
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 322 Session of
2019

INTRODUCED BY MARTIN, SCARNATI, MENSCH, AUMENT, STEFANO AND
ALLOWAY, FEBRUARY 22, 2019

REFERRED TO HEALTH AND HUMAN SERVICES, FEBRUARY 22, 2019

AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An
2 act to consolidate, editorially revise, and codify the public
3 welfare laws of the Commonwealth," in public assistance,
4 providing for total population Medicaid Decision System
5 health initiative.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. The act of June 13, 1967 (P.L.31, No.21), known
9 as the Human Services Code, is amended by adding a section to
10 read:

11 Section 411.1. Total Population Medicaid Decision System
12 Health Initiative.--(a) The department shall issue a request
13 for proposals for a total population Medicaid Decision System
14 pilot program in one Medicaid managed care region of this
15 Commonwealth that incorporates electronic evidence-based
16 medicine into physical and behavioral health decisions
17 concerning a medical assistance recipient and provides the
18 department with utilization patterns, oversight, utilization
19 trend analysis and health care cost evaluations through a data

1 analytic system. Medical assistance recipients within the region
2 will be randomly divided by household into an active pilot group
3 and a control group. The purpose of the health initiative is to
4 increase the use of appropriate primary and preventive care by
5 medical assistance recipients while decreasing unnecessary
6 utilization of services, including specialty care and hospital
7 emergency department services, in addition to providing the
8 department with timely operational and strategic reporting. The
9 following apply:

10 (1) All medical assistance recipients in the selected
11 Medicaid managed care region who are randomized into the active
12 pilot group will have access to the health initiative.

13 (2) The department shall define the Medicaid Decision System
14 services to be provided by the health initiative. The health
15 initiative shall, at a minimum:

16 (i) Provide all medical assistance recipients in the
17 Medicaid managed care region with access to resources to enhance
18 medical assistance recipient participation and promote
19 continuing engagement with a decision support service, including
20 access provided through a single telephone access point and a
21 private portal specific to each medical assistance recipient.

22 (ii) Support existing State resources available to medical
23 assistance recipients in the selected Medicaid managed care
24 region by providing health management services as needed.

25 (iii) Coordinate efforts with existing and future providers,
26 contractors, services and agencies.

27 (iv) Utilize technology to provide an advanced electronic
28 information and evidence-based medical system to guide and
29 support medical assistance recipients and physicians in the
30 selected Medicaid managed care region to improve health care

1 decisions and health outcomes.

2 (v) Report analytic, utilization, cost savings and claim
3 validation information to the department annually or at more
4 frequent predetermined intervals via transmitted reports and an
5 administrative web portal for department-approved personnel.

6 (3) The department shall enter into a contract with one
7 offeror within ninety days of the effective date of this section
8 and require that the annual savings to the Commonwealth
9 resulting from the use of the health initiative exceed the cost
10 of the health initiative. The secretary shall forward notice to
11 the Legislative Reference Bureau for publication in the
12 Pennsylvania Bulletin of the date the contract is awarded to the
13 offeror.

14 (4) The offeror shall be independent and not be a health
15 plan, pharmaceutical manufacturer, pharmacy or pharmaceutical
16 distribution entity, hospital, clinic or managed care
17 organization, nor wholly owned by or a subsidiary of any.

18 (5) The department shall require the offeror provide data
19 analytics to verify the effectiveness of the health initiative.
20 To measure the effectiveness of the health initiative, the
21 offeror is required to report on and process one hundred percent
22 of the claims in both the active pilot group and the control
23 group. The data analytic system must include:

24 (i) Ad hoc reporting that identifies the health care costs
25 and utilization of services for the active pilot group.

26 (ii) Ad hoc reporting that compares total costs and service
27 utilization between the active pilot group and the control
28 group.

29 (iii) Ad hoc reporting that compares total costs and service
30 utilization of the active pilot group during the time period of

1 the health initiative and the base years prior to the health
2 initiative.

3 (6) The department shall require all medical,
4 pharmaceutical, dental, transportation and PCS claims and
5 encounter data be made available to the offeror for all medical
6 assistance recipients no less than once a month. Claim and
7 encounter data include all elements and concepts included in
8 ANSI ASC X12 837 v5010 standards. The department shall require
9 that the offeror operate and maintain processes to support the
10 collection, extraction, translation, loading and maintenance of
11 required information, data and reports.

12 (7) The offeror shall define Commonwealth-approved data
13 validation rules for each data source to identify errors and to
14 ensure the quality and integrity of the data from each data
15 source. The offeror shall propose and use methods and standards,
16 as approved by the State, to confirm that data submissions from
17 each data source reasonably represent expected utilization for
18 each medical assistance recipient.

19 (8) All of the offeror's information, data and reports must
20 be maintained in compliance with the Health Insurance
21 Portability and Accountability Act of 1996 (Public Law 104-191,
22 110 Stat. 1936) or the Health Information Technology for
23 Economic and Clinical Health Act (Public Law 111-5, 123 Stat.
24 226-279 and 467-496), including protecting the storage of,
25 access to and dissemination of protected health information.

26 (9) Offeror bears all financial risk for executing the
27 health initiative. No administrative or service fee may be paid
28 to the offeror during the initial six months of the health
29 initiative.

30 (10) The department may cancel the contract with no further

1 obligation at the end of the first six months of the contract if
2 no evidence of savings is reported. If savings are reported, the
3 department shall retroactively pay the offeror a data management
4 service fee of one dollar (\$1) per member per month for the
5 execution of all data processing, collection, validation and
6 analysis, and shall continue the health initiative for an
7 additional six months and pay the offeror an amount equal to one
8 half the customary per member per month fee, in addition to the
9 one dollar (\$1) data management fee for the subsequent six
10 months if the savings exceed the cost of service. The customary
11 per member per month fee is not to exceed five dollars (\$5) per
12 member per month.

13 (b) The department and offeror shall issue a report at the
14 end of the first six months and at the end of the subsequent six
15 months if the contract is extended to the chairperson and
16 minority chairperson of the Health and Human Services Committee
17 of the Senate and the chairperson and minority chairperson of
18 the Health Committee of the House of Representatives. The report
19 shall detail outcomes of the health initiative, including:

20 (1) Analytic and utilization information.

21 (2) Cost savings realized by the Commonwealth for the active
22 pilot group as compared to the control group and against the
23 base years for the active pilot group.

24 (3) Recommendations by the department regarding expansion of
25 the health initiative should the financial performance warrant
26 expansion.

27 (c) At the conclusion of the contract, the department may
28 expand the health initiative if the following conditions are
29 met:

30 (1) The department determines that the expansion is expected

1 to reduce spending without reducing the quality of care or
2 improve the quality of care without increasing spending.

3 (2) Actuarial analysis certifies that the expansion will
4 reduce or not increase net program spending.

5 (3) The department determines that the expansion will not
6 deny or limit coverage or benefits to medical assistance
7 recipients.

8 (d) As used in this section, the term "health initiative"
9 means the total population Medicaid Decision System pilot
10 program.

11 Section 2. This act shall take effect in 60 days.