

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE

June 20, 2011

The Honorable Matthew E. Baker
House of Representatives of Pennsylvania
Harrisburg, PA 17120

The Honorable John Myers
House of Representatives of Pennsylvania
Harrisburg, PA 17120

Dear Chairmen Baker and Myers:

Thank you for the opportunity to participate in the House Health Committee hearing on House Bill 1480, the proposed legislation for statewide expansion of the HealthChoices physical health medical assistance managed care program. Unfortunately, I am unable to attend the hearing in person, but was asked to submit general comments on behalf of the Department of Public Welfare.

House Bill 1480 provides “for the establishment and administration of a managed health care program for medical assistance recipients and for the powers and duties of the Department of Public Welfare.” In short, the bill seeks statewide expansion of Pennsylvania’s current physical health medical assistance mandatory managed care program, HealthChoices.

Please know that we are very proud of the successes of our HealthChoices program in Pennsylvania. It currently serves well over a million consumers offering improved provider networks and a focus on quality and preventative care. HealthChoices has delivered measurable improvement and outcomes and as a result, our current managed care plans are ranked nationally as some of America’s best Medicaid health plans. In partnership with the participating plans, the department has continually re-evaluated its approach to the delivery of medical assistance services and has worked to ensure that HealthChoices constantly improves health care delivery and health outcomes. The bottom line is that the HealthChoices program has helped Pennsylvania to improve health care access, manage health care quality and control health care costs for its Medical Assistance consumers. The department was able to accomplish these successes without legislation similar to House Bill 1480.

The department supports the concept of expanding the HealthChoices program, however has substantial concerns that the legislation does not provide the department with the necessary flexibility to effectively manage its medical assistance program. The department currently has the authority to expand the HealthChoices program and is already conducting analyses to support possible expansion. The results of these analyses will help determine how to best serve additional geographic areas and populations. As Pennsylvania’s health care markets continue to evolve, it’s important that policy makers maintain the department’s

flexibility to respond to such changes and serve as a responsible steward of taxpayer dollars by operating as a “smart purchaser” of health care services.

The expansion of HealthChoices offers the department an opportunity to continue to improve health care access, manage health care quality and control health care costs. We support pursuing such expansions in a manner that enables the Commonwealth to achieve the successes of HealthChoices while acting in the interest of the taxpayers and best serving our consumers. The department is committed to working with the committee and other program stakeholders to discuss the implementation of an expanded HealthChoices program.

We look forward to that discussion and will update you as we progress through this process. Thank you for this opportunity to provide these comments and if you have any questions or need anything further, please do not hesitate to contact Brendan Harris, Director of the Department’s Office of Legislative Affairs, at (717) 783-2554.

Sincerely,

A handwritten signature in cursive script, appearing to read "Izanne Leonard-Haak".

Izanne Leonard-Haak,
Acting Deputy Secretary