapiro to allocate $10 million to rural hospitals and another $10 million for hospitals statewide. He asked Sec. Arkoosh about the distribution of these funds. Sec. Arkoosh explained the administration's focus on rural health, detailing the distribution plan for the $10 million appropriated to stabilize rural hospitals, which, with CMS approval, will leverage additional federal funds to total $37.7 million. She also mentioned changes to dish payments to rural hospitals, resulting in an additional $60 million in federal funding by 2025.

Rep. Barton inquired about the proposed $20 million line item appropriation for patient safety and service for hospitals, its intended use and distribution method. Sec. Arkoosh specified that the funding aims to provide flexibility in addressing specific and acute issues affecting patient access to services, and it is unlikely to be matched with federal funding. Rep. Barton questioned why Gov. Shapiro proposed an appropriation instead of utilizing federal funding, which could potentially double the investment. Sec. Arkoosh responded that the $20 million appropriation would be distributed based on a specific allocation formula to hospitals meeting certain criteria, aiming to create a flexible, rapid response fund to ensure patient safety and continuity of care. Gilligan stated that drawing down federal dollars could be possible but would require a case-by-case evaluation to determine the criteria needed for federalization.

Rep. Gina Curry (D-Delaware) inquired about the impact of increased funding for obstetrics (OB) and neonatal intensive care unit (NICU) services. Sec. Arkoosh noted the benefits of hospitals providing OB services and the development of a maternal health strategic plan. She highlighted the high costs of maintaining labor and delivery services and the lack of a specific funding increase due to the upcoming strategic plan. Rep. Curry asked what actions the General Assembly could take to ensure adequate access to maternity and neonatal care services across the state. Sec. Arkoosh emphasized the importance of supporting health care providers in maternity care, mentioning the necessity of loan repayment programs for physicians in rural areas, monitoring liability insurance and expanding birthing centers. Rep. Curry acknowledged the steady state of maternal health numbers and the importance of addressing maternal health access in various regions.

Rep. Eric Nelson (R-Westmoreland) expressed disappointment with the Department of

Transportation’s suggestion to use ride-sharing for maternity deserts and inquired about the allocation of funds from a potential $10 million approval that could leverage $37 million federally, specifically for the nine counties lacking maternity services. Sec. Arkoosh said that the allocation of the $10 million appropriated for the state fiscal year could be discussed and that the allocation to the nine counties is flexible and not yet finalized. She expressed willingness to provide more details on the allocation formula and to discuss adjustments.

Rep. Nelson expressed frustration over the lack of a solid dollar commitment for families in specific counties and inquired if the decline in maternity services was due to financial constraints or the recent legal change allowing lawsuits to be filed in any county. Sec. Arkoosh discussed the issue of venue shopping and its impact on rural health care, explaining that the decline in maternity services in rural areas is more significantly impacted by the decreasing number of deliveries and birth rates rather than the effects of venue shopping. She explained that Pennsylvania has been adhering to federal guidelines for waiving work requirements since at least 2009, which involves meeting a federal threshold for insufficient job availability to qualify for the waiver.

Rep. Anthony Bellmon (D-Philadelphia) asked about the department's actions to address overcrowding in juvenile detention facilities, noting that a facility in West Philadelphia was over capacity in 2023. Sec. Arkoosh responded that the Philadelphia Juvenile Justice Services Center's current census is 136, below its capacity, and discussed the challenges and improvements made in increasing bed availability and developing services for youth, especially in response to a policy by the Philadelphia District Attorney aimed at keeping youth out of the adult system. Rep. Bellmon then inquired about the performance of the southeast treatment unit that opened in July of 2024. Sec. Arkoosh replied it is performing well, housing about 25 youths with plans to expand. Rep. Bellmon asked what more the General Assembly could do to assist. Sec. Arkoosh emphasized the importance of a holistic approach to youth justice, focusing on prevention measures.

Rep. Ryan Warner (R-Fayette) inquired about the specifics of fraud prevention and recovery efforts that saved over $490 million in Medicaid funds in fiscal year 2023-2024 and asked for legislative measures to support these efforts. Sec. Arkoosh detailed DHS’s efforts in managing Medicaid funds, highlighting the roles of the Bureau of Program Integrity and Third Party Liability, the use of a federal do not pay list, monitoring for doctor shopping, and the implementation of AI technology to identify potential fraud. Rep. Warner then shifted the discussion to Electronic Benefits Transfer (EBT) card fraud, expressing concern over the inability to investigate and pursue criminal charges against authorized representatives who misuse EBT cards. He mentioned his legislation aimed at aligning Pennsylvania's policies with those of other states like Michigan and California and asked if DHS is moving towards such alignment. Sec. Arkoosh thanked Rep. Warner for raising the issue, adding that she is happy to look into it further. Rep. Warner emphasized the bipartisan nature of requiring authorized

representatives to sign the same rights and obligations as actual cardholders, mentioning it is a practice in states like California and Michigan. He expressed his intention to revisit this issue and discuss another matter if time allows.

Rep. Joshua Siegel (D-Lehigh) discussed the negative impact of pharmacy benefit managers (PBMs) on independent pharmacies, highlighting their anti-competitive practices and the financial difficulties faced by pharmacies in his district. He asked about DHS efforts to ensure fair compensation for pharmacies. Sec. Arkoosh specified that the Medicaid program does not allow spread pricing, in compliance with Act 77 of 2024, and mentioned the elimination of transmission fees between PBMs and pharmacies in the 2025 contracts due to confusion over their allowance under Medicaid rules. Rep. Siegel expressed satisfaction with the passage of HB 1993 for increasing transparency in the PBM industry and inquired about the consideration of adopting a single PBM model for Medicaid to generate additional savings. Sec. Arkoosh stated that the issue of adopting a single PBM model for Medicaid is currently under study.

Rep. Siegel highlighted the need for increased county mental health funding, citing the County Commissioners Association of Pennsylvania's statement that over $100 million is necessary. He mentioned the current budget includes $20 million for this year, in addition to $40 million from previous years, but emphasized the challenges counties face, including long wait times for critical mental health services. He asked for insights into these struggles and the support needed. Sec. Arkoosh thanked Gov. Shapiro for committing to a $60 million increase in county funding over four years, emphasizing the challenges faced by counties and detailing the expansion of the crisis response system, including the operational 988 system and the establishment of mobile response units in all 67 counties. Rep. Siegel commended Gov. Shapiro for the investments in the system but emphasized that they are just the beginning given the “decades of neglect.” He highlighted the urgency and crisis facing the counties, urging for continued investments.

Rep. Eric Davanzo (R-Westmoreland) mentioned that DHS was not included in the comprehensive review of every program in the commonwealth announced during Gov. Shapiro's budget address. He asked if there had been any discussions about including DHS in future reviews. Sec. Arkoosh expressed her willingness to examine efficiencies within DHS and offered to share existing efficiency measures, emphasizing her commitment to being prudent with taxpayer dollars. She apologized for delays in responding to legislators' inquiries, attributing the delays to receiving over 100 requests daily and staffing challenges. She emphasized the department's commitment to efficiency despite these challenges. Rep. Davanzo mentioned a specific instance where it took about 10 days to receive a response, expressing embarrassment when unable to provide immediate assistance to constituents. Sec. Arkoosh acknowledged the delay and provided current statistics on application processing times for various services, including Medicaid and SNAP.

Rep. Davanzo noted the previous discussion about the federal funding freeze, stating that Sec. Arkoosh responded that “that’s insane.” He asserted that slow responses from DHS are among the reasons for the federal funding freeze, suggesting they “pump the breaks and see exactly what’s going on.” He inquired about the number of employees working remotely. Sec. Arkoosh specified that slow response times should not equate to cutting Medicaid for three million Pennsylvanians and provided specific numbers on the telework status of DHS employees. Rep. Davanzo asked if there is a quality control that oversees the telework. Sec. Arkoosh explained that the work of remotely working employees is monitored in real time to maintain efficiency.

Rep. Justin Fleming (D-Dauphin) revisited the topic of performance-based contracting within the Interim Disability Assistance (IDA) sphere, asking about the rationale behind adjustments to the metrics and processes. Sec. Arkoosh explained that the adjustments were made in response to feedback from providers and emphasized the importance of working closely with them. Rep. Fleming inquired about communication with families regarding these adjustments and asked for a status update on the program's effectiveness. Sec. Arkoosh stated she was uncertain about the communication aspect and mentioned that the program is in its initial stages, with optimism for more detailed updates by the next year. Rep. Fleming detailed that the proposed budget includes $55 million for recruitment and retention grants for child care providers, along with a $15 million increase for Pre-K Counts program rate adjustments, totaling a $70 million investment in early learning, and asked Sec. Arkoosh to elaborate on how these funds will be allocated and their expected impact. Sec. Arkoosh explained that Gov. Shapiro's proposal of $10 million for early intervention providers for children aged zero to three and $55 million for recruitment and retention grants for child care providers, includes a $1,000 retention bonus for teachers and teaching assistants. Rep. Fleming confirmed the $1,000 awards for new teachers.

Rep. Kristin Marcell (R-Bucks) raised concerns about the closure of over 106 personal care homes due to insufficient Supplemental Security Income (SSI) funding and inquired about the outcomes for displaced seniors. Sec. Arkoosh responded by mentioning the 64% occupancy rate in personal care homes and the general availability of alternative accommodations for seniors. Rep. Marcell further inquired about the percentage of seniors moving to skilled nursing facilities and the possibility of conducting a cost-benefit analysis on increasing SSI funding to prevent such moves. Sec. Arkoosh specified that DHS does not pay SSI but supplements it with state funds and has not conducted recent analyses on increasing SSI funding due to the lack of a formal proposal. She stated DHS could conduct an analysis if requested by the legislature. Rep. Marcell asked if such a request needs to be made through legislation. Sec. Arkoosh replied that a request could be made without formal legislation but suggested a co-sponsorship memo or a general outline would help in providing a more accurate analysis. Gilligan added that the state supplement for personal care homes was increased in January of 2023, addressing a gap that had not been addressed for 15 years.

Rep. Bridget Kosierowski (D-Lackawanna) asked Sec. Arkoosh about the criteria and accountability measures for selecting hospitals to receive financial support, emphasizing the need for transparency and the impact of hospital mergers and closures across the commonwealth. Sec. Arkoosh responded by stressing the importance of ensuring taxpayer dollars are well-utilized, particularly in supporting struggling hospitals. She described the negative impact of private equity on hospitals and assured that funds from the General Assembly would not benefit private equity firms. Rep. Kosierowski expressed concerns about the negative impact of private equity on community hospitals in Scranton, Pennsylvania, describing the situation as "criminal" and expressing approval for Gov. Shapiro's commitment to preventing such situations in the future.

Rep. Joshua Kail (R-Beaver) expressed concern about the politicization of waste, fraud and abuse at the national level and asked about potential policy changes to improve the distribution of benefits within the commonwealth. Sec. Arkoosh mentioned that the Bureau of Program Integrity prevented or recouped over $490 million in the last state fiscal year through various efforts to ensure benefit integrity. She detailed the use of data exchanges to verify eligibility for benefits and the development of an Electronic Visit Verification system to prevent fraud. Sec. Arkoosh emphasized the seriousness with which she approaches the management of DHS's budget, which constitutes about 41% of the total and expressed openness to new suggestions for improving benefit integrity.

Rep. Kail asked if there was anything the legislature could do to further support DHS in ensuring benefits reach the intended recipients and if additional resources or rules were needed. Sec. Arkoosh mentioned the challenge of investigating the theft of benefits, such as SNAP skimming, due to the lack of investigative power within DHS. She emphasized the importance of ensuring that the Office of the State Inspector General (OSIG) and state police have sufficient resources to conduct these investigations, noting that DHS frequently refers cases to OSIG, with about 90% of Medicaid fraud cases caught by OSIG originating from DHS referrals. She highlighted the role of a tip line in identifying fraud cases, underscoring the need for adequate resources to support thorough investigations.