

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
BUDGET HEARING

DEPARTMENT OF HUMAN SERVICES

STATE CAPITOL
HARRISBURG, PENNSYLVANIA
ROOM 140, MAJORITY CAUCUS ROOM

TUESDAY, MARCH 6, 2018
10:00 A.M.

BEFORE:

HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN
HONORABLE JOSEPH MARKOSEK, MINORITY CHAIRMAN
HONORABLE KAREN BOBACK
HONORABLE SHERYL DELOZIER
HONORABLE GEORGE DUNBAR
HONORABLE GARTH EVERETT
HONORABLE KEITH GREINER
HONORABLE MARCIA HAHN
HONORABLE DOYLE HEFFLEY
HONORABLE SUE HELM
HONORABLE LEE JAMES
HONORABLE WARREN KAMPF
HONORABLE FRED KELLER
HONORABLE JASON ORTITAY
HONORABLE MIKE PEIFER
HONORABLE MARGUERITE QUINN
HONORABLE BRAD ROAE
HONORABLE JAMIE SANTORA
HONORABLE CURT SONNEY
HONORABLE KEVIN BOYLE
HONORABLE TIM BRIGGS
HONORABLE DONNA BULLOCK
HONORABLE MARY JO DALEY
HONORABLE MARIA DONATUCCI
HONORABLE MARTY FLYNN

*Pennsylvania House of Representatives
Commonwealth of Pennsylvania*

1 BEFORE: (Continued)

2 HONORABLE PATTY KIM
3 HONORABLE STEPHEN KINSEY
4 HONORABLE LEANNE KRUEGER-BRANEKY
5 HONORABLE MIKE O'BRIEN
6 HONORABLE MARK ROZZI
7 HONORABLE PETER SCHWEYER

8 NON-COMMITTEE MEMBERS

9 HONORABLE TOM MURT
10 HONORABLE JIM COX
11 HONORABLE CRIS DUSH
12 HONORABLE ELI EVANKOVICH
13 HONORABLE JUDY WARD
14 HONORABLE ALEX CHARLTON
15 HONORABLE TEDD NESBIT
16 HONORABLE KATHY RAPP
17 HONORABLE PAM DeLISSIO
18 HONORABLE BRIAN SIMS
19 HONORABLE PERRY WARREN
20 HONORABLE SCOTT CONKLIN
21 HONORABLE MARK LONGIETTI
22 HONORABLE MIKE DRISCOLL

23 COMMITTEE STAFF PRESENT:

24 DAVID DONLEY
25 REPUBLICAN EXECUTIVE DIRECTOR
RITCHIE LAFAVER
REPUBLICAN DEPUTY EXECUTIVE DIRECTOR
MIRIAM FOX
DEMOCRATIC EXECUTIVE DIRECTOR
TARA TREES
DEMOCRATIC CHIEF COUNSEL

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Pennsylvania House of Representatives
Commonwealth of Pennsylvania

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SUBMITTED WRITTEN TESTIMONY

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P R O C E E D I N G S

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MAJORITY CHAIRMAN SAYLOR: We'll call the hearing to order.

I want to welcome Secretary Miller to testify today. We'll start off with, Madam Secretary, if you or anybody from your Department who may give testimony would please rise and raise their right hand.

SECRETARY MILLER: I have a fabulous team.

MAJORITY CHAIRMAN SAYLOR: That's perfectly all right.

(Testifiers sworn en masse.)

MAJORITY CHAIRMAN SAYLOR: Thank you. We want to recognize, before we start today, we've been joined by some members who are sitting in on the testimony today who are not members of the Appropriations Committee.

We are joined by: Representative Dush, Representative Nesbit, Representative Corr, Representative ward, Representative Murt, Representative Charlton, Representative Longietti,

1 Representative Sims, Representative Conklin, and
2 Representative DeLissio. All right.

3 And Cox, I'm sorry, Representative Cox.
4 And Representative Perry Warren.

5 Do we have everybody?

6 All right. With that, today we're to
7 hear from the Secretary of the Department of Health
8 and Human Services. Of course, the Department is
9 one of the largest in State government. In fact, I
10 would say it probably manages more employees than a
11 lot of Governors manage in other states. It
12 accounts for the largest part of our General Fund
13 budget.

14 Since this is a budget hearing today, I
15 wanted to have everybody talk a little bit about
16 cost-saving initiatives that DHS is looking at in
17 their budget proposal. I want to really drill down
18 on how we can continue to save taxpayers money.

19 I don't want to simply talk about
20 platitudes today. I really think -- it's a big
21 budget. I know the Secretary has been working very
22 hard to do her best over there, newly-appointed a
23 few months ago, but we have a full day of hearings.
24 We will do multiple rounds throughout the day.

25 We will adjourn at 12 o'clock promptly.

1 We will return at 1 o'clock to start again for
2 multiple rounds until we kind of run out of
3 questions for the Secretary. By then, she'll be
4 worn out.

5 SECRETARY MILLER: Wonderful.

6 MAJORITY CHAIRMAN SAYLOR: But I'm asking
7 members to wait until this afternoon to ask
8 questions about the merger, when Secretary Levine
9 will be here. It will be more helpful to ask those
10 questions this afternoon, to talk about the merger.

11 With that, Representative Markosek, do
12 you have any comments or questions?

13 MINORITY CHAIRMAN MARKOSEK: Well, both,
14 I guess, if I may. Thank you.

15 Welcome, Secretary, and all of the large
16 number of folks testifying here today. I just want
17 to say, you know, you might have one of the tougher
18 jobs in State government. It's a big, big
19 operation. We need good people to be there, and I
20 think you've assembled a great staff. So we're
21 looking forward to working with you.

22 Just maybe to get things started, the
23 current budget has \$250 million for intellectual
24 disability rates.

25 Can you give us a little idea of the

1 status of that line item?

2 And who are the beneficiaries?

3 SECRETARY MILLER: Sure. Thank you,
4 Mr. Chairman. Thank you so much for the opportunity
5 to be here today.

6 I also just want to thank my team here.
7 To your point, you can't do this job without an
8 amazing team. I'm privileged to work with a lot of
9 amazing people.

10 So to your point, we've had a lot of
11 discussion recently around the current year's
12 investment of \$249 million in increased rates for
13 the individuals with disabilities and -- or I'm
14 sorry, individuals with intellectual disabilities
15 and autism provider rates. That was a very
16 significant increase, particularly when you think
17 about the budget time that we were in in the current
18 fiscal year.

19 So the rate structure that we have around
20 ODP's service system, as we were building in the
21 additional \$249 million, we built in a minimum
22 hourly wage assumption of \$13/hour for direct care
23 workers that have a high school diploma. So for
24 direct care workers with more experience, the wages
25 assumed in our rate development process were even

1 higher.

2 It is important to note that we establish
3 rates. We don't set wages. Providers ultimately
4 decide what they're going to do with the increases
5 in rates that we provided for.

6 Federal rules require that Medicaid rates
7 recognize necessary costs and be both economical and
8 efficient. So the \$13/hour I referenced assumption
9 in our rates recognizes what's necessary to assure
10 quality services.

11 As part of the rate, we also assumed --
12 and I think this is a really important point -- we
13 assumed a 10 percent administrator expenses, which
14 is the standard recommended by CMS and assumes
15 economical and efficient administrative operations.
16 We know that not all providers have 10 percent
17 administrative expenses. But part of our job, I
18 think, is to incentivize providers in our system to
19 operate efficiently, so that we make sure that we
20 are using taxpayer dollars efficiently and
21 effectively.

22 We know that not all providers have
23 passed along an increase or the same increase in
24 wages, but we have spoken to several providers who
25 indicated that this significant investment allowed

1 them to increase wages. We've heard from some
2 providers that they were able to increase their
3 starting wage by a dollar an hour. Some are paying
4 as much as \$15.00 an hour.

5 We recently collected data as part of
6 this process from over 159 Pennsylvania providers
7 with over 17,000 direct support professionals with
8 high school diplomas. And that showed that they
9 were paying on average \$12.45 an hour. That was
10 before January, when the new residential fee
11 structure went into effect.

12 So I think this investment made was
13 really significant and meaningful, but I will also
14 say, this is an important issue and one that we want
15 to continue to work on. We want to continue to
16 increase rates over time, which is why we've
17 proposed regulations which require a refresh of
18 rates every three years.

19 This is really unprecedented that we
20 would do something like this, but I think that's
21 going to force us to sort of come into a practice of
22 looking at rates, at least every three years going
23 forward.

24 The last thing I would just say is, this
25 is a really important issue for us across our entire

1 Department, not just with our ODP or our Office of
2 Developmental Programs area. We want to see direct
3 care worker wages and the wages for those that
4 provide services to the people that we serve
5 increase across the board.

6 You know, there are some other areas of
7 our agency that haven't seen increases in rates in a
8 long time. Childcare workers is a great example,
9 which is why the Governor has an initiative to try
10 to increase wages or rates that hopefully will lead
11 to an increase in wages over time in that area, as
12 well.

13 MINORITY CHAIRMAN MARKOSEK: Well, thank
14 you for that. I know this has been an issue that
15 I've been involved with personally as a legislator
16 for many years. We've had hearings on this.

17 I mean, the providers that we have are so
18 very important to the ID community, obviously that's
19 who provides the service that they need. You know,
20 a lot of times, I don't want to say they're
21 forgotten, but we've had hearings where it's just
22 hard to recruit people, it's hard to keep them.

23 There are a lot of other places that they
24 can go and work for maybe a little better rate, a
25 better pay, benefits, all of those kinds of things.

1 So I think the fact that we're looking at that,
2 we're trying to make life better for them, we're
3 trying to recruit those folks, keep those folks that
4 we have, that is very important.

5 To the extent that I can help -- and I
6 think most members here feel the same way --
7 relative to that issue, please let us know. I just
8 want to thank you for that testimony.

9 SECRETARY MILLER: Absolutely. And thank you,
10 thank all of you, for the investment that we
11 together made this fiscal year. The \$249 million, I
12 think, for some providers has made a huge
13 difference.

14 I do think, as we've had further
15 conversations, one of the areas of contention is
16 around the admin expenses assumption that we have in
17 our rates. And we know not all operators have a
18 10 percent administrative expense, but we also have
19 talked to providers who are passing along these
20 rates.

21 I was just with a provider last week that
22 said they gave a dollar increase in October, a
23 dollar an hour increase this year -- earlier this
24 year, they gave another two dollars. And they're
25 contemplating another dollar in April. Their board

1 made a decision to pass along the entire rate
2 increase in the form of increased wages. They said
3 it's made a huge difference in their recruitment
4 efforts.

5 MAJORITY CHAIRMAN SAYLOR: Very good.

6 Madam Secretary, I will save my questions
7 for closer to the end.

8 So with that, we will move to
9 Representative Dunbar.

10 REPRESENTATIVE DUNBAR: Thank you,
11 Mr. Chairman.

12 Welcome, Secretary, and all of the other
13 testifiers. There were a lot of people raising
14 their hand at one time there.

15 The biggest line item on your budget is
16 where I would like to focus on, the capitation line
17 item. This year, when you look at the Governor's
18 proposal, it looks like it's relatively level
19 funded, but it has a -- as you look at his budget
20 book, there's a reduction based upon the collection
21 of diminished care gross receipts tax of about
22 \$351 million.

23 Last year, we didn't get any; is that
24 correct?

25 DIRECTOR SWAILS: We transitioned from a

1 gross receipts tax to a managed care assessment.

2 REPRESENTATIVE DUNBAR: Managed care
3 assessment, yes.

4 DIRECTOR SWAILS: And that was -- the 351
5 is a result of a "true up." The way it was managed
6 before, they paid prospectively and then had to
7 reconcile. That is not the case now.

8 So that 351 was revenue received after
9 the guaranty ended.

10 REPRESENTATIVE DUNBAR: Okay. So then my
11 understanding is that this will be the last time we
12 get --

13 DIRECTOR SWAILS: Correct, this one time.

14 REPRESENTATIVE DUNBAR: And going
15 forward, we will have to either find some way to
16 replace those funds, or is a managed care assessment
17 going to cover those costs or not?

18 DIRECTOR SWAILS: We do have a managed
19 care assessment in our line item. There is no
20 increase to that. So we will have to work on
21 evaluating our revenue options and maintaining our
22 costs.

23 REPRESENTATIVE DUNBAR: Because when I
24 look at the Governor's budget book, looking at
25 capitation, it's showing an increase from

1 \$3.1 billion this year to \$3.5 billion next year.

2 Is that just normal growth, or is that
3 not having the GRT?

4 DIRECTOR SWAILS: It's normal growth. We
5 do have -- we replaced the GRT with the managed care
6 assessment.

7 REPRESENTATIVE DUNBAR: Okay. So I'm
8 just trying to also put next year's budget together
9 in my mind, as well. So we have normal growth of
10 about \$400 million, is what we're talking about on
11 the capitation line?

12 DIRECTOR SWAILS: That's right.

13 REPRESENTATIVE DUNBAR: And we also have
14 to replace the \$351 million of GRT that we'll no
15 longer get; is that correct?

16 DIRECTOR SWAILS: That's correct.

17 REPRESENTATIVE DUNBAR: Okay. Thank you.
18 That's really what I wanted to get to,
19 where we're looking at next year.

20 So does the Governor have any other
21 plans?

22 DIRECTOR SWAILS: There were some
23 one-time costs that occurred in '17-'18. That will
24 not occur in '18-'19. So that will be somewhat
25 offset, but we do need to reauthorize the hospital

1 assessment this year, as well, and there was some
2 additional revenue included in '18-'19 for that.

3 REPRESENTATIVE DUNBAR: Okay. In your
4 opinion, does the managed care assessment cover up
5 that \$350 million we're no longer getting or not?

6 DIRECTOR SWAILS: The \$351 is a one-time
7 "true up," so it would not.

8 REPRESENTATIVE DUNBAR: Okay. All right.
9 So it's a one-time and that's going to need to be
10 covered and the growth is going to be covered.

11 DIRECTOR SWAILS: Correct.

12 REPRESENTATIVE DUNBAR: Okay. Thank you.

13 MAJORITY CHAIRMAN SAYLOR: Representative
14 Donatucci.

15 REPRESENTATIVE DONATUCCI: Thank you,
16 Mr. Chairman.

17 Good afternoon. Thank you for being
18 here.

19 The LIFE Program recently celebrated its
20 20th anniversary as the State's voluntary
21 provider-based local option for all-inclusive care,
22 medicaid, managed long term and support for the
23 elderly.

24 How do you see the LIFE Program in the
25 future continuum on long-term care options in the

1 Commonwealth?

2 SECRETARY MILLER: So the LIFE Program
3 has been and will continue to be a great option for
4 those people who are eligible and who choose to be a
5 part of the program. I think we continue to
6 highlight LIFE as an option as we're rolling out CHC
7 to individuals to make them aware of their options.
8 And that's something we certainly will be continuing
9 to do.

10 REPRESENTATIVE DONATUCCI: So now I'm
11 going to visit the other end of the spectrum and
12 talk about infants and toddlers. I saw that there's
13 a new pilot program to serve infants and toddlers in
14 high quality child care.

15 Can you tell us more about the proposed
16 pilot?

17 How many children do you expect to serve?

18 Where will the pilots be located?

19 Does high quality mean star three and
20 star four locations?

21 SECRETARY MILLER: Yes. Thank you for
22 that question. This is a program we're excited
23 about.

24 So this is \$3 million to establish a
25 one-year pilot program focused on high quality early

1 care and education programs for about 220 children.
2 These will be children under three in keystone star
3 three and star four programs, just as you suggested.

4 We're proposing to leverage
5 Pennsylvania's Pre-K Count's model to pilot
6 contracting with star 3 and 4 programs to serve
7 infants and toddlers in high quality settings. This
8 is going to improve access to and continued
9 enrollment in high quality early care and education
10 programs for the children who are zero to 36 months.

11 It's really supported by the results of
12 Pennsylvania's Infant Toddler Scan. It is really
13 intended to stabilize access for children to align
14 with the CCDBG reauthorization changes to a 12-month
15 eligibility requirement for families and incentivize
16 high quality programs to preserve our most
17 vulnerable infants and toddlers.

18 REPRESENTATIVE DONATUCCI: Thank you. I
19 have no further questions.

20 MAJORITY CHAIRMAN SAYLOR: Representative
21 Delozier.

22 REPRESENTATIVE DELOZIER: Thank you,
23 Mr. Chairman.

24 I just broke the mike. We've been using
25 it too much this week.

1 Thank you, Madam Secretary, for being
2 here. I have a question on HB 59 that was vetoed by
3 the Governor this October with the Human Services
4 Code.

5 In working with many of the initiatives
6 that were in that bill, we were working to provide
7 better services and find ways to rein in costs and
8 be able to get the services that are needed to many
9 of the people that our government should be serving,
10 those that need it the most, but that bill was
11 vetoed by this Governor.

12 I guess my question goes -- there are
13 many programs, obviously, offered by our agencies,
14 especially in your agency: SNAP, TANF, Medical
15 Assistance.

16 Why do some of the programs have a work
17 requirement, but yet TANF or Medical Assistance is
18 not included in that?

19 SECRETARY MILLER: So we do have, as you
20 alluded to, a work requirement for TANF; and there's
21 a work requirement related to SNAP. I think in
22 terms of extending such a work requirement to
23 Medicaid, I think if we start from where we all
24 agree, I think what we all agree on is that everyone
25 should have the independence and sense of purpose

1 and dignity that comes with working.

2 And that's why, from the Department's
3 perspective, we have had as a priority, and continue
4 to have, I think, with a renewed focus, a focus on
5 trying to increase employment opportunities for all
6 of the populations that we serve.

7 REPRESENTATIVE DELOZIER: Well, I will
8 say -- I apologize, I have a short period of time.
9 They're going to start cutting me off with the
10 lights here.

11 But when we debated the issue, the
12 argument on the floor time and time again was we
13 can't have people that are on Medical Assistance
14 working. So I take issue with the fact that that's
15 what the goal of it is, to have people -- because
16 time and time again -- and I support wholeheartedly
17 the "We Can" movement, the ability to get folks with
18 disabilities in the workplace because, just what you
19 just said, it gives people that validity, that yes,
20 I have something to stand up for.

21 But we're turning around and the Governor
22 is vetoing when we're trying to have that go into a
23 program that should be. So that doesn't seem to be
24 meshing.

25 SECRETARY MILLER: Well, I think the

1 issue is with Medicaid, Medicaid is not a welfare
2 program, it's a healthcare program. So it provides
3 health care to people.

4 I think the concern we have, the majority
5 of the able-bodied, or close to the majority of the
6 able-bodied population on Medicaid, is already
7 working.

8 REPRESENTATIVE DELOZIER: And how many is
9 that?

10 Do you know what the percentages are?

11 SECRETARY MILLER: Yeah. So we have
12 about 942,000 non-disabled adults in Medicaid; and
13 about 456,000 are working, almost 50 percent. About
14 486,000 are not working.

15 REPRESENTATIVE DELOZIER: Okay. And why
16 aren't the other --

17 SECRETARY MILLER: That's the question.

18 REPRESENTATIVE DELOZIER: The issue is,
19 why aren't the other able-bodied -- we're not
20 talking about those that cannot, obviously. There
21 are many people in our State that need the
22 assistance, and we have no issue with that.

23 But more and more, you know, just with
24 the whole campaign, like I mentioned, we want them
25 to be part of our economy, we want them to grow what

1 their abilities are. When we talk about the people
2 that are not -- yet we're vetoing bills that would
3 require this.

4 SECRETARY MILLER: I think that's what we
5 agree on. We agree that we want everyone who is
6 able to work to be working. I think the issue is
7 that we know people experience barriers to working.
8 And I think taking away access to health care is
9 just going to add one more barrier. I think that's
10 our concern.

11 So we want to understand. I think your
12 question was a good one about what do we know about
13 the 486,000 people that are not working?

14 We need to know more about that group, so
15 that we can understand why they're not working today
16 and figure out what we can do to help address their
17 barriers and get them to a place where they can
18 work. That's what we're really focused on. We're
19 doing a couple of things.

20 Can I tell you what we're doing? Is that
21 okay?

22 REPRESENTATIVE DELOZIER: Quickly.
23 Sorry.

24 SECRETARY MILLER: First, one of the
25 things we're doing is we're doing a deep dive into

1 the Medicaid claims data. So we've got a contractor
2 working with us to try to really understand, through
3 the claims data, what might be going on with these
4 populations, so we have a better sense of kind of
5 where they're coming from.

6 The second thing we're doing is working
7 really closely with our MCOs on addressing social
8 determinants of health, because we know social
9 determinants of health, things like housing, food
10 insecurity, these are things that have a bigger
11 outcome, a bigger impact on health outcomes than
12 what happens in a doctor's office.

13 So we've been working with the MCOs. We
14 even brought them together recently to say we know
15 you're doing a lot of things around social
16 determinants; what else we can do around employment?

17 Because employment and income, those are
18 social determinants, too. So this is an area that
19 we are really focused on right now. Frankly, it's
20 an area we'd like to work with you on.

21 I think we have a lot of things we can do
22 to improve the programs that are available, to help
23 get people working, but we also need to acknowledge
24 that people have real barriers to working. If we're
25 focused on addressing those, I think we'll get more

1 people working.

2 REPRESENTATIVE DELOZIER: I agree.

3 One of those, just to hit on one of those
4 barriers, in and of itself, this has been one of my
5 biggest frustrations with our State government for
6 the years that I've -- I've always seen it as a
7 punitive system.

8 We're trying to help those people get on
9 their feet. We're trying to help get them in the
10 workforce, but as soon as they go over by five
11 dollars, a particular threshold, whatever that
12 threshold may be, immediately health care benefits
13 are taken away, daycare benefits are taken away.

14 So why are we not balancing that out?

15 Say, if they are over by \$5 or \$500,
16 okay, well, they don't get that \$500, but they still
17 get the rest of those dollars. Let the State's bill
18 come down while they're getting on their feet and
19 let them prove themselves. Let them get out there.
20 So that's another issue with barriers, I agree with
21 you wholeheartedly.

22 My light is extremely red, but just the
23 ability to say that we do need to make sure that
24 we're not punitive. Let's work to make sure that
25 our system is helping them and not, you know,

1 hitting them over the head with one and saying, go
2 to work with the other. So I want to balance that
3 out.

4 SECRETARY MILLER: I think we agree on
5 that. If we're not being punitive and taking away
6 people's access to health care, I want to do
7 everything we can to help get people to work.

8 REPRESENTATIVE DELOZIER: Okay.

9 SECRETARY MILLER: So we agree on that.

10 REPRESENTATIVE DELOZIER: Thank you very
11 much.

12 MAJORITY CHAIRMAN SAYLOR: Madam
13 Secretary, I'm going to use the Chairman's privilege
14 here to follow that up.

15 President Obama came out, and I agreed
16 with him, on trying to get special needs individuals
17 into jobs. I thought it was a great idea. We have
18 to make sure that we do it in a way that is
19 responsible.

20 But for the administration to veto 59, HB
21 59, to me, was an act of irresponsibility. We're
22 holding people of special needs at a higher standard
23 than we are people that can work. More importantly,
24 we all know, for health reasons -- we talk about
25 this with our seniors all the time -- physical

1 activity, getting them out and about is the best
2 thing for mental health. It's the best thing for
3 physical health.

4 President Obama and Michelle Obama also
5 talked about obesity. Too many people are sitting
6 at home, which creates health problems. That's
7 another toll on our Commonwealth. I think that the
8 requirement to at least out of the house and go look
9 for work is something.

10 There's a lot of work out there that's
11 available. I mean, to be honest with you, I haven't
12 been anywhere where I haven't seen "help wanted"
13 signs. I think that if we don't do something in
14 this budget to get these people off of -- get them
15 back to work, is how I should put it, we're going to
16 have to cut services to others.

17 When people are able-bodied and can work
18 and aren't working, what about those who can't?

19 There are more services we need to give
20 to people with physical disabilities, to our
21 seniors, to our people with autism. Those people
22 are making sacrifices. We're not providing the
23 services because we're spending money over here
24 for people who can work and can provide services for
25 themselves, but we're allowing them to be -- I hate

1 to say the word lazy, but I'm going to say lazy.

2 Everybody who's unemployed and can work
3 should be looking for a job. I'm tired of excuses.
4 The taxpayers of Pennsylvania are tired of excuses.

5 In York County, where the Governor is
6 from, the biggest complaint, which is amazing to me,
7 has always been property tax reform. It's still a
8 major issue.

9 But do you know what the number one issue
10 now is?

11 Welfare reform. People see way too much
12 waste and a lot of services. I get complaints from
13 seniors about it. Now, they're getting denied
14 services because somebody else is getting a free
15 ride.

16 So you've got to understand, this is
17 probably one of the number one issues across this
18 State with people who are working, people who are
19 putting their dollars forward and saying, how come.

20 So I encourage the Governor and you to
21 find a way to make this work. I understand -- under
22 the Ridge Administration years ago, we did a lot of
23 training. I understand some people don't know how
24 to dress to go to work. Some people don't know that
25 showing up five days out of, you know, just showing

1 up four days is not acceptable.

2 I understand that. I work with a lot of
3 the programs in York County, trying to train people
4 how to cook, so that they can have healthy meals for
5 their children, but we're not doing enough at the
6 State level.

7 I know you just took over, so I'm not
8 putting it on you, Madam Secretary, but we're not
9 doing enough here to get people into jobs, which
10 will make them healthier and also give us the
11 ability that they're going to be paying taxes, first
12 of all, as well. Then we can provide the services
13 to our most needy citizens, our seniors, our special
14 needs, people with physical handicaps.

15 We cannot -- there's only so much money
16 you can take out of somebody's pocket before they
17 say, you know, hold it here, I'm done. I'm done
18 paying taxes. I don't want any more.

19 We have to understand, we have a lot of
20 vulnerable citizens. This Commonwealth is growing
21 in its senior population with baby boomers. That
22 means this State is going to be taxed even more -- I
23 hate to use that word tax -- but our services are
24 going to be taxed even more to provide good quality
25 services to our seniors in this State.

1 So we have to make sure we're managing
2 these programs and getting the best out of them. I
3 don't know where the Department is going, and I'm
4 willing to let you respond to that, but Madam
5 Secretary, we can't just say we want to give these
6 people something. We've got to have an actual
7 action by the Department to make it happen and see a
8 real change because that growing list of people who
9 are not working, who are able to work, has been
10 growing.

11 I welcome comments. If not, I'll move
12 onto the next question.

13 SECRETARY MILLER: No. Please, I'd like
14 to comment.

15 MAJORITY CHAIRMAN SAYLOR: Sure.

16 SECRETARY MILLER: There's a lot in
17 there, so I could go a lot of different directions
18 with this. But I think first of all, I appreciate
19 that people want to see welfare reform. I think,
20 though, that people don't want to see cuts to
21 Medicaid.

22 And I think -- I understand that we may
23 be talking about welfare when we're talking about
24 Medicaid, but I think the general public also
25 understands that we don't want to see people lose

1 access to their health care.

2 Having said that, I think -- I agree with
3 some of your points. I think your points about we
4 should be doing more to make sure that we have ways
5 to get people into meaningful employment training
6 and educational programs. I couldn't agree with you
7 more.

8 I think where we get concerned is where
9 we start talking about taking away people's access
10 to health care. But if we take that off the table
11 for a minute, I will tell you -- and I want you to
12 know this is something that I've heard and had an
13 opportunity to talk to a lot of legislators about.
14 I read the paper. I know there's a lot of interest
15 in this issue.

16 Frankly, because of a lot of those
17 conversations we've had, we do have a renewed focus
18 to look at this issue. Recently we brought together
19 all of our partners in our work support programs. I
20 think we put out some information a couple of weeks
21 ago about the employment programs that we have
22 today.

23 I'm not going to sit here and tell you
24 that those programs are perfect; they're not. We
25 brought everyone together for a full day to say,

1 let's talk about where we are today, where are our
2 strengths, what are we doing well, where are our
3 weaknesses, but most importantly where are those
4 areas where we think we can do a better job?

5 I think we identified a number of areas
6 where we can do a better job. One of the things I
7 think we heard that day is that we tend to focus
8 with these work requirements, with TANF and SNAP, we
9 tend to focus on just the people that are required
10 to work, which is a pretty small population in both
11 of those programs.

12 We don't look outside that small
13 population at all of the other people that we could
14 be helping. Because of the work requirements, we
15 want to make sure that we're doing what we need to
16 do there, so we're missing other opportunities. I
17 think there's a lot we can do here.

18 I think we can improve our programs. I
19 think we need to make some bold changes in those
20 programs. We're going to need your help for that.
21 We're going to need the help of the Workforce
22 Investment Boards, who are key partners.

23 But that's what I'd like to do. I think
24 we can make a big difference here, if we're focused
25 on it. And I can commit to you, Chairman, we're

1 very focused on this issue right now.

2 MAJORITY CHAIRMAN SAYLOR: Well, I think
3 that's the view of the taxpayers as a whole, that
4 we're not being innovative in changing the way
5 things are done.

6 SECRETARY MILLER: That's fair.

7 MAJORITY CHAIRMAN SAYLOR: Oh, we're
8 doing it the same way. It's always done this way,
9 you know, that kind of a thing.

10 SECRETARY MILLER: Right.

11 MAJORITY CHAIRMAN SAYLOR: People are
12 tired of hearing that we're going to make changes.

13 SECRETARY MILLER: Sure.

14 MAJORITY CHAIRMAN SAYLOR: So I think
15 it's important.

16 Madam Secretary, I've heard some great
17 things about you. I'm excited about what you're
18 going to be doing over there, but what I'm just
19 saying is, we need to be more innovative in that
20 Department.

21 It's so large, I know it's a lot to get
22 your hands around a lot of things, and things
23 change, but we are -- it's important and I'm excited
24 about your comments. I'm excited that we'll be
25 seeing more innovation out of the Department to get

1 these kinds of things done, because I don't think
2 there are any of us, on either side of the aisle,
3 who want to throw somebody off welfare who is truly
4 needing it.

5 But we also are concerned about making
6 sure that we're providing the top services to our
7 special needs and our seniors, as well. When you're
8 asking taxpayers for more money sometimes to fund
9 programs, they want to know what you did to fix
10 something.

11 SECRETARY MILLER: Sure.

12 MAJORITY CHAIRMAN SAYLOR: So I'm excited
13 about what you're saying. I'm excited about what I
14 hear about you. I look forward to working with you.

15 SECRETARY MILLER: You too.

16 MINORITY CHAIRMAN MARKOSEK: Just a
17 little Chairman prerogative also, if I may. The
18 Chairman made some good points. I think members,
19 like you said, both sides of the aisle, want to see
20 a fairness here in Pennsylvania.

21 I think your dialogue with the lady from
22 Cumberland was very interesting. I think it was
23 very good, and I think your answers were very good.
24 I'm confident that we have the talent with you and
25 your staff to make some of these changes and to be

1 innovative.

2 I would also remind all of the members
3 here that you're going to need some additional
4 resources to do that at some point. Those resources
5 are going to have to come from us.

6 So if we want innovation, if we want
7 fairness, there are certain things we can do where
8 we don't need to spend anything, we can just do
9 things differently, as the Chairman mentioned, but
10 there are also going to be some times when you're
11 going to come to us and ask us for help, and all of
12 us here, not just the Democrats, but both sides of
13 the aisle, need to be open-minded to help you, to
14 give you the assets that you need and the resources
15 that you need to do the great work that I think
16 you're capable of doing and will do.

17 So I think this has all been a good
18 conversation. I know we have a lot of other
19 questioners, but I think the Chairman made some good
20 points, but I think you've made some good points, as
21 well.

22 Thank you.

23 SECRETARY MILLER: Thank you.

24 MAJORITY CHAIRMAN SAYLOR: The only thing
25 I will say to Chairman Markosek is the fact that

1 asking for money before you demonstrate that you're
2 willing to make changes -- the Department has been
3 coming to the General Assembly for many years asking
4 for more money, \$600 million, a billion dollars at a
5 time, and we haven't seen the changes.

6 Madam Secretary, you're starting new.
7 Like I said, I'm excited about what I hear about you
8 and your leadership, but the General Assembly,
9 before it starts raising taxes on the people of
10 Pennsylvania, it's got to see the Department make
11 some of those changes that don't require money, that
12 they actually set programs up and can define to the
13 General Assembly, this is what's going to happen.
14 This is a guarantee.

15 This is what we need to do it. This is
16 going to happen. We can't just say, give us money,
17 we're going to change things. You've got to come
18 forward with a real plan of where to put those
19 dollars.

20 SECRETARY MILLER: Absolutely.

21 MAJORITY CHAIRMAN SAYLOR: Because like I
22 said, taxpayers are tired of funding -- I hate using
23 the word anymore because it's kind of taboo, but
24 welfare, but the whole compass of benefits is there.

25 People understand there's a need for food

1 stamps. People understand there's definitely a need
2 for Medicaid and all of the other programs. They're
3 just saying, make us feel proud and make it be
4 something that people should not be ashamed of.

5 I know people who won't sign up, who need
6 help, because they feel the stigma.

7 SECRETARY MILLER: Yes.

8 MAJORITY CHAIRMAN SAYLOR: And that's a
9 shame because I see children suffering who should be
10 getting assistance, but won't because parents feel
11 it's a stigma. We should change that and make
12 people understand that.

13 SECRETARY MILLER: Can I stand up and
14 applaud?

15 I am 100 percent behind you. That's one
16 of the concerns I have. We know with SNAP, in
17 particular, we have 30 percent of eligible seniors
18 on SNAP. We know there's research that shows that
19 seniors have better health outcomes and have reduced
20 health spending if they're on SNAP. A lot of
21 seniors, I think, don't want to sign up because of
22 exactly what you said.

23 I will tell you, that's something that
24 I'm really focused on at the Department, trying to
25 figure out all of the ways that we can reduce that

1 stigma because it does keep people who need our
2 services from getting them. People don't want to be
3 on government benefits.

4 MAJORITY CHAIRMAN SAYLOR: We are very
5 fortunate in Pennsylvania. I think we have some of
6 the best people in the country when it comes to work
7 ethic, which is a good thing. It can be detrimental
8 to a certain degree sometimes on things like this,
9 but we are very fortunate.

10 Pennsylvanians have been born and raised
11 with a great work ethic. They are very proud to be
12 taxpayers, so I'll look forward to it.

13 SECRETARY MILLER: To your point,
14 Chairman, you'll notice we don't have a request for
15 additional funding for this issue yet. We need to
16 go back and do our hard work and then we will come
17 back, to your point, with a plan and kind of, here
18 are the bold changes that we think we need to make
19 to improve our system.

20 MAJORITY CHAIRMAN SAYLOR: Very good. I
21 just wanted to recognize that we've been joined by
22 Representative Evankovich, as well. He's not a
23 member of the Committee, but he's here to observe
24 today.

25 Also, we will go to the next questioner,

1 Representative Daley.

2 REPRESENTATIVE DALEY: Thank you,
3 Mr. Chairman.

4 Good morning.

5 SECRETARY MILLER: Good afternoon.

6 REPRESENTATIVE DALEY: So our State has
7 been funding home visiting for many years. Parents
8 as Teachers began in the Casey Administration, and
9 our first funding for the Nurse Family Partnerships
10 began when Governor Ridge was in office.

11 I understand that until the expanded
12 appropriation to serve more families last year,
13 there had been little to no growth in this
14 evidence-based models in more than a decade. So I
15 commend you for working with us to expand access in
16 the current year budget and propose another modest
17 increase to serve more families.

18 But I'm concerned that our two
19 longstanding programs are providing service at a
20 rate structure that hasn't been increased in many
21 years. So you proposed a COLA for both of these
22 programs.

23 Can you tell me, in a very challenging
24 fiscal environment, why should the Legislature
25 prioritize a rate increase for these programs?

1 SECRETARY MILLER: You know, I think, to
2 your point, Representative, home visiting is an
3 evidence-based program that works. I had an
4 opportunity recently to go visit a home visiting
5 program and talk to families -- and it was the whole
6 family that was there -- who are being served by
7 home visitors.

8 I had a chance to talk to the home
9 visitors and the people running the program. I left
10 thinking, I'm a new mom, I could use this, too.
11 Because it's amazing the information that they
12 provide, and it's information for the whole family.

13 And it's really, new moms in particular,
14 helping us figure out what should we expect with our
15 kids, what should we be doing, watching someone
16 interact with our kids in an age-appropriate way, so
17 that we kind of understand how we're supposed to be
18 interacting.

19 I think home visiting is one of those
20 programs that has all sorts of outcomes that are
21 going to help us as we try to fight the opioid
22 epidemic, in particular. That's obviously the
23 expansion we're proposing, is to really target those
24 areas hit hardest by the opioid epidemic, so we can
25 try to -- we tend to focus a lot, with that

1 epidemic, on the individual struggling with the
2 addiction and forget that they're part of a family
3 that's also struggling. So I think that home
4 visiting is a great way for us to focus on that
5 family and to do what we can to give parents the
6 tools they need to be really good parents and to
7 help out long term.

8 REPRESENTATIVE DALEY: I agree with you
9 because I had a similar experience that I went and
10 visited with a home visiting, you know, with I think
11 Maternity Care Coalition was funding that or
12 overseeing it. I walked away with the same feeling.

13 When my daughter was born, my mom lived
14 in my neighborhood and I had sisters. I had people
15 all around me who were there to give me advice and
16 help me with all of those things that are new. And
17 I think that's one of the things that home visiting
18 does for families because it does take that holistic
19 approach to the whole family.

20 I think it's an incredibly important
21 program, but I want to -- and I even had a town hall
22 and invited people to talk about home visiting and
23 their experience. But I think it's really important
24 to make that case, to us sitting here, about the
25 rate increase.

1 So if you could just take a few minutes
2 to specifically address the rate increase.

3 SECRETARY MILLER: So I think that the
4 \$2 million is going to provide the per family rate
5 increase for services through Nurse Family
6 Partnerships and community-based family centers.
7 That's going to allow them to enhance capacity, so
8 they'll be able to serve more families and address
9 the increased cost of providing these perform more
10 services.

11 So this is going to allow agencies to
12 strengthen existing infrastructure of evidence-based
13 home visiting. I know when I talked to the home
14 visiting facility that I was at, they talked about
15 the need for more funding and the fact that they
16 could help more families if only they had additional
17 funding.

18 So I think -- - like I say, I know I
19 could benefit. I don't have family here. I think,
20 particularly, families that are struggling with all
21 sorts of -- whether it's opioid issues or other
22 mental health issues or even no issues at all,
23 frankly.

24 I think we could all benefit from having
25 somebody who could help our family sort of figure

1 out how to be new parents.

2 REPRESENTATIVE DALEY: Well, I'm glad to
3 see that you put a COLA in there and I hope that the
4 legislature can see to approve it because I do think
5 that giving those families a really good start with
6 raising their families is just crucially important.

7 And I agree, with the opioid epidemic,
8 this is clearly -- we need multifaceted approaches
9 to really deal with this because it does affect
10 whole families. So thank you very much.

11 SECRETARY MILLER: Absolutely.

12 MAJORITY CHAIRMAN SAYLOR: Next
13 questioner is Representative Roae.

14 REPRESENTATIVE ROAE: Thank you,
15 Mr. Chairman.

16 Thank you, folks, for being here to
17 testify today. I want to follow up again a little
18 bit about this HB 59 that Governor Wolf vetoed.

19 One of the main features of that bill was
20 work requirements for people on Medical Assistance.
21 And it's been mentioned already, but I just want to
22 make sure everybody heard them correctly.

23 There are already work requirements, you
24 know, for welfare checks, food stamps, subsidized
25 daycare, you know, things like that. And in HB 59,

1 minors were exempt; the elderly were exempt; people
2 with disabilities were exempt; pregnant women were
3 exempt. So we were talking about able-bodied non
4 elderly adults that do not have disabilities.

5 Now, if you ask most taxpayers, most
6 taxpayers think that non elderly able-bodied adults
7 without disabilities should have a job. You said
8 that you support that, I think, but the actions of
9 the administration seem to be a little bit different
10 than that.

11 So if we pass that bill again, will you
12 support it, if we're very clear?

13 Maybe the language wasn't clear enough,
14 but I thought it was very clear, it's non elderly,
15 able-bodied adults without disabilities.

16 Would your Department support us passing
17 that bill if we try to do it a second time?

18 SECRETARY MILLER: So you mention some of
19 the people that wouldn't be impacted, but some of
20 the people that would be impacted include: Students,
21 people battling addiction, people battling cancer,
22 new moms. All of those folks would be at risk of
23 losing their health care. I think at the end of the
24 day that really becomes our concern.

25 This administration has worked really

1 hard to increase access to health care.

2 REPRESENTATIVE ROAE: Now, what if we had
3 -- the administration can set the requirements, so
4 maybe some more of these people could be excluded.

5 Now, the Kaiser Family Institute, they
6 did a nationwide study. And they found that of the
7 people on Medical Assistance, when you subtract out
8 the people that work full-time, people that work
9 part-time, people that have disabilities, people who
10 are in school, people who are caregivers for other
11 people, you subtract out all of those people, you're
12 left with about 7 percent of the people.

13 That doesn't sound like very much, but we
14 have 3 million people in Pennsylvania on Medical
15 Assistance. So that 7 percent would be about
16 210,000 people.

17 So would you support those 210,000
18 people -- again, who are non elderly, able-bodied
19 adults without disabilities, who are not working,
20 who are not caregivers for other people, who are not
21 in school, you know, who do not have disabilities --
22 would you support them having a work requirement?

23 SECRETARY MILLER: So here's the issue,
24 when you start getting down to all of the
25 exemptions, I think what you're left with is just as

1 you suggest, you have a very small group of people
2 in the population that you're then focused on.

3 REPRESENTATIVE ROAE: Right. Excuse me
4 for -- we're very brief on time here, but if the
5 numbers in PA are similar to the national numbers,
6 7 percent -- 7 percent of all of the Medicaid line
7 items are about \$400 million a year. So
8 potentially, work requirements -- I mean, we're not
9 going to save that whole \$400 million, obviously,
10 but taxpayers are spending all of that money.

11 Now, other States have done it already,
12 too. Kentucky is already doing it. Arkansas,
13 Arizona, Indiana, Kansas, Maine, New Hampshire,
14 Utah, Wisconsin -- boy, I sound like Howard Dean
15 there -- but they're already doing it. They've
16 already applied to the Center for Medicare and
17 Medicaid Services to get a waiver so they could have
18 work requirements.

19 Mississippi, they have an incomplete
20 application they're working on. I'm not sure if
21 they ever finished it.

22 But you have all of those other states
23 trying to do this. Kentucky is already doing it.

24 Does Pennsylvania have to be a follower
25 in everything?

1 At least on some things, can Pennsylvania
2 lead, do you think?

3 SECRETARY MILLER: Well, Kentucky hasn't
4 actually done it. They're in the process of --

5 REPRESENTATIVE ROAE: Well, they got
6 approved.

7 SECRETARY MILLER: They got approved.

8 REPRESENTATIVE ROAE: Right. They got
9 approved.

10 You have to get approval from the Federal
11 government, right.

12 SECRETARY MILLER: Right.

13 REPRESENTATIVE ROAE: The Center for
14 Medicare and Medicaid Services has to give a state a
15 waiver. They're allowed to do a work requirement,
16 and that got approved already.

17 SECRETARY MILLER: You also have to be
18 able to fund all of the work supports. I think one
19 of the issues becomes funding for this. I know this
20 is often talked about as a savings, but we've done
21 rough estimates of what it would cost and we're
22 looking at upwards of -- in excess of \$600 million
23 to implement a work requirement. We would have to
24 add more than 300 staff to do this.

25 And to your point, we're talking about a

1 very small number of people that would be subject to
2 the work requirement. We would have to build quite
3 a bureaucracy and find a lot of funding to pay for
4 that for a small group of people as opposed to
5 spending our time and energy trying to figure out
6 how we can do a better job of providing work
7 supports to people and getting people to work. So I
8 think that's really where we want to focus.

9 But in terms of Kentucky -- you brought
10 up Kentucky -- I think the latest number I saw was
11 that it was going to cost them -- they were going to
12 be increasing spending in Medicaid by almost
13 \$374 million over the next 2 years. So I think
14 that's the issue that the Federal government has
15 been very clear on; if states want to move in this
16 direction, they have to provide all of the supports
17 that you have in TANF, only they won't pay for it.
18 So that's another issue.

19 REPRESENTATIVE ROAE: I'm surprised the
20 Governor didn't mention that in his veto letter that
21 he sent to us.

22 Thank you.

23 MAJORITY CHAIRMAN SAYLOR: Representative
24 Kinsey.

25 REPRESENTATIVE KINSEY: Thank you,

1 Mr. Chairman.

2 Good morning, Madam Secretary, Deputy
3 Secretary, Director.

4 I have two questions, but I want to sort
5 of dive in another direction, but I'll probably ask
6 the Chairman for a second round to address it more
7 thoroughly, but I keep hearing HB 59. I'm sorry I
8 don't have it in front of me; I'm not too familiar
9 with it, but I know my colleagues keep bringing up
10 HB 59.

11 But let me just be clear, as we talk
12 about Medicaid, is Medicaid welfare or is Medicaid
13 health care?

14 SECRETARY MILLER: Medicaid is health
15 care.

16 REPRESENTATIVE KINSEY: It's health care,
17 not welfare.

18 SECRETARY MILLER: Right.

19 REPRESENTATIVE KINSEY: Okay. Hopefully
20 I'll have an opportunity to come back and talk more
21 about the Medicaid process and work requirements
22 related to that.

23 But for right now, Madam Secretary, I
24 serve a district in the city of Philadelphia, which
25 is pretty socially and economically diverse. We've

1 had some challenges as it relates to safe housing,
2 violence, trauma, food insecurities, low income.
3 When I speak of those types of situations, they
4 often translate into a higher utilization of health
5 care and health care services.

6 So I guess in the context as it relates
7 to Medical Assistance, my question is, as part of
8 your Medicaid value base payment strategies, what is
9 DHS doing to help address these social ills related
10 to health?

11 I think you touched on it a little bit
12 earlier, but if you can sort of delve into it a
13 little bit more.

14 SECRETARY MILLER: Absolutely. So we are
15 really focused on social determinants of health. I
16 think if you talk to anybody in the health care
17 system, they would tell you that we really need to
18 be focused more on social determinants of health
19 because they have such a huge impact on health
20 outcomes and so much more than what happens in a
21 doctor's office.

22 So we've been really pushing our managed
23 care organizations to do more in this area. I think
24 I mentioned we recently convened them to say, let's
25 talk about what it is that's happening today. And

1 part of that is, I think this is a great role for
2 the State. We are a convener. We are a great
3 entity to bring everybody together and say, let's
4 learn from each other; what is somebody doing?

5 Having come from the Insurance
6 Department, I recognize that insurance companies
7 don't love coming together and sharing information.
8 That's not necessarily intuitive for them, but I
9 think the MCOs have really enjoyed us bringing them
10 together and saying, let's talk about what we're
11 doing in this area.

12 I had the privilege -- it was a very
13 exciting day for me -- a couple of weeks ago, we
14 went down to Philadelphia and we were at
15 Broad Street Ministry announcing a partnership
16 between Health Partners Plan and Fight and Broad
17 Street Ministry, where they were going to be
18 providing health care at Broad Street Ministry.

19 So a very creative, innovative way to
20 address the health care needs of people where they
21 are. So that was one of the innovative things that
22 our MCOs are doing. We've been trying to, again,
23 give opportunities for them to share these best
24 practices and to talk about what else we can do.

25 And I'm really interested in continuing

1 the conversation with them about what we can do
2 related to employment. I think one of the things
3 that came up for me in this meeting where we were
4 focused on employment and social determinants was we
5 had a lot of discussion about things that were
6 happening around housing and food insecurity.
7 Halfway through, I was sort of frustrated because I
8 thought I wanted to be talking about employment.

9 Then we started really articulating the
10 fact that it's hard to talk to someone about
11 employment if they don't have secure housing or if
12 they don't know where their next meal is coming
13 from. So you know, there's an order to these
14 things. I think all of these are social
15 determinants that we need to be focused on.

16 And I think through our work with MCOs,
17 we're focused on it. We also have a Health
18 Enterprise Zone Initiative. To your point, we have
19 a lot of people in north Philly.

20 REPRESENTATIVE KINSEY: Well, speaking
21 about that. Even I don't always see the north
22 Philadelphia area, but Einstein Hospital is actually
23 in my district. I believe they're part of that
24 Health Enterprise Zone, so I'd like to get more
25 information on that, probably not at this hearing

1 right now, but I appreciate that because I want to
2 find out the status of that initiative, as well, as
3 it relates to serving the folks in northwest and
4 north Philadelphia, as well.

5 The other question -- I want to put on my
6 other hat. My background prior to coming to this
7 house is working with people, individuals with
8 intellectual disabilities. I'm currently a provider
9 -- I'm trying to think of what it's called -- life
10 sharing. Right.

11 I've been doing it for so long, it just
12 becomes natural. But you know, one of the concerns
13 that have come up, again, I think you touched on it
14 with Chairman Markosek in regards to rates that were
15 provided to folks for services.

16 Madam Secretary, I know firsthand, coming
17 out of college, it was a great job then, but you
18 know looking at 30 years versus now, it's still not
19 enough dollars. My hope is that maybe there can be
20 some greater conversation.

21 I think you touched on it earlier in
22 regards to what the Department is doing, the
23 increase, but is it still enough?

24 Are there other ways that we can try to
25 help these individuals that are providing these

1 services to this target population?

2 My time is out. I just want to say that
3 I think that your Department has done an excellent
4 job. I mean, you know, you're providing services to
5 a whole host of folks, from adult seniors to folks
6 with intellectual disabilities and physical
7 disabilities. I think it's incumbent upon us to
8 find out what we can do to continue to support
9 Pennsylvanians all throughout.

10 So again, I just want to say thank you
11 very much for what you and your Department have been
12 doing thus far.

13 SECRETARY MILLER: Thank you.

14 REPRESENTATIVE KINSEY: Thank you,
15 Mr. Chairman.

16 MAJORITY CHAIRMAN SAYLOR: Representative
17 Keller.

18 REPRESENTATIVE KELLER: Thank you,
19 Mr. Chairman.

20 Thank you, Madam Secretary.

21 I would just like to, if I can, follow
22 back around to the questioning on the work
23 requirements. You had cited some costs in making
24 sure that those requirements were met.

25 Could you provide those to the Committee,

1 please?

2 SECRETARY MILLER: Further detail on
3 them?

4 REPRESENTATIVE KELLER: Yeah.

5 SECRETARY MILLER: Absolutely.

6 REPRESENTATIVE KELLER: I think it was in
7 excess of \$600 million or something like that --

8 SECRETARY MILLER: Yeah.

9 REPRESENTATIVE KELLER: -- that I heard
10 you say. We haven't seen those; I'd like to see the
11 estimates.

12 SECRETARY MILLER: Sure. We're --

13 REPRESENTATIVE KELLER: You could
14 probably take a couple of those people and employ
15 them to make phone calls to the other people and
16 make sure they're working. You know, I say that,
17 but I think sometimes we look for ways not to do
18 things rather than the ways to do them, quite
19 frankly.

20 And in government, things don't work the
21 way they work in business. I realize they can't
22 always do that, but there needs to be a little bit
23 of accountability because there are people that
24 definitely need the services that cannot get them
25 because there are able-bodied people who could go

1 out and work.

2 So I think we just need to be mindful of
3 that. We do have a responsibility to take care of
4 those who cannot work, but we also have a
5 responsibility to make sure that the people that are
6 able to work are not taking from those people.

7 SECRETARY MILLER: And I think that's one
8 of the things we want to understand more is, with
9 this population that's not working --

10 REPRESENTATIVE KELLER: I've only got a
11 couple of minutes, so can you just provide that to
12 us?

13 SECRETARY MILLER: Sure.

14 REPRESENTATIVE KELLER: That information,
15 the breakdown.

16 SECRETARY MILLER: Of course.

17 REPRESENTATIVE F. KELLER: How long --
18 when can we expect that?

19 SECRETARY MILLER: I think we've been
20 working on the fiscal impact on -- is it HB 2021?

21 REPRESENTATIVE F. KELLER: No, but you
22 cited -- you had numbers. So I guess --

23 SECRETARY MILLER: Yes.

24 REPRESENTATIVE KELLER: Do you have the
25 numbers done?

1 SECRETARY MILLER: Absolutely. We can
2 provide you with that.

3 REPRESENTATIVE KELLER: When can we get
4 that?

5 I should be able to have them, quite
6 frankly, this afternoon if you have them done.

7 SECRETARY MILLER: Those are numbers that
8 are pretty rough, that we haven't necessarily vetted
9 through the whole process, but we wanted to have
10 some idea.

11 REPRESENTATIVE KELLER: Well, you quoted
12 them to Representative Roae.

13 SECRETARY MILLER: Yeah. We're happy to
14 provide that by next week.

15 REPRESENTATIVE KELLER: Okay. Well, a
16 question I guess I have when we're talking about
17 people that get the services -- that deserve the
18 services get them, you know, there are some things
19 that were reported by the Office of Inspector
20 General, you know, talking about welfare fraud and
21 some things.

22 I'm not necessarily talking about people
23 receiving the benefits, but I know there are
24 sometimes an issue when cards are either lost or
25 stolen.

1 When a card ends up missing, do we stop
2 the activity on that card right away?

3 How does that work?

4 SECRETARY MILLER: I'm going to look back
5 to see if -- do we know the answer to that?

6 Can you repeat the question?

7 REPRESENTATIVE KELLER: In other words,
8 if a person either has their SNAP card stolen or
9 they lose it, okay, what do we do to make sure that
10 that card is not used by someone who is not
11 authorized to have it?

12 Do we stop the activity on it?

13 MAJORITY CHAIRMAN SAYLOR: Please say
14 your name, so that the stenographer has your name on
15 record.

16 DEPUTY SECRETARY WATSON: What we do is,
17 if an individual has lost a card or has it stolen,
18 they have to go through the proper channels, meaning
19 to file a report to say that this has occurred. The
20 card in and of itself cannot be utilized unless
21 someone has a PIN number.

22 All of the cards that we issue have to be
23 PIN, meaning the individual that receives it, much
24 like all of our debit cards, has a four digit PIN
25 that they have assigned to them.

1 the DHS Building and all of the overhead down here?

2 DIRECTOR SWAILS: I'm not sure it's
3 specific to just Harrisburg.

4 REPRESENTATIVE KELLER: But it's all the
5 State-run stuff?

6 The question I have is, general
7 government operations is increasing 5 percent, while
8 our county assistance offices are decreasing 6.4.
9 I'm just wondering how our counties are able to
10 manage their administration and their overhead
11 activities with less, and we, when we manage it from
12 Harrisburg, need an increase?

13 DIRECTOR SWAILS: We're using some prior
14 year Federal dollars to offset the State dollars in
15 the county assistance line.

16 REPRESENTATIVE KELLER: Okay. So we got
17 an increase in Federal dollars?

18 DIRECTOR SWAILS: We had available prior
19 year Federal earnings, yes.

20 REPRESENTATIVE KELLER: Okay. So how
21 much of that -- was it the whole 6 percent or --

22 DIRECTOR SWAILS: Twenty-eight million
23 almost.

24 REPRESENTATIVE KELLER: Okay, \$28
25 million.

1 So they're actually going up also?

2 DIRECTOR SWAILS: Yes.

3 REPRESENTATIVE KELLER: But less than 5
4 percent?

5 I'm just wondering why we need a larger
6 increase, even still, we're getting a larger
7 increase here in Harrisburg than they are in the --
8 county offices.

9 DIRECTOR SWAILS: I'll have to follow up
10 with you on the details of the GGO increase.

11 REPRESENTATIVE KELLER: Because, again,
12 when we don't manage our overhead well, people don't
13 get services.

14 We always say we need more money, but
15 again, what have we done to implement the cost
16 savings at the administrative level of these things?

17 Thank you, Mr. Chairman.

18 MAJORITY CHAIRMAN SAYLOR: Representative
19 Bullock.

20 REPRESENTATIVE BULLOCK: Thank you,
21 Chairman.

22 Good morning, Secretary. How are you?

23 SECRETARY MILLER: Good morning. Great.

24 REPRESENTATIVE BULLOCK: Good.

25 First, I wanted to say thank you for

1 visiting with us at the Broad Street Ministry. I
2 believe it was a week or two ago. That is an
3 amazing partnership.

4 I recall one of the things that the
5 Medicare provider mentioned was that they were
6 receiving a lot of returned mail, and that's when
7 they realized a lot of their recipients were
8 actually homeless or had housing insecurity. So
9 that is one of the barriers that individuals face
10 that don't have health care, but may be able-bodied
11 but don't have an address to actually use on an
12 employment application or to otherwise seek
13 employment when they're first trying to seek
14 housing.

15 SECRETARY MILLER: That's right.

16 REPRESENTATIVE BULLOCK: I want to move
17 to the Federal Family First Prevention Services Act.
18 This was passed last month. It basically changes
19 how we look at the child welfare system and the
20 funding oh those resources.

21 I was working with a family in my
22 district, where the young child was diagnosed with
23 leukemia and the mother was not able to care for
24 him. Instead of providing that mother with
25 services, the child was put into foster care, into a

1 facility and into a foster care family.

2 Now there are extended relatives trying
3 to step in. One of them is an aunt who is a
4 medically trained nurse. Again, she's being faced
5 with not being able to receive services and
6 resources, while the foster mom is receiving the
7 services and resources. I think that the Family
8 First Prevention Services Act takes another look at
9 this and says, how can we support the family first
10 and provide the kinds of resources and services this
11 family was asking for and felt really at a
12 disadvantage because the child was in a system. And
13 wherever the child was placed, that's where the
14 services were going.

15 How have you looked at those funding
16 streams and how will it impact the Department going
17 forward in working with our families?

18 In particular, I know that it changes how
19 we fund group homes, which generally operate for
20 profit or at a property.

21 MAJORITY CHAIRMAN SAYLOR: Would you give
22 your name and title for the stenographer?

23 DEPUTY SECRETARY UTZ: Certainly. My
24 name is Cathy Utz, and I'm the Deputy for the Office
25 of Children and Youth and Families.

1 The Office of Children and Youth and
2 Families is working with our Budget Office to really
3 conduct our review to determine all of the impacts
4 of Family First and how that will have an impact on
5 private providers, as well as our county Children &
6 Youth agencies. And I think with any piece of
7 federal legislation, part of what we're looking at
8 is are there places where we're able to use dollars
9 in a different way than we're currently able to, to
10 perhaps offset some of the other costs?

11 We are still conducting our analysis, as
12 well.

13 REPRESENTATIVE BULLOCK: Okay. Thank
14 you. I'll look forward to seeing that analysis when
15 it's complete.

16 I would like to shift to SNAP.

17 It's a program that is 100 percent
18 federally funded, correct?

19 SECRETARY MILLER: That's right.

20 REPRESENTATIVE BULLOCK: Can you talk a
21 little bit about the economic benefits of having the
22 SNAP Program in Pennsylvania, particularly the sort
23 of economic rollout, you know, how does it impact
24 other costs in our system and improve family's
25 abilities to lower other, you know, systemic costs

1 or social costs to our system?

2 SECRETARY MILLER: Absolutely. So not
3 only does SNAP result in a lot of money, billions of
4 dollars being brought to Pennsylvania's economy, in
5 terms of the impact it has on the lives, we know
6 that social determinants, as I mentioned before,
7 have such a huge impact on health outcomes and
8 health care costs.

9 So for example, there's research that
10 shows that seniors who participate in the SNAP
11 Program are much less likely to be admitted to
12 nursing homes and hospitals, which, of course, just
13 demonstrates the power of investing in social
14 services to reduce health-care costs and improve
15 outcomes.

16 From a State budget perspective, you
17 know, increasing SNAP participation could lead to
18 savings in Medicaid because, of course, we pay for a
19 lot of health-care costs. So as I look at the SNAP
20 Program, I think it's a program that works. It's,
21 as you said, the benefits are 100 percent Federally
22 funded, and we know that food security or having the
23 nutrition you need leads to better health outcomes
24 and leads to reduced health spending.

25 So from a State budget perspective, I

1 think we want to do everything we can to get people
2 that are eligible for SNAP to take it up.

3 REPRESENTATIVE BULLOCK: To maximize
4 those benefits.

5 SECRETARY MILLER: Exactly.

6 REPRESENTATIVE BULLOCK: What is the
7 total dollar amount of SNAP benefits that we see in
8 Pennsylvania right now?

9 SECRETARY MILLER: The total dollar
10 amount of SNAP benefits?

11 REPRESENTATIVE BULLOCK: Because those
12 funds are going right into our grocery stores and
13 into, you know, our farmer's markets, so that's a
14 definite economic boom to our economy, our local
15 economy right here.

16 SECRETARY MILLER: Yes, it is.

17 REPRESENTATIVE BULLOCK: If you could
18 find that number and then find the number that we're
19 leaving on the table for folks that are not applying
20 for SNAP benefits and get that to me. I realize you
21 may not have it on hand, but I would appreciate you
22 sending that to the Chairman.

23 SECRETARY MILLER: Sure.

24 REPRESENTATIVE BULLOCK: Thank you.

25 Thank you, Mr. Chairman.

1 MAJORITY CHAIRMAN SAYLOR: Representative
2 Boback.

3 REPRESENTATIVE BOBACK: Thank you,
4 Mr. Chairman.

5 I want to do a follow up on
6 Representative Keller's questions regarding welfare
7 fraud so perhaps your assistant would want to
8 address these.

9 My question is, we've heard that store
10 owners will pay pennies on the dollars to recipients
11 for SNAP benefits.

12 What does DHS do to prevent recipient of
13 this precious commodity, a SNAP benefit, what do you
14 do to prevent people from selling their benefits,
15 such as SNAP?

16 SECRETARY MILLER: I can start, and then
17 Lisa can certainly fill in.

18 We take fraud very, very seriously
19 because I think, as we've all acknowledged here, we
20 serve very vulnerable populations, so we want to
21 make sure that our precious taxpayer dollars are
22 going to the intended recipients.

23 So we actually do a lot on the front end
24 to prevent fraud. We work very closely with the
25 Office of the Inspector General. We do -- I think

1 they're quarterly reports that I saw that look at
2 things like suspicious SNAP activity, that look at
3 transactions that happened across state lines.

4 If there's, for example, three months of
5 transactions that are all across state lines,
6 there's a question of residency.

7 So we look at all of these things and
8 pass along that information to the Office of
9 Inspector General. So we work very closely with the
10 OIG in looking at any kind of potential fraud.

11 We, ourselves, do a lot on the front end
12 in terms of program integrity to try to prevent
13 dollars from going out the door in the first place.
14 And then, on the back end, we do a lot in terms of
15 auditing, but when it comes to actual fraud, we work
16 very closely with the OIG, when it comes to
17 beneficiary or recipient fraud, and very closely
18 with the Attorney General on provider fraud.

19 REPRESENTATIVE BOBACK: Thank you for
20 that.

21 Why not a photo on the ID?

22 I've been an advocate for a photo on this
23 ID for at least 8 years now.

24 I mean, I can't go to a doctor without
25 producing a photo ID of myself, so why can't we have

1 it on the card?

2 I cannot help but believe, okay, you have
3 the PIN number, but they could identify that photo.

4 Why not?

5 SECRETARY MILLER: So a couple of things.
6 I think our concern with that, even though we know
7 the intent is to defer fraud or deter fraud, and
8 obviously we want to do that, I think our concern is
9 related to the cost of implementing it. The cost
10 that it's really ineffective as a deterrent -- and
11 going back to what we were talking about earlier,
12 the increased stigma.

13 So I can tell you that other states that
14 have implemented photo ID have backtracked from it
15 when they found that it just wasn't providing a
16 return on investments. So for example, Missouri and
17 Massachusetts implemented photo ID only to later
18 kind of backtrack. The USDA has also warned states
19 that photo EBT cards have high operational and
20 administrative costs with little impact on fraud.

21 And when you think about it, what we
22 often see in terms of EBT card trafficking, it often
23 involves either a complicit store owner or a cashier
24 or clerk. So if you've got a cashier or clerk
25 that's willing to take partake in an illegal

1 activity, having a photo on the ID is just not going
2 to be a very effective deterrent.

3 REPRESENTATIVE BOBACK: I get that, but
4 I'm still not convinced. I remember going to a
5 hearing years ago where someone came forward and
6 they said that they had proof someone was selling
7 that \$10. They would say, here's my ACCESS card,
8 take it to another part of the State, give me \$10,
9 the person would come back, same thing. He was
10 selling the usage of the card.

11 There might be a cost variable with a
12 photo ID. There's a cost to my picture ID, I'm
13 sure, on my driver's license, but I think at what
14 cost? Fraud.

15 Here's where we have to look at, because
16 I would rather those who really need the benefit,
17 they would get more if we could certainly stop this
18 craze. And I do call it a craze because they can't
19 be all rumors.

20 I mean, we have to revert back to this
21 has got to be something that's going on right under
22 our eyes. So I don't understand where they're
23 saying a picture would, you know -- when they
24 receive this benefit, again, that photo ID, many
25 times they'd have to show that along with their

1 driver's license or whatever.

2 I still don't get it, and I'm still
3 promoting that.

4 SECRETARY MILLER: Okay. I appreciate
5 your perspective.

6 REPRESENTATIVE BOBACK: And when somebody
7 is caught, what do you do?

8 I mean, do you just take the benefit from
9 them or do you give them a second chance or do they
10 go, you know, one warning, you know, you might go
11 through imprisonment because this is a Federal
12 program?

13 How are they penalized for this?

14 SECRETARY MILLER: I think that's what
15 would happen with the OIG. So when we suspect
16 activity, we refer it to the Office of the Inspector
17 General and they take it from there. So I think
18 that's a question that certainly the OIG could talk
19 about in terms of what happens, but we just send it
20 all to them and let them investigate and take it
21 from there.

22 REPRESENTATIVE BOBACK: And then you do
23 track this.

24 Have you always been tracking your
25 office, or is this something new under your realm?

1 SECRETARY MILLER: Have we always been
2 tracking what? I'm sorry.

3 REPRESENTATIVE BOBACK: Suspicious
4 activity that you referred to in the beginning.

5 SECRETARY MILLER: No, this is something
6 that's an ongoing practice. Yeah, we look at
7 transactions, we look at patterns, and we send all
8 of that information to the OIG. That's not a new
9 thing. Yeah.

10 REPRESENTATIVE BOBACK: All right. Thank
11 you for your testimony.

12 Thank you, Chairman.

13 MAJORITY CHAIRMAN SAYLOR: Representative
14 Kim.

15 REPRESENTATIVE KIM: Good morning,
16 ladies, Secretary.

17 As you know, Governor Wolf has proposed a
18 \$12 an hour -- a minimum wage increase to \$12 an
19 hour. One profession that it would benefit or
20 affect is the child care workforce. Their median in
21 Pennsylvania is \$9.42 an hour. That ends, if they
22 work full-time \$19,594 a year.

23 You can make double at a warehouse, but
24 we're not talking boxes, we're talking about
25 children.

1 How does your Department -- is your
2 Department planning to adjust to this higher minimum
3 wage if it is passed?

4 Will you see better retainment with high
5 quality professionals and less turnover, which is
6 very important for the children and families who
7 depend on child care workers?

8 SECRETARY MILLER: Thank you for that
9 question. I think this is exactly why we've been
10 talking a lot about ODP provider wages.

11 As I mentioned earlier, you know, I think
12 we need to look at this issue from a systemwide or
13 department wide lens. And that's why, looking at
14 child care workers, they're paid at typically under
15 \$10, is my understanding, an hour.

16 You know, when I drop my daughter off
17 every day at child care, I want the best for her.
18 And if I know that people there are making \$10 an
19 hour, I get concerned about what kind of care she's
20 getting. So that's exactly why the Governor has
21 proposed an additional \$15 million to increase the
22 tiered reimbursement rates.

23 The hope there -- and again, we don't set
24 the wages, we provide the rate increases -- but the
25 hope there is that by increasing those tiered

1 reimbursement rates, particularly on the higher
2 quality providers, that we will then see increases
3 in wages. And of course, we know that with
4 increases in wages, that will help with retention
5 and just quality of the program itself.

6 REPRESENTATIVE KIM: Okay. My other
7 question would be, we talk a lot about fraud and we
8 hear rumors. I don't think it's responsible for us
9 to implement reform/changes when all of this
10 bureaucracy -- if we're just hearing rumors.

11 Has there actually been a study by your
12 Department -- which you do a lot of things and are
13 very busy -- but has there been a study on fraud
14 when it comes to these benefits?

15 SECRETARY MILLER: So what I can tell you
16 is that we know that fraud recoveries -- so those
17 are the recoveries through the Office of the
18 Attorney General that I mentioned earlier and the
19 OIG.

20 Those recoveries equate to a very small
21 percent of our expenditures, so we're talking about
22 .2 percent of our State budget is sort of the
23 recoveries we get. And we don't think that's
24 because we're missing a lot of fraud. We attribute
25 that to a couple things.

1 First, we do a lot on the front end to
2 make sure that dollars are not going out that
3 shouldn't be going out. And second, as we talked
4 about today, we serve very vulnerable populations.
5 So I think that's why we don't see a lot of fraud,
6 but I think if you look at our program integrity
7 efforts -- I've had some legislators as I talk to
8 them, I think, confuse some of the announcements
9 we've done around program integrity efforts with
10 fraud and had concerns that there's just hundreds of
11 millions of dollars of fraud out there, which is
12 absolutely not the case.

13 But through our program integrity
14 efforts, we have reclaimed and avoided \$690 million,
15 just in '16-'17; a total of \$1.6 billion since 2015.
16 So that is through doing things like making sure
17 that if somebody has other insurance that that
18 insurance is billed before Medicaid is billed and
19 going back and doing reviews of provider claims to
20 make sure that if they weren't coded right or if,
21 again, somebody had other insurance that we're
22 billing that first.

23 We also have checks with other databases.
24 On either a daily or monthly basis, we're checking
25 with 11 different databases at the State and Federal

1 level to verify eligibility for our programs. So we
2 put a lot of work in this to keep the dollars where
3 they belong and making sure that we're serving the
4 people that need them.

5 REPRESENTATIVE KIM: Thank you for your
6 answers.

7 Thank you, Mr. Chairman.

8 MAJORITY CHAIRMAN SAYLOR: Representative
9 Ortitay.

10 REPRESENTATIVE ORTITAY: Thank you,
11 Mr. Chairman.

12 Thank you, Secretary.

13 Earlier when the Chairman was talking,
14 you had responded to him -- we were talking about MA
15 benefits and the work requirements, and you said we
16 were missing out on opportunities because we were
17 focusing on that.

18 What are we missing out on?

19 SECRETARY MILLER: So what we heard in
20 this day-long discussion we had with our partners is
21 a couple of things. One, we heard that because of
22 the requirements, we tend to focus on just one group
23 of people, which we know, in SNAP or TANF, we're
24 talking about less than 10 percent of the population
25 that's subject to work requirement.

1 So it's a small group of people, but we
2 tend to focus all efforts on that group. So people
3 who might be experiencing, let's say domestic
4 violence or a mental health condition, whatever it
5 is, and might be exempt from work requirements, we
6 don't tend to focus on them.

7 I think there's a lot of opportunity
8 there because there are just so many people there,
9 that we could focus our efforts there and see more
10 people getting the training or education or
11 employment.

12 I think the other thing we heard from
13 folks -- and again, when you have a requirement, you
14 need to make sure you're meeting that requirement.
15 One of the things we heard is, when we were talking
16 about strengths, we do a pretty good job in placing
17 people in a job, but I think this is one of those
18 areas where we could really improve if we were
19 looking more at how do we put somebody on a career
20 path and how are we doing more than just placing
21 them in a job, but putting them in a job where they
22 can grow and where they can increase their wages and
23 ultimately get to a place where they can be
24 self-sufficient and support their families.

25 REPRESENTATIVE ORTITAY: All right. I

1 want to follow up a little bit on that, because
2 right after you had said that we were missing
3 opportunities, you said you had some big, bold
4 ideas.

5 I do love hearing bold ideas, so I'd love
6 for you to share some of those, especially if there
7 are any cost savings or efficiencies in these
8 programs that you could provide to us. Even if you
9 don't have -- if you're comfortable giving us a few
10 today, maybe a list later, next week, down the line,
11 that would be great.

12 SECRETARY MILLER: I hope I didn't say
13 that we have today bold ideas. I'm fairly certain
14 I --

15 REPRESENTATIVE ORTITAY: No, you just
16 said you had bold ideas, and I'm just curious.

17 SECRETARY MILLER: I think I said, or at
18 least what I meant to say, I think we need bold
19 changes in these programs. I don't know yet what
20 those look like, but it's also not something that as
21 a department alone we're going to come up with
22 those. I think we need to be continuing the
23 conversations we started with our partners in our
24 work programs to say, what would it look like if we
25 just significantly changed and improved our

1 programs, and what does it take to get there?

2 So we're in the process of having that
3 conversation. I don't have any fabulous ideas to
4 share with you yet.

5 REPRESENTATIVE ORTITAY: Well, are you
6 guys looking to benchmark what any other state is
7 doing with their departments, any specific examples
8 you could cite?

9 SECRETARY MILLER: I don't have any
10 examples today. I mean, this is something we just
11 started, in terms of looking at this. We've been
12 having conversations. We sat down the other day
13 with folks in Philly to talk about some of their
14 ideas.

15 So I think at this point, we're
16 collecting all sorts of ideas and sort of nothing is
17 off the table. Let's try to talk about what we can
18 do to improve and then we'll come back with a
19 thoughtful proposal to you all to say, here's where
20 I think we can go.

21 REPRESENTATIVE ORTITAY: Okay. I know we
22 spent a lot of time talking about work requirements
23 for MA, but I know a lot of people, just not on this
24 Committee, but in the legislature itself that have a
25 ton of good ideas. And I'm sure we would be happy

1 to compile a list and send them over to you, just so
2 you can take a look at them and maybe give some
3 feedback, at least start the conversation.

4 SECRETARY MILLER: I would welcome that.
5 I really do feel like this is an area where we can
6 partner. And I think we all have the same interest
7 in trying to get more people working, and that means
8 improving our programs, figuring out how we can get
9 creative about addressing barriers that people face.

10 So I would welcome ideas and would love
11 to partner on this.

12 REPRESENTATIVE ORTITAY: Well, that leads
13 me to my next topic here. You talk about
14 coordinating with other departments within State
15 government.

16 Do you guys silo shy information with
17 other departments?

18 Are you working with Labor & Industry or
19 anyone else in that area?

20 SECRETARY MILLER: Yes. Thank you for
21 that question.

22 So we have started meeting with L&I --
23 and I think have been meeting with them previously,
24 as well. But I think right now, because we have
25 such a renewed focus on this issue and really want

1 to see what we can do, we are coordinating with L&I.

2 And I think that's one of the things we
3 heard when we met with the MCOs and when we met with
4 L&I. You asked about ideas. One of the things
5 we've heard already is information sharing and data
6 sharing would be helpful. I don't think we do as
7 much of that today as we -- well, let me say, we
8 don't do as much of that today as we could.

9 So that's one area that I think right out
10 of the gate, we're trying to figure out how we can
11 do a better job because the MCOs said, look, if I
12 know that you've got a TANF recipient that you've
13 said needs to go to EARN or wherever, I can follow
14 up and make sure that they're actually going there.

15 So I think there are partnerships here
16 that we're going to be exploring to figure out how
17 we can do this better.

18 REPRESENTATIVE ORTITAY: Right. And
19 later this afternoon, I'll bring up some of these
20 ideas that I have on the organizations. I don't
21 have the list in front of me.

22 I'll just mention one last thing. It
23 just seems like we have a patchwork of programs
24 across our entire State budget in different
25 agencies, not dealing with just labor but dealing

1 with how we treat opioids and sharing information
2 across the board.

3 I know with the emergency declaration,
4 we've got a lot of work to do. I'll just do this
5 and I'll finish.

6 What information are you sharing amongst
7 the other agencies in regard to the opioid
8 declaration that we weren't sharing before?

9 Because before, from what I've heard, you
10 know, if someone comes and asks you for information,
11 you keep it to yourself. You don't necessarily
12 share it with DDAP or Labor or another agency for
13 that matter.

14 I will tell you, in the last several
15 months, I think all of us are heading up these
16 Health & Human Services agencies, in particular, but
17 obviously it's broader than that, have been given a
18 very clear signal by the Governor that he expects us
19 to work together very, very closely. And that means
20 breaking down those silos.

21 So in the last several months, we've been
22 sharing everything. I'll give you one quick
23 example. We had the Centers of Excellence. That
24 program was located in DHS.

25 There's a lot of work around the opioid

1 crisis that's happening in DDAP, as you know, and in
2 Health. We had not brought in the other agencies to
3 a conversation about COEs until a couple of months
4 ago. They were thrilled to be at the table, but
5 that was something that, to your point, we were
6 working on by ourselves.

7 It's a good program, and we've done some
8 good things with it, but I think we can do so much
9 more by partnering with our other agencies.

10 Thank you.

11 Thank you, Mr. Chairman.

12 MAJORITY CHAIRMAN SAYLOR: Madam
13 Secretary, I just wanted to -- I just heard on the
14 news this morning our county coroner in York
15 announced that we've lost 13 people in the last 7
16 days due to Fentanyl. It's quite an epidemic.

17 We're not going to get off on that right
18 now, from my point of view, but I did want to
19 recognize that we've been joined by the Chairman of
20 the Health Committee, Chairman Rapp, who is over
21 there, as well.

22 And we will move onto our next
23 questioner, Representative Krueger-Braneky.

24 REPRESENTATIVE KRUEGER-BRANEKY: Thank
25 you, Mr. Chairman.

1 Hi, Secretary. Thank you so much for
2 joining us here today. And I've really appreciated
3 how thoughtfully you've answered the questions that
4 we've put to you so far.

5 You oversee a huge Department that
6 touches so many Pennsylvanians' lives, and I really
7 appreciate the thoroughness of your responses.

8 I want to ask about what we're doing to
9 care for our seniors. Last year, in my district in
10 Delaware County, I had a Policy Committee hearing,
11 specifically on the home care industry, because I
12 had been hearing from both families and seniors in
13 my district and folks who worked in the industry
14 that we had some challenges.

15 At the same time, I've also heard from
16 people who offer nursing home services. And
17 Pennsylvania has got an aging population; I'm hoping
18 this is something we can get right.

19 The nursing home industry is currently
20 experiencing significant turmoil. Providers are
21 struggling to recruit and retain staff. We've
22 talked about the wages already, both for home care
23 and folks who work in these facilities.

24 Since 2004, half of the State's
25 countywide nursing homes were sold to private

1 companies, half of them. And then just recently, we
2 saw two significant changes, HCR Manor Care, the
3 country's largest nursing home chain, actually sold
4 itself into bankruptcy.

5 And Genesis, the nation's largest nursing
6 home chain, recently underwent significant
7 restructuring to remain solvent.

8 So as the need continues to grow and more
9 and more of our Pennsylvanians get to an age where
10 they need these services, what is the Department
11 doing to make sure that there's enough supply to
12 meet the demand and that the facility has remained
13 solvent.

14 SECRETARY MILLER: You've pointed out a
15 big issue that we're facing. And as you said, you
16 know, we've got a population, an aging population
17 that is booming. One of the things that we are
18 doing is moving to managed care, which I think long
19 term, you know, this is the area in our budget when
20 you look at cost drivers -- and obviously, we're
21 here to talk about the budget, right -- if you look
22 at cost drivers, the most significant cost driver we
23 have is in our long term services and supports for
24 our seniors, for people with physical with
25 disabilities.

1 We've made investments of over \$800
2 million in this area alone over the last few years.
3 So this is a growing area. Because we're going to
4 be moving to managed care, the rates and the rates
5 that will be paid to nursing homes, for example,
6 will be taken over by our CHC-MCOs in that process.

7 As we move to managed care, though, part
8 of what we're focused on is making sure that we're
9 paying the MCOs enough that they can then pass along
10 rates that will keep this system working and
11 ensuring that we have care for everyone. I think
12 part of our goal with CHC is also that we know that
13 seniors want to age in place. They don't want to be
14 served in a nursing home, if they can at all help
15 it.

16 And I think the incentives that we're
17 putting in place through our managed care program
18 will incentivize the MCOs to do everything they can
19 to keep people in their homes and provide those
20 services there, where they're a lot cheaper to
21 provide, and keep people out of nursing homes as
22 much as we possibly can. So that's part of the goal
23 here.

24 REPRESENTATIVE KRUEGER-BRANEKY: And to
25 that same point, I've heard the same thing in my

1 district. We had, unfortunately, a constituent who
2 made \$15.93 too much over the limit and got caught
3 in this donut hole where she couldn't get the home
4 care services and yet was being pushed into a
5 nursing home.

6 We worked with her family to navigate a
7 whole bunch of bureaucracy that, unfortunately, did
8 not come to a satisfactory conclusion. I want to
9 ask a little bit more about Medical Assistance
10 because it's been a big topic this morning.

11 So I've got a nursing home in my district
12 where 86 percent of the residents were on Medical
13 Assistance at a given point in time.

14 Has the population of long-term care
15 residents on Medical Assistance increased or
16 decreased or remained the same?

17 And how have the reimbursement rates
18 changed over that same period of time?

19 SECRETARY MILLER: Sorry, just to make
20 sure I'm following -- how, have the population in
21 nursing homes versus community care -- is that what
22 you said?

23 REPRESENTATIVE KRUEGER-BRANEKY: Folks in
24 nursing homes, what percentage are on Medical
25 Assistance?

1 And is that number going up or going down
2 or staying the same?

3 MAJORITY CHAIRMAN SAYLOR: I will ask you
4 again for your name and title.

5 REPRESENTATIVE KRUEGER-BRANEKY: That
6 doesn't cut into my time, Mr. Chairman, right?

7 DEPUTY SECRETARY HANCOCK: I have a one
8 syllable name, Kevin Hancock. And I'm the acting
9 Deputy Secretary for the Office of Long Term Living.

10 You had asked, just to repeat your
11 question, the change in population in long-term care
12 in Pennsylvania; is that correct?

13 REPRESENTATIVE KRUEGER-BRANEKY: What
14 percentage is on Medical Assistance?

15 And then, is the reimbursement rate
16 changing as that is changing, as well?

17 DEPUTY SECRETARY HANCOCK: So the
18 population for nursing facilities in Pennsylvania,
19 and the Medical Assistance Program, has not changed
20 significantly over the past 10 years.

21 As you know, many of the nursing
22 facilities in Pennsylvania do provide a significant
23 portion of their population under the umbrella of
24 Medicaid services, but the population itself has not
25 shown significant increases. Most of our population

1 increases have actually been on the home and
2 community side.

3 We've seen in some of our programs,
4 including our programs that support individuals over
5 the age of 60, increases that exceed 10 percent per
6 year. So we've seen significant increases in our
7 home and community-based services, but not
8 significant increases in our facility-based
9 services.

10 REPRESENTATIVE KRUEGER-BRANEKY: And just
11 to be clear, that increases in population or
12 increases in clients who require Medical Assistance?

13 DEPUTY SECRETARY HANCOCK: For home and
14 community-based service, it would be increases, both
15 in population and those individuals receiving home
16 and community-based services.

17 REPRESENTATIVE KRUEGER-BRANEKY: Okay.

18 DEPUTY SECRETARY HANCOCK: You had also
19 asked about the rates. Nursing facility services
20 have not seen a rate increase. There's no rate
21 increase that's part of this year's budget.

22 REPRESENTATIVE KRUEGER-BRANEKY: And when
23 was the last time that they did see a rate increase?

24 DEPUTY SECRETARY HANCOCK: I believe that
25 was 2012, if I'm not mistaken. I can get the date

1 for sure, but I believe it was 2012.

2 REPRESENTATIVE KRUEGER-BRANEKY: So it's
3 been 6 years since they've seen an increase?

4 DEPUTY SECRETARY HANCOCK: That's
5 correct.

6 REPRESENTATIVE KRUEGER-BRANEKY: Okay.
7 Thank you.

8 DEPUTY SECRETARY HANCOCK: And I will
9 confirm that date for you. Thank you.

10 MAJORITY CHAIRMAN SAYLOR:
11 Representative, I just wanted to make note that I
12 did give you some extra, extra time. No.

13 Anyway, we will move to Representative
14 James.

15 REPRESENTATIVE JAMES: Thank you,
16 Mr. Chairman. Secretary, over here to the right.

17 I'd like to pursue the concept of dignity
18 of work a little bit further, if I may, please,
19 specifically in the area of the Temporary Assistance
20 for Need Families, as you call it, TANF.

21 I wonder if you would help me with a
22 short list of services that would make me eligible
23 for this type of assistance, please?

24 SECRETARY MILLER: A short list of
25 services that would make you eligible for TANF?

1 REPRESENTATIVE JAMES: Yes, the services
2 that I would be eligible for. Perhaps, I asked
3 that --

4 SECRETARY MILLER: Oh, services that are
5 eligible for TANF --

6 REPRESENTATIVE JAMES: Right.

7 SECRETARY MILLER: -- the TANF
8 population.

9 Okay.

10 REPRESENTATIVE JAMES: A real short list.

11 MAJORITY CHAIRMAN SAYLOR: Again, name
12 and title?

13 I keep asking, I apologize.

14 DEPUTY SECRETARY WATSON: Lisa Watson,
15 Deputy Secretary for the Office of Income
16 Maintenance.

17 Our TANF recipients, as you know, are
18 those that are the most vulnerable, those that are
19 and have the most need from us. Individuals that
20 come into our program, they have a work requirement.

21 And when we work with them, we work with
22 them to send them to one of our employment and
23 training programs, which we have a number that
24 operate throughout the Commonwealth. They can
25 either go to our EARN Program that helps them find

1 placement and also offers some job-specific
2 training.

3 We also have a Work Ready Program that
4 allows them to work on any challenges or barriers
5 that they would be experiencing at that time to get
6 them to the point that they are employed. We also
7 have an employment and training program that is
8 operated by all of our community colleges throughout
9 the Commonwealth, called KEYS, that allows them to
10 participate in short term and long term training
11 programs, ultimately trying to move them into work
12 as well.

13 REPRESENTATIVE JAMES: Thank you for
14 that, but I'm interested in knowing, if I'm
15 successful in getting employment, what services will
16 be provided for my family?

17 DEPUTY SECRETARY WATSON: Well, if you
18 are successful in getting employment, you would
19 continue to receive retention services from one of
20 the programs that you were enrolled in. We have job
21 retention services that we have to help you to
22 continue to navigate through that process.

23 REPRESENTATIVE JAMES: Okay. No food or
24 living benefits of any kind?

25 DEPUTY SECRETARY WATSON: Correct. You

1 still would get child care services. You may, if
2 you were eligible for SNAP, continue to receive your
3 SNAP benefits.

4 Once you're actually employed, if you're
5 receiving TANF, if your cash begins to close because
6 of that employment, you will continue to receive
7 TANF benefits for three months beyond that point
8 that you are employed. And if you are eligible for
9 SNAP, you will continue to receive SNAP benefits.

10 REPRESENTATIVE JAMES: Do I have to have
11 children to be eligible for the benefits?

12 DEPUTY SECRETARY WATSON: For TANF, yes.

13 REPRESENTATIVE JAMES: If I'm a single
14 person --

15 DEPUTY SECRETARY WATSON: For TANF, yes.

16 REPRESENTATIVE JAMES: And at what age do
17 my kids age out?

18 DEPUTY SECRETARY WATSON: I believe they
19 have to be 18 or under or they have to make sure
20 they're not going to be turning 19 by their birth
21 date.

22 REPRESENTATIVE JAMES: Okay. Do you know
23 what the current rate of participation is, how many
24 people are eligible for TANF and are working,
25 approximately?

1 DEPUTY SECRETARY WATSON: Out of our TANF
2 population, I think we have -- well, that are
3 actually working -- we have about 36 percent of the
4 TANF population that are actually subject to the
5 work requirement. Those would be those individuals
6 that are in our employment and training programs.

7 I'm not sure if I have the number for
8 those that are actually working.

9 REPRESENTATIVE JAMES: And there are
10 exemptions, I understand, as well.

11 I have what, five years, lifetime
12 benefit?

13 DEPUTY SECRETARY WATSON: Correct. There
14 are --

15 REPRESENTATIVE JAMES: If I am extended,
16 how long is my extension, please?

17 DEPUTY SECRETARY WATSON: It's 60 months.
18 If you're on TANF Tennessee for five years --

19 REPRESENTATIVE JAMES: So five and five.

20 DEPUTY SECRETARY WATSON: -- then there
21 are certain exemptions that allow you to go beyond
22 that that you have to qualify for.

23 REPRESENTATIVE JAMES: Okay. If someone
24 is found to be in non compliance, how do you follow
25 up on that?

1 Is there any police work on this issue?

2 DEPUTY SECRETARY WATSON: Sure. We have
3 our County Assistance Office workers that will have
4 compliance reviews performed with any of the clients
5 that are in our programs and receiving benefits to
6 determine if they're complying with the rules and
7 requirements of the programs. We have sanctioned
8 procedures and processes that are in place to ensure
9 that those individuals remain compliant.

10 REPRESENTATIVE JAMES: Thank you. Great
11 segue.

12 What are the sanctioned procedures?

13 What happens if someone is found guilty?

14 DEPUTY SECRETARY WATSON: We have
15 individual sanctions that could occur. We also have
16 family sanctions that could occur. And then, we
17 also have permanent sanctions that would prohibit
18 someone from receiving benefits at all.

19 REPRESENTATIVE JAMES: Define a sanction
20 for me, please.

21 DEPUTY SECRETARY WATSON: A sanction is
22 essentially preventing them from receiving benefits
23 within the program. In terms of a single family, it
24 would just be for that one particular head of the
25 household.

1 A family sanction would be for that
2 individual as well as any other person in the
3 household.

4 REPRESENTATIVE JAMES: Does this occur
5 with any frequency or is it rare?

6 DEPUTY SECRETARY WATSON: I don't know
7 that it occurs often, but we do actually have
8 sanctions that are issued.

9 REPRESENTATIVE JAMES: Okay. If you
10 could get a percentage of that, I'd appreciate it.

11 DEPUTY SECRETARY WATSON: Okay.

12 REPRESENTATIVE JAMES: My name is
13 Lee James. I'm from Venango County.

14 DEPUTY SECRETARY WATSON: Okay.

15 REPRESENTATIVE JAMES: Thank you very
16 much.

17 DEPUTY SECRETARY WATSON: You're welcome.

18 REPRESENTATIVE JAMES: Thank you,
19 Mr. Chairman.

20 MAJORITY CHAIRMAN SAYLOR: Representative
21 Greiner.

22 REPRESENTATIVE GREINER: Thank you,
23 Mr. Chairman.

24 Good morning, Madam Secretary. I had a
25 couple of questions for you, one on the minimum

1 wage.

2 I had asked this earlier in the hearings
3 a couple of weeks ago. The Governor is proposing a
4 minimum wage increase from \$7.25 to \$12.00 per hour.

5 The IFO, when they testified, indicated
6 this would impact more than a million workers. I
7 guess, several question.

8 First question, does your budget assume
9 any cost savings for services provided to
10 individuals in programs where eligibility is based
11 on their income?

12 SECRETARY MILLER: No.

13 REPRESENTATIVE GREINER: No. Okay.

14 Have you taken into account the timing of
15 eligibility of -- so I guess that would be no, too.

16 Timing of eligibility determinations in
17 your estimates; so for example, if families remain
18 eligible for child care for one year, it would take
19 some time before there's an impact in the Child Care
20 Works Program.

21 SECRETARY MILLER: So our proposed budget
22 doesn't reflect the increase of the minimum wage.

23 REPRESENTATIVE GREINER: So you're not
24 increasing -- so that answers that. So we're not --
25 because if we would increase the minimum wage, what

1 I'm saying is, some of these recipients could end
2 up, maybe not -- there should be cost savings.

3 We're looking for ways to --

4 SECRETARY MILLER: Well, that I can tell
5 you. If the minimum wage were increased to \$12 an
6 hour, our budget would be -- we would see \$100
7 million savings in State funds.

8 REPRESENTATIVE GREINER: Okay. That
9 would be something that I think we're going to have
10 to review and look at the analysis of that overall
11 because that would be our -- I mean, the thinking is
12 you would have to be paying less out to people if
13 that's the case, but we would have to look at that
14 analysis.

15 I do --

16 SECRETARY MILLER: I think -

17 REPRESENTATIVE GREINER: Yes. Go ahead.

18 SECRETARY MILLER: There are two things
19 that happen. We have to increase the wages of some
20 of the people that are serving our clients; that's
21 one impact. Then the other impact is about 122,000
22 individuals would become ineligible for Medicaid.

23 REPRESENTATIVE GREINER: But let me just
24 ask you, you're already -- didn't the Governor -- I
25 think I asked you this a couple of weeks ago -- the

1 Governor already had signed an executive order, so
2 there are probably very few people -- they're
3 already probably making close to \$12 an hour in your
4 Department already, meaning there really isn't going
5 to be much impact --

6 SECRETARY MILLER: We're providers,
7 though.

8 REPRESENTATIVE GREINER: Oh, providers.
9 Understood. I do want to switch back to HB 59 for a
10 little bit. Inside that bill there was a very
11 important component that directed DHS to issue a
12 request for information to evaluate the efficacy and
13 cost effectiveness of software programs designed to
14 identify and prevent fraudulent information.

15 I mean, I think -- I'm telling you the
16 public is upset about this whole area, because
17 instinctively, we feel things aren't being done
18 right. I know you're in here trying to do the right
19 thing, but what I'm wondering is, does your
20 Department perform activities to prevent incorrect,
21 duplicate or fraudulent payments?

22 I mean, what's being done?

23 And then getting back to that RFI, I
24 mean, have you actually had people coming to you,
25 the government, saying, I think there are ways that

1 we can evaluate this to determine where fraud is and
2 where fraud is being committed?

3 SECRETARY MILLER: Yes, Representative,
4 we have a lot of people coming to us who want to
5 help us save money. I think the question is just
6 whether you think you can figure out if you're
7 actually going to save money.

8 With respect to the RFI issue in HB 59,
9 we actually issued an RFI in September of 2015
10 related to the use of innovative data analytics and
11 technologies to modernize handling of program
12 integrity functions that would then block improper
13 payments.

14 The responses from the RFI were limited
15 and did not propose solutions that we felt would be
16 effective beyond what DHS already currently has in
17 place. In addition, we have had representatives
18 from the Federal CMS who have cautioned states from
19 going too far with software purveyors in this area,
20 given their limited results and effectiveness
21 throughout the country.

22 So we've previously tried to engage with
23 software vendors, similar to what was proposed in
24 HB 59. And while those vendors may believe there's
25 fraud, waste or abuse, oftentimes those results show

1 false positives. So that's been our experience with
2 this.

3 REPRESENTATIVE GREINER: So right now
4 we're looking at status quo. I mean, that's kind
5 of -- maybe that's unfair to say that, but as far as
6 software programs or getting somebody to help us to
7 try to identify that, we're kind of -- we aren't
8 there.

9 SECRETARY MILLER: I mean, what I
10 mentioned earlier, we do a lot now in terms of
11 program integrity efforts. We check a lot of
12 databases to verify ongoing eligibility. And we
13 have a lot of program integrity efforts ongoing and
14 systems in place to prevent improper payments from
15 going out, which is, again, why we had the \$690
16 million in cost avoided and recoveries.

17 So I think we do a pretty good job on
18 this. That's not to say that we can't improve, but
19 if we're going to engage with a software purveyor,
20 that we're going to be improving what we do as
21 opposed to just giving money to that.

22 REPRESENTATIVE GREINER: One thing
23 that I've encouraged, and I'm on record, is that I
24 really do think that our departments, when we look
25 at how big our budget is and we're trying to save

1 costs, I think we need to look at, perhaps, a
2 forensic audit. I think it needs to start with the
3 department, too, because of the amount of dollars.

4 Forensic, I'm talking line by line to
5 figure out what's going on with the Federal
6 government, the dollars that are being sent. Any
7 time you have a budget this big, I am concerned
8 about waste, you know.

9 We need to deal with that, but thank you.
10 There will be further questions this afternoon, I'm
11 sure. Thank you.

12 MAJORITY CHAIRMAN SAYLOR: Representative
13 Briggs.

14 REPRESENTATIVE BRIGGS: Thank you,
15 Chairman.

16 Thank you, Secretary, for your patience
17 with us and your very balanced approach to the
18 challenge that we're facing. I get emotional when
19 we start talking about these topics. It touches my
20 family extendedly and directly.

21 I have two young children who have
22 received benefits through the Department. The level
23 of documentation and complexity that is required to
24 meet those requirements, it concerns me. I called
25 on Governor Wolf to veto HB 59 because of the

1 unintended consequences that you described.

2 But what more concerns me, is that I feel
3 like it was the agenda to try to get as many people
4 off the rolls as possible. So I wasn't going to
5 talk about that.

6 I'm glad you're at the helm and are
7 willing to work with the legislature. That is the
8 process. The legislature passes bills and the
9 Governor signs them or vetoes them, and I'm glad
10 that he vetoed that bill last year.

11 But what I am going to submit in writing,
12 because it's kind of a complex matter and will
13 probably get into the weeds a little bit too much,
14 but I understand you're in the progress of Medical
15 Management Information Systems 2020 Platform
16 Project.

17 I have a number of questions regarding
18 the RFP process and expected challenges that you
19 might be facing with the Commonwealth's history of
20 procurement-type projects.

21 So I don't want to ask you a question
22 about it today, but I did want to address it. When
23 I send it, I will copy the Chairmen. When you
24 respond, if you could reply to the Chairmen, that
25 would be terrific.

1 SECRETARY MILLER: Of course.

2 REPRESENTATIVE BRIGGS: Thank you.

3 Thank you, Chairman.

4 MAJORITY CHAIRMAN SAYLOR: The last
5 questioner until 1 o'clock is Representative Quinn.

6 REPRESENTATIVE QUINN: Thank you,
7 Mr. Chairman. I would like to think you saved the
8 best for last.

9 It's great to have you here.

10 SECRETARY MILLER: Thank you.

11 REPRESENTATIVE QUINN: I'm delighted to
12 have you in this role. I enjoyed working with you
13 in the Insurance Department.

14 Putting back on your hat, I have a
15 question about the Employee Liability Self-Insurance
16 Fund that's under DGS.

17 When you have all of these managed care
18 organizations and such going into people's homes, do
19 they carry their own insurance or do they come up
20 under the umbrella then of the Department of Health
21 and Human Services and our Insurance?

22 SECRETARY MILLER: I don't know the
23 answer to that. We'll have to get back to you on
24 that.

25 REPRESENTATIVE QUINN: Thanks. And when

1 you get back to me, I'm also curious if you could
2 let us know what payouts, not on individuals, but
3 what payouts on behalf of the Department have been
4 made?

5 I'm also curious, what is the assessment
6 for the Department?

7 These are all per capita, so I'm looking
8 at what the payouts have been and what the payouts
9 have been against that assessment.

10 Now, I'm going to move to another topic
11 here. Two things. One, I appreciate the deep dive
12 into the Medicaid claims data. I'm assuming that
13 has to do with not just seeing claims from our
14 constituents, but also the relationship between
15 those companies that are billing you for Medicaid,
16 auditing in terms of that.

17 It is?

18 I'm seeing nods. Okay. I'll take that
19 as a yes for the stenographer.

20 The next subject is the intellectual
21 disabilities, the base and the waiver programs and
22 autism. It's been great that we were able to put
23 money in. I would love to see more and more money.
24 I think that would solve -- it would certainly help.

25 What is the current waiting list?

1 Back on December 31st of '17, we were
2 told that 13,614 individuals on the waiting list.
3 And then we had a breakdown, emergency, critical
4 needs, and the planning stages.

5 Could you please give us an update on
6 that?

7 SECRETARY MILLER: Sure. And just to
8 give a little bit of perspective, over the years,
9 service expansion, I think, has really made a real
10 impact on the waiting list. In April of 2006, there
11 were 24,500 waiting for service. Today, I think
12 your numbers were right on. The waiting list is
13 about 13,600 people.

14 So that's a significant accomplishment.
15 But that number, it can seem overwhelming, even the
16 13,000 number. It's important to know that not
17 everyone is asking for services immediately, to your
18 questions. Some need services now, some within the
19 next two years and some are letting us know they
20 need services in the next five years, and some are
21 getting a level of service while they wait.

22 Do you want the breakdowns?

23 REPRESENTATIVE QUINN: I don't need the
24 breakdowns, per se, but I've got that in emergency,
25 critical. To me, those two words are synonymous.

1 And then planning. I thought planning is
2 more of an immediate, but you're saying it can be up
3 to five years?

4 SECRETARY MILLER: Right. So they're
5 planning for the future at that point.

6 So we've got 4,000, a little over 4,000,
7 who need services now or within the next two years,
8 who are getting no services at all. There are 6,673
9 who also need services now or will in the next year,
10 but they're getting some services in the interim,
11 but we're not meeting all of their needs.

12 REPRESENTATIVE QUINN: So you said my
13 number was fairly accurate. The number a couple of
14 months ago was 13,614.

15 When do you expect to be able to get that
16 next lump off?

17 I mean, that hasn't really declined since
18 then.

19 What is the attrition rate of the waiting
20 list?

21 Magical chairs.

22 MAJORITY CHAIRMAN SAYLOR: Name and
23 title?

24 DEPUTY SECRETARY THALER: Nancy Thaler,
25 Deputy Secretary for the Office of Developmental

1 Programs.

2 MAJORITY CHAIRMAN SAYLOR: Would you say
3 that again a little louder?

4 DEPUTY SECRETARY THALER: Nancy Thaler,
5 Deputy Secretary for the Office of Developmental
6 Programs.

7 The waiting list number can be a fluid
8 number. So what can change over time is the
9 percentage of people on the waiting list who are
10 getting services. So about half of the people on
11 the waiting list are enrolled in some kind of
12 services, fairly low and not enough.

13 So what we also see changing is the
14 percentage of people on the waiting list who are
15 actually getting services, which is good news, but
16 it doesn't take your name off the list.

17 REPRESENTATIVE QUINN: Thank you, Nancy.
18 I'm recalling a hearing a year and a half ago or so
19 when we talked specifically about the discretion for
20 the amount of services. And if my recollection is
21 correct, and please let me know, it was more at the
22 county level that would say, this individual can get
23 services that can equate into the hundreds of
24 thousands of dollars a year, yet the next person
25 coming on the list, they might be able to get like,

1 you know, \$20,000 a year.

2 Does that discretion still lie with
3 someone at the county level or is there State
4 level --

5 DEPUTY SECRETARY THALER: It's limited
6 discretion, and this is why, we have three Medicaid
7 waivers that we use. Two of them have caps on them.
8 So in one waiver, you can only get services up to
9 \$33,000. In the new waiver that was just
10 implemented in January, you can get services up to
11 \$70,000 and then we have another waiver that has no
12 cap on it, where people who have extraordinary needs
13 can be served.

14 So our counties get slots, if you will,
15 or opportunities to expand. So if the expansion is
16 in the waiver that is capped at \$30,000, they can
17 enroll people and give them services up to that
18 amount. So they have discretion in which waiver,
19 and they're are most likely to serve forward people
20 who have the highest needs to the waiver that has
21 the higher cap.

22 I also want to make a comment about the
23 word emergency. Everybody responds that way.
24 Emergency means now. Really, people who are in an
25 emergency status are really taken care of.

1 Emergency equates to people who -- it simply equates
2 to the phrase, I need services now or in the next
3 year. So that would, for instance, a child who is
4 leaving public school. They're in public school,
5 but it's pretty clear they want services in the next
6 year. So it's not an emergency now, but it will be
7 if we don't do something.

8 And to that last point, I want to -- an
9 issue last year and always, going forward, is the
10 issue of school graduates. The majority of our
11 waiting list is under 23. So those are generally
12 young people, and families are worried about the
13 future.

14 And what we have been trying to do, and
15 over the past years there have been initiatives to
16 capture children when they leave school so that at
17 least we're not building a waiting list of people
18 who are languishing and have nothing. So we've been
19 able to do that.

20 In the current year's budget, we have an
21 initiative for graduates, but in the proposed
22 budget, there is an initiative for the children
23 graduating in 2018, just around the corner, but
24 there's also an initiative to capture the children
25 in 2019. So throughout this school year, those

1 families and students can know. They can plan for
2 the future with security that they'll have services.

3 So that sort of policy change makes a big
4 difference in assuring that we don't have people who
5 have nothing.

6 REPRESENTATIVE QUINN: Okay. Yes or no
7 question; can people be getting more than one waiver
8 at the same time?

9 DEPUTY SECRETARY THALER: No.

10 REPRESENTATIVE QUINN: Thank you.

11 MAJORITY CHAIRMAN SAYLOR: Thank you.

12 We'll reconvene at 1 o'clock.

13 Madam Secretary, thank you.

14 (Whereupon, a recess was taken.)

15 MAJORITY CHAIRMAN SAYLOR: Madam
16 Secretary, and anybody from the Department of
17 Health, if you're going to testify, if you would
18 rise and raise your right hand.

19 I've already sworn the Secretary in, so
20 we'll do you, as well.

21

22 (Testifiers sworn en mass.)

23

24 MAJORITY CHAIRMAN SAYLOR: With that,

25 we'll start off -- the first questioner is

1 Representative Kampf.

2 REPRESENTATIVE KAMPF: Thank you,
3 Mr. Chairman.

4 Secretary Miller, I'm asking questions
5 about the Health Choices Procurement. I asked your
6 Secretary Dallas about that. I'm sure you're aware
7 the, I guess the procurement process, the first time
8 around was essentially ruled by the Commonwealth
9 Court to be unlawful. A new, you know, procurement
10 bid round occurred. And there were some challenges
11 there that I understand are still ongoing.

12 When I say challenges, I mean objections,
13 legal objections.

14 At least I get the sense, just from
15 reports that perhaps that's headed to Court. We're
16 rolling out in the southwest, I guess, the first
17 phase.

18 Can you give us an update on where the
19 legal challenges stand and whether that's causing
20 you to think about another direction altogether?

21 SECRETARY MILLER: Sir, Representative,
22 just to make sure we're speaking the same language,
23 I think your references to the challenges are to the
24 Physical Health Choice Procurement, which is --

25 REPRESENTATIVE KAMPF: Yes.

1 SECRETARY MILLER: -- we're waiting for a
2 court decision on that.

3 So on the Physical Health Choice side, we
4 are not moving forward with that new procurement
5 until we have a court decision at this point.

6 So that's kind of on hold, but I think
7 you talked about the rollout. I think you're
8 referring to Community Health Choices. So our
9 Community Health Choices are long-term services,
10 managed care program we just rolled out in the,
11 southwest.

12 REPRESENTATIVE KAMPF: Right.

13 SECRETARY MILLER: So --

14 REPRESENTATIVE KAMPF: Isn't that the one
15 that was subject to the legal challenges and the
16 second bidding round?

17 SECRETARY MILLER: No. I think you're
18 referring to the Health Choices, the Physical
19 Health.

20 REPRESENTATIVE KAMPF: All right. Well,
21 as I understand it, it's a multiphase,
22 multi-regional rollout.

23 SECRETARY MILLER: That's Community
24 Health Choices.

25 REPRESENTATIVE KAMPF: Right. But there

1 was a bid problem there and there was a court case
2 that caused the Department to go back and issue a
3 new set of bids.

4 SECRETARY MILL: Not with Community
5 Health Choices. They're easy to confuse,
6 Representative.

7 REPRESENTATIVE KAMPF: All right. Okay.
8 Well, can we call it Health Choices?

9 SECRETARY MILLER: Which one are we
10 talking about?

11 We have Physical Health Choices and we
12 have the long-term care, managed care program called
13 Community Health Choices or CHC.

14 REPRESENTATIVE KAMPF: Yes, that is the
15 one.

16 SECRETARY MILLER: CHC is what we're
17 rolling out.

18 REPRESENTATIVE KAMPF: And just so I'm
19 clear, maybe it's my problem. There were issues
20 there with the bid process and they resulted in a
21 bid challenge.

22 SECRETARY MILLER: That's correct, but
23 they were resolved.

24 REPRESENTATIVE KAMPF: Okay. They were
25 resolved.

1 And there are no administrative
2 challenges now?

3 SECRETARY MILLER: There are no
4 administrative challenges with CHC.

5 REPRESENTATIVE KAMPF: So that's all been
6 resolved. Okay. Well, that's what I was asking you
7 about. That's all taken care of.

8 SECRETARY MILLER: I'm sorry. I thought
9 when you started your question, you were talking
10 about Health Choices.

11 I thought you said out Health Choices,
12 but --

13 REPRESENTATIVE KAMPF: I'm sure I did.

14 SECRETARY MILLER: Community Health
15 Choices, we are moving forward with.

16 REPRESENTATIVE KAMPF: Okay. All right.

17 So since we are moving forward with that,
18 there are no issues there. Then I'll move to my
19 next question. I still have some green light.

20 With respect to nursing homes, we
21 definitely have reports from, in my district and
22 other places, that they've got a lot of challenges.
23 We've got, you know, 55,000 people in our nursing
24 homes. They're being under reimbursed. They're
25 under siege from, you know, plaintiff's personal

1 injury suits.

2 As I understand it, we're sort of looking
3 at spending resources on community-based aging in
4 place.

5 So my question is for the nursing home
6 population, what are we doing about that and what
7 can be done to alleviate some of their financial
8 challenges, so they can serve the population that's
9 in the nursing homes?

10 SECRETARY MILLER: Yeah. So I think you
11 alluded to the fact that our goal is to hopefully
12 serve more people, going forward, in their homes and
13 communities, where we know they want to be served
14 and it's cheaper to serve them, but we do appreciate
15 the concern on the nursing home side.

16 We have certainly heard the same concern
17 about reimbursement and no rate increase for a
18 number of years. As we move to managed care, it
19 will be the managed care organizations who will be
20 contracting with all of the providers to provide
21 these services.

22 And so our goal is to make sure that
23 we're providing adequate rates and funding to the
24 MCOs, so that when they contract with all of the
25 providers, not just the nursing homes, but the

1 community-based providers, as well, there are
2 adequate rates to continue those services.

3 Again, as we move into managed care, that
4 will be something that we'll be working with the
5 MCOs on.

6 REPRESENTATIVE KAMPF: Okay. I still
7 have some green. I'm going to go back.

8 Health Choices, right?

9 SECRETARY MILLER: Uh-huh.

10 REPRESENTATIVE KAMPF: This is Health
11 Choices Physical Health Program. Okay. There are
12 no challenges to that bidding process?

13 SECRETARY MILLER: No, there are
14 challenges to that bidding process.

15 REPRESENTATIVE KAMPF: Okay. And where
16 do they stand?

17 SECRETARY MILLER: So they are with the
18 Commonwealth Court now and we are waiting for a
19 decision.

20 REPRESENTATIVE KAMPF: All right. Are
21 you just going to wait for that decision or are you
22 going to perhaps go in another direction?

23 SECRETARY MILLER: At this point, we're
24 waiting for the decision.

25 REPRESENTATIVE KAMPF: Okay.

1 SECRETARY MILLER: So that affects,
2 roughly, 2.3 million recipients.

3 Does that sound about right?

4 SECRETARY MILLER: Yes.

5 REPRESENTATIVE KAMPF: Okay. Have you
6 considered, instead of waiting for the decision,
7 just letting any eligible provider, essentially, bid
8 for that work?

9 DEPUTY SECRETARY ALLEN: So as we are
10 waiting for the decision, the existing agreements
11 with the existing Health Choices MCOs, they continue
12 to operate in the zones that exist today and will
13 continue to do so.

14 REPRESENTATIVE KAMPF: Has the Governor
15 asked the Inspector General to look into the bid
16 irregularities?

17 DEPUTY SECRETARY ALLEN: Yes.

18 REPRESENTATIVE KAMPF: What's the outcome
19 of that?

20 DEPUTY SECRETARY ALLEN: There is no
21 outcome at this point.

22 REPRESENTATIVE KAMPF: Has there been any
23 fiscal impact, any cost to this?

24 This is the bid irregularities and the
25 two trips to court.

1 SECRETARY MILLER: Just a lot of legal
2 time.

3 REPRESENTATIVE KAMPF: Any costs
4 associated with that.

5 SECRETARY MILLER: Our staff's mental
6 health, perhaps, but I don't think any additional
7 costs, it's just staff time at this point.

8 REPRESENTATIVE KAMPF: Okay. Thank you.

9 MAJORITY CHAIRMAN SAYLOR: Representative
10 Schweyer.

11 REPRESENTATIVE SCHWEYER: Thank you,
12 Mr. Chairman.

13 Over here. I'm going to apologize, I'm
14 going to try not to cover any ground that had been
15 covered previously. I had to step out for the
16 Veterans Affairs and Emergency Preparedness
17 Committee, as well.

18 I'd like to revisit one point very
19 quickly and then move onto something else, if I
20 could. That was the number of folks receiving
21 Medical Assistance, who are not otherwise on
22 disability, not senior citizens, not children, that
23 number.

24 Can you get -- and if you don't have it
25 off the top of your head, that's fine, but of that

1 remaining subsector of folks that was whittled down
2 over the last couple of hours, roughly, how many
3 folks are in and out versus how many folks are
4 chronic?

5 Because it seems to me there's a big
6 disconnect to somebody who lost their job, who is
7 trying to figure out what they're going to do with
8 their life next, or recently graduated from high
9 school and is trying to figure out what they're
10 going to do, who is in the system for six months,
11 finds a job, maybe that employer actually offered
12 him health care in the community and then gets off
13 of it versus somebody who is a chronic user of the
14 system.

15 And I don't want to use chronic in a
16 negative light because I think there's been enough
17 of kind of a language that was used throughout
18 Harrisburg over the course of many years that makes
19 folks who are a little hard on their luck seem as if
20 they are somehow bad people.

21 So if you could get that information to
22 us, that would be helpful. Skipping ahead, going
23 back to last year's Human Services Code, I think it
24 was HB 59. There was a provision passed by the
25 legislature that I was concerned about and I wanted

1 to ask your opinion about and make sure I wasn't
2 completely on the wrong track, and that would be to
3 mandate that we eliminate -- if budgets get tight,
4 that we would eliminate non emergency medical
5 transportation as a covered cost under Human
6 Services. That was something that was written in
7 there. It was taken out. The language changed a
8 little bit, but it still would address that.

9 It appears to me that if we're looking to
10 keep our folks healthy and keep costs down, it's
11 probably safer to make sure that a person on Medical
12 Assistance, a senior citizen, for example, is able
13 to actually get to their dialysis appointment than
14 by an ambulance ride.

15 So can you explain that a little bit
16 more?

17 Will it remain a reason for the Governor
18 to oppose some of those significant changes on the
19 Human Services Code?

20 SECRETARY MILLER: Representative, to be
21 honest, that portion of the bill, I am not extremely
22 familiar with. Leesa maybe can address that.

23 DEPUTY SECRETARY ALLEN: Sure. So the
24 non emergency medical transportation services are
25 actually required services under the Medicaid

1 Program. So for us to not cover those is not really
2 an option from a Federal perspective.

3 REPRESENTATIVE SCHWEYER: You're able to
4 get a waiver.

5 DEPUTY SECRETARY ALLEN: We're able to
6 get a waiver for not providing Medical Assistance
7 transportation services. Non medically necessary
8 transportation services would not be covered, but in
9 terms of covering what is medically necessary for
10 members to receive their Medicaid benefits, we would
11 be providing those services to the recipients.

12 REPRESENTATIVE SCHWEYER: Currently,
13 correct. So any efforts to reduce and roll back any
14 person's ability to go get their chemotherapy or any
15 of those other things, which they're not
16 emergencies, but they're still medically -- not
17 medically necessary, would be a problem and would
18 continue to be problematic. That was actually
19 written in the original draft of HB 59.

20 DEPUTY SECRETARY ALLEN: I think it would
21 be very problematic not to provide medically
22 necessary transportation for someone who requires
23 those types of services.

24 REPRESENTATIVE SCHWEYER: Okay. Thank
25 you for that.

1 Something that is constantly a concern
2 back home. Full disclosure, I serve on my transit
3 authority board back home. I'm certainly not
4 advocating for funding or any services for that one,
5 but rather for an entire class of citizens, people
6 who rely on these services to be able, like I said,
7 to get to dialysis, chemotherapy, methadone
8 treatments, things along those lines, to be able to
9 maintain and continue to be productive members of
10 our society and live happy and healthy lives.

11 Going back to -- now, I'm going to follow
12 the lead of the previous speaker and now that I got
13 through any second point, go back to the original
14 one. I had asked the question about how many folks
15 are long term users of Medical Assistance.

16 Do you happen to know off the top of your
17 head or can you give us a ballpark figure?

18 SECRETARY MILLER: I think we may have
19 some -- I don't off the top of my head have the
20 figures. I think this is one of those issues that
21 as we delve into the Medicaid claims data, we want
22 to look at, because I think, to your point, as we
23 think about what we can do to do a better job of
24 getting individuals who are able to work working, I
25 think we need to understand the population better.

1 I don't think a one-size-fits-all
2 solution is going to work for this group. So
3 understanding who is coming off, how long people are
4 staying on, I think that's a key part of
5 understanding what we can do better to provide
6 opportunities to reduce barriers and get people to
7 training.

8 REPRESENTATIVE SCHWEYER: I do appreciate
9 that.

10 And again -- Mr. Chairman, I'm going to
11 beg your pardon on this -- do you have a general
12 time sense?

13 I know I was here when you said you
14 started the process of diving into that, but is that
15 something that we can expect in the next three
16 months, the next six months?

17 SECRETARY MILLER: I think we're hoping
18 to have some initial data at least in the month of
19 May.

20 REPRESENTATIVE SCHWEYER: Okay.

21 SECRETARY MILLER: So that's when we'll
22 probably get some initial information.

23 REPRESENTATIVE SCHWEYER: Great. Thank
24 you.

25 If that specific question is available,

1 I'd really appreciate hearing about that.

2 Thank you.

3 SECRETARY MILLER: Sure.

4 REPRESENTATIVE SCHWEYER: Thank you,
5 Mr. Chairman.

6 MAJORITY CHAIRMAN SAYLOR: Representative
7 Helm.

8 REPRESENTATIVE HELM: Thank you,
9 Mr. Chairman.

10 Welcome. I would like to talk about
11 contract staff. DHS uses contract staff to perform
12 any services in the agency. Funding is included in
13 numerous administrative and program line items and
14 is often difficult to identify as the staff may be
15 part of a larger contract providing other services.

16 How much did DHS spend on contract staff
17 in 2016?

18 And in what line items were these costs?

19 And then, how much do you anticipate
20 spending on contract staff in 2017-'18 and '18-'19?

21 And in what line items are these costs?

22 SECRETARY MILLER: I think we'll have to
23 follow up with you on that information.

24 REPRESENTATIVE HELM: Okay. My big
25 question was, so follow up with me on this one,

1 would it be less expensive to hire state staff to
2 perform these activities?

3 That's what I would really, really like
4 to know. Depending on your answer, explain it to
5 me.

6 SECRETARY MILLER: Okay. We'll have to
7 get back to you on that.

8 REPRESENTATIVE HELM: All right. You
9 have to follow up.

10 Harrisburg closed their State hospital a
11 number of years ago. And I see that there are
12 currently seven State hospitals.

13 I just wonder how many individuals are
14 currently residing in the State hospitals?

15 And I heard the number is expected to
16 increase next year. And just explain to me why you
17 think that's going to happen.

18 SECRETARY MILLER: We'll see if we can
19 find this here.

20 REPRESENTATIVE HELM: While you're
21 looking it up, I will continue.

22 Are there adequate services and capacity
23 in the community for individuals that are being
24 transitioned back to the community?

25 SECRETARY MILLER: That's something we

1 work very closely with the counties on, and it's
2 challenging. We want to get more people into the
3 community, but it often takes providers time to find
4 sites and counties to find providers. So this is a
5 big priority for us because we do want to see more
6 people served in the community, but there are
7 challenges with that.

8 REPRESENTATIVE HELM: And I don't believe
9 you requested any funds to transition the people
10 back.

11 Can you explain why?

12 SECRETARY MILLER: In terms of the CHIP
13 dollars? Yeah.

14 So since January of 2015, we've allocated
15 almost \$50 million to fund 186 CHIPS or community
16 placements, including 90 in the current fiscal year.
17 Funding for those CHIPS is annualized in the
18 proposed budget.

19 In addition to the 186 CHIPS, we have
20 invested 120 additional community placements, but
21 counties are still in the process of implementing
22 the current CHIPS, so we need to give the system
23 time to catch up.

24 As I mentioned, it takes awhile for
25 counties to find providers sometimes and for

1 providers to find sites, but this absolutely
2 continues to be a priority in terms of finding
3 people and getting them out of institutional care.

4 REPRESENTATIVE HELM: All right. Then
5 let's talk a little bit about block grants, which
6 were started in 2012-'13 with 20 counties and then
7 it went up to 30.

8 Has this been successful?

9 I know Dauphin County loves it, but
10 across the State, how successful are block grants?

11 DEPUTY SECRETARY ALLEN: I think in terms
12 of the block grant in various counties, I think all
13 counties have had growth in what they're looking to
14 use those dollars for. It does provide the
15 opportunity to have those dollars be more flexible
16 in the counties. So I think what we've seen is
17 counties have been able to use the resources in the
18 areas that they believe are most important to meet
19 the needs of their particular county. So we do
20 believe it has been very successful.

21 REPRESENTATIVE HELM: All right. Thank
22 you. And I will wait for the other information.

23 Thanks.

24 REPRESENTATIVE DUNBAR: Thank you,
25 Representative.

1 Next will be Representative Hahn.

2 REPRESENTATIVE HAHN: Thank you.

3 Good afternoon, Madam Secretary.

4 I just wanted to follow up on the Hamburg
5 Center in Berks County that was closed a year ago.
6 I know I had some relatives there. They had been
7 there for 50-some years, and it was very difficult
8 for the family members.

9 So I'm just wondering, have all the
10 residents been transitioned to the community?

11 Do you have any idea?

12 And did these individuals have top
13 priority in the waiver service?

14 SECRETARY MILLER: So not all of the
15 individuals have been transitioned yet. And I think
16 you bring up a good point. When we first started
17 talking to the families -- because when you announce
18 a closure, you spend a lot of time with the
19 families -- there was a lot of concern about the
20 closure initially.

21 I think as we talked more and more to the
22 families, they got more and more comfortable with
23 the providers and with kind of the community
24 settings. So there were a total of 80 people
25 initially at Hamburg. We've had a couple go into

1 nursing homes, a couple who were transferred into
2 other State centers, 15 that have moved into the
3 community so far. A handful have passed away,
4 unfortunately.

5 The current census now is 55.

6 REPRESENTATIVE HAHN: That are still
7 there?

8 SECRETARY MILLER: That are still there.

9 REPRESENTATIVE HAHN: Fifty-five, okay.

10 SECRETARY MILLER: We are anticipating
11 that we have eight or nine, I think, that are going
12 into other centers and then forty-six that are going
13 into the community. And I think a number of those
14 are scheduled to happen in the next six to eight
15 weeks.

16 So I think we're still aiming to try to
17 close mid-year. We'll be close to that, but at the
18 end of the day, we want to make sure we do this
19 right.

20 REPRESENTATIVE HAHN: When you say going
21 into the community, where?

22 To group homes or where are they going
23 to?

24 SECRETARY MILLER: Right. Exactly.

25 REPRESENTATIVE HAHN: And do the families

1 have a choice?

2 I mean, are they provided facilities
3 close to them, not that they're moved to the other
4 side of the State and then they can't go visit.

5 SECRETARY MILLER: Yes. That's exactly
6 the goal.

7 REPRESENTATIVE HAHN: You're working with
8 the families to make sure they're close, right?

9 SECRETARY MILLER: Yep.

10 REPRESENTATIVE HAHN: What about the
11 employees at Hamburg?

12 What were their options?

13 Do they get State employment at another
14 facility?

15 What's happening with them?

16 SECRETARY MILLER: Here, I'll have Nancy
17 come up and talk about that.

18 MAJORITY CHAIRMAN SAYLOR: If you would,
19 repeat your name and title for the stenographer.

20 DEPUTY SECRETARY THALER: Sure. Nancy
21 Thaler, the Deputy Secretary for the Office of
22 Developmental Programs.

23 We started working with the employees of
24 Hamburg immediately when the closure announcement
25 was made. There are a series of actions taken,

1 including freezing positions in other places. We
2 already had difficulty holding onto staff because
3 they would be transporting to Wernersville State
4 Hospital, which isn't too far. So that's often the
5 first preferred transition.

6 And so at this point we are operating --
7 I can't tell you the number with a significant
8 number of people who are working on a wage basis
9 because the departures have happened quicker than
10 the departure of the residents.

11 So a large number of employees have
12 already found other employment. Some have positions
13 being held for them at other centers.

14 At this point, it's a person by person
15 activity.

16 REPRESENTATIVE HAHN: Okay. And I think
17 that was one of the concerns of the family, that the
18 employees would be leaving and then the residents
19 wouldn't get care.

20 DEPUTY SECRETARY THALER: Right. But I
21 just want to make a comment about, there are a
22 number of employees who could retire and chose not
23 to and chose to stay and work until the place was
24 closed, which I think speaks to their commitment to
25 the people.

1 REPRESENTATIVE HAHN: Good. Thank you.

2 I want to go off with another problem
3 that we've had in the Lehigh Valley, or at least in
4 my district. My staff has been getting calls.

5 I don't know if it's anywhere else, but
6 we have some constituents who have intellectual
7 disabilities and they need transportation to, say,
8 Arc for the day. My understanding is there was some
9 kind of glitch, along with the Department of
10 Transportation that they didn't pick them up on the
11 bus route. They picked them up at the door and take
12 them to the facility.

13 Now, they're saying that the bus cannot
14 stop at homes. They have to walk to a bus stop.
15 And then they were given a waiver so that the LANTA
16 bus or something would come pick them up, which was
17 more costly. But my understanding was it was
18 because of something through Federal dollars through
19 the Department of Transportation.

20 Are you aware of that?

21 And are you working with the Department
22 of Transportation?

23 DEPUTY SECRETARY ALLEN: I think you're
24 referencing the MATP Program for medically necessary
25 transportation, and we did have a Federal review of

1 that program.

2 REPRESENTATIVE HAHN: I'm sorry. Can you
3 pull it closer.

4 DEPUTY SECRETARY ALLEN: I'm sorry.

5 I think you're referencing the Medical
6 Assistance Transportation Program. And we did have
7 a Federal review of the program that required us to
8 make changes that would comply with the Federal
9 rules around what we could allow counties that were
10 providers of Medical Assistance Transportation to
11 bill for.

12 And so some of those changes that you're
13 referencing are changes that we did have to make in
14 the program to be in compliance with those Federal
15 rules.

16 REPRESENTATIVE HAHN: So if the
17 constituents are out in the rural areas and there's
18 not a bus route near them, they would still get a
19 service with the LANTA bus, as Representative
20 Schweyer had talked about. He's on that board. So
21 I have to talk to him about this, but they would
22 still get picked up at the door at their home and
23 taken to the facility.

24 Then they get a waiver, correct?

25 DEPUTY SECRETARY ALLEN: For medically

1 necessary transportation, yes. In some instance,
2 the waivers are providing other transportation
3 services to get folks to things other than medical
4 services. So yes, the waivers are still providing
5 some of those services, as well.

6 REPRESENTATIVE HAHN: All right. And I
7 think the concern is, you know, the people with
8 intellectual disabilities, they don't have anyone to
9 take them the three blocks to the nearest bus stop
10 so we just want to make sure that, you know, they
11 get there safety, but I see my time is up.

12 Thank you, Mr. Chairman.

13 MAJORITY CHAIRMAN SAYLOR: Representative
14 Santora.

15 REPRESENTATIVE SANTORA: Thank you.

16 Welcome to the speed round. Seven
17 questions, five minutes. I only say that because if
18 I do interrupt, it's not for any reason other than
19 to move to the next question. And you can come back
20 to any of the answers.

21 Can you explain the various roles of the
22 AAAs, either directly or indirectly, through the
23 spin-offs within the Community Health Choices?

24 SECRETARY MILLER: Sure. So the AAAs are
25 obviously a valuable contributor to see as we rolled

1 out the southwest and for that to continue as we
2 continue rolling out the program.

3 So first, as part of the education and
4 outreach efforts of Aging Well, they with other
5 service coordination agencies have been publicly ly
6 presenting on the program, and what it means for
7 Pennsylvania's seniors.

8 Second, once again, as part of a
9 subcontracted relationship with Aging Well, they'll
10 be supporting the eligibility process for the
11 program by performing the functional eligibility
12 determination.

13 And third, several of the AAAs have
14 developed separate units to offer service
15 coordination as a subcontracted service to the CHC.

16 REPRESENTATIVE SANTORA: Do you have
17 concerns about conflicts of interest with some of
18 these AAAs?

19 SECRETARY MILLER: So CHC is authorized
20 by the Federal government through a waiver that
21 prohibits any conflict of interest between the
22 eligibility and MCO plan selection process and the
23 operations of the MCOs. So CMS has reviewed and
24 approved our approach to eligibility, which has
25 included the use of Aging Well.

1 But we will consistently monitor the
2 CHC-MCOs in all of our agencies and contractors to
3 make sure that there's no risk of conflict of
4 interest and we'll make any changes if a conflict
5 arises.

6 REPRESENTATIVE SANTORA: Okay. Great.

7 Moving forward, pharmacies. So
8 independent pharmacies have been having some issues.
9 The managed care networks, such as Gateway and
10 AETNA, both used CVS Caremark for their benefit
11 manager and they're determining what gets
12 reimbursed.

13 And what's happening is the independent
14 pharmacies aren't getting enough reimbursed for what
15 has to be charged. And it's a real problem. And it
16 seems as if there's some more conflict here. This
17 is the road I was going down with this conflict.

18 It's in this area, too, because what I'm
19 finding out from my independent pharmacist, and
20 there are a couple of them in my area that are
21 having the exact same problem. What is going on is
22 CVS is coming around on the other end, on the
23 corporate end and saying, you know what, let us just
24 buy you out.

25 What is going on here?

1 DEPUTY SECRETARY ALLEN: So thank you for
2 that question. I'll answer.

3 We were made aware of this back at the
4 end of January because a couple of our MCOs actually
5 were in contact with the PBM, specifically CVS
6 Caremark. And that CVS had decreased their pricing
7 from October until that point in time when we were
8 notified of the changes. And actually, the two MCOs
9 that you saw were also made aware of those changes.

10 Up to that point, they were not aware of
11 the pricing changes. So we worked with those two
12 MCOs to go back and actually have CVS Caremark
13 change their price back to what the pricing was that
14 was in effect prior to --

15 REPRESENTATIVE SANTORA: So did they get
16 reimbursed for the previous when they were being
17 under reimbursed?

18 DEPUTY SECRETARY ALLEN: So from October
19 to January 12th, I believe it is, they were not
20 reimbursed. That's something that the plans are
21 still working with CVS to see if we can have those
22 costs reimbursed.

23 REPRESENTATIVE SANTORA: Because these
24 small independents cannot afford to eat those costs.
25 That's my biggest concern.

1 So if the Department can do something
2 about that and make sure it's not happening in the
3 future, that's all I'm asking for.

4 Thank you for your answer on that.

5 Moving forward. I want to talk about
6 nursing homes. You had mentioned, when my colleague
7 fro Montgomery County was questioning about
8 potential -- I may not have heard it right -- but
9 are nursing homes going to get increases this year?

10 SECRETARY MILLER: There's nothing in the
11 proposed budget that proposes an increase in nursing
12 home rates.

13 REPRESENTATIVE SANTORA: Okay. So one of
14 the issues is the intergovernmental transfer. They
15 send money. They get -- the transfer happens. I'm
16 understanding that in order to get the Federal
17 dollars.

18 Now, the county nursing homes, for
19 example, some of them are 85, 90 percent Medicare --
20 or Medicaid, I'm sorry. I also confuse those.

21 I don't confuse them; I say it wrong.
22 I'm hearing that there's a negotiation going on of
23 what the split is going to be for the Federal money.

24 Shouldn't they be getting the maximum
25 amount possible, especially since they've been flat

1 all these years?

2 We're going to so more and more of these
3 nursing homes being sold. And I'm just going to get
4 the one last question out, and I apologize.

5 Maximus. I am getting complaints. My
6 colleagues are complaining constantly that we are
7 just going through issue after issue, misplacing
8 paperwork and forms, and basically ignoring our
9 offices.

10 What's going to be done about that, as
11 well?

12 So if you could hit those two questions.

13 DIRECTOR SWAILS: I'll take the first one
14 on the IGT payments, the first one that you
15 referenced and the county nursing homes. Those are
16 specific payments that only county nursing homes are
17 able to receive. And they have not be flat over the
18 last few years. They have received some increased
19 dollars. The mechanism -- we really have to --

20 REPRESENTATIVE SANTORA: I'm sorry.
21 You're right. I believe 6.6 percent when the costs
22 have gone up 30 percent, so really they're under
23 water.

24 DIRECTOR SWAILS: Sure. I just wanted to
25 say that we do continue to work with the CCAP and

1 the counties to work on a resolution to make sure
2 that they are funded and maintained because they are
3 really providers of safety net services and are
4 important to the system.

5 SECRETARY MILLER: And with respect to
6 Maximus, let me just say, I've been in this position
7 for about six months and I've heard form a lot of
8 legislators, extreme frustration with Maximum and
9 the process. So I get it, and I appreciate the
10 concern.

11 I do think the Department took them
12 seriously in terms of when we went to and through
13 the process of re-procuring the IEB, which we just
14 did. We were careful to apply lessons learned to
15 enhance the requirements in that agreement.

16 And I will tell you that we are, as you
17 know, in the process of re-procuring the IEB
18 contract. I expect we'll be able to have an
19 announcement on that here in the very near future.
20 So as we go forward, I think our goals is to
21 continue to see improvements and to learn from our
22 lessons learned.

23 And I guess what I would ask all of you,
24 since you are -- you work very closely with your
25 constituents, you know the issues that are coming

1 up, please bring them to our attention because I
2 think when we were rolling out the southwest,
3 Maximus was doing work with us with that rollout.

4 And I will say, where issues came up and
5 we heard about them and addressed them quickly, we
6 were able to get them fixed quickly. So that's our
7 goal. I want to know if there's a problem, so we
8 can fix it and do it as fast as possible.

9 REPRESENTATIVE SANTORA: Thank you.

10 And please, don't get -- my frustration
11 with Maximus is not with you, and I get that you're
12 new in the role and you're trying to make things
13 happen. So I do appreciate that, and we will keep
14 you informed.

15 And if I could get on the second round
16 for questions, I would appreciate it.

17 MAJORITY CHAIRMAN SAYLOR: Madam
18 Secretary, I've heard it from both sides of the
19 aisle on Maximus. One of the things, and it's hard
20 to make a judgment. It's my second year as Chairman
21 of the Appropriations Committee, but the one thing,
22 you know, with the AAAs, they were handling this.
23 They were in there. They helped people fill out
24 forms.

25 We as legislators help people fill out

1 forms for property tax rent/rebate, and they're
2 fairly simple, but they're not easily understood by
3 senior citizens. Maximus is not helping our seniors
4 at all. It has been sa total and complete failure
5 on their part, in understanding the problems that
6 seniors face.

7 I think that is something we need to
8 reevaluate, in that, I'm not saying we need to go
9 back to AAAs, I'm not going to advocate for any one
10 group here, but what Maximus is doing is really
11 delaying benefits to our seniors on a regular basis.

12 And I don't know how they are going to
13 fix it unless they get more involved, and I don't
14 think their commitment is there, based upon what
15 I've seen. So I will agree with Representative
16 Santora that this has been going on for far too long
17 with them and they've got a contract.

18 They need to live up to the
19 responsibility that you have, and the rest of us
20 have to our seniors.

21 SECRETARY MILLER: I've heard that same
22 sentiment from a lot of legislators. I think as we
23 move forward with the new procurement, I think we
24 need to do everything we can also to address what
25 you're talking about. I mean, we've seen

1 improvements in the numbers with Maximus, but I also
2 appreciate the helping seniors fill out the
3 paperwork and things like that, that aren't
4 necessarily happening.

5 So I think we're also looking at a
6 process to say, how can we make it more user
7 friendly and make it easier for seniors?

8 MAJORITY CHAIRMAN SAYLOR: I mean, we as
9 legislators and you all know how to fill out the
10 forms and everything else.

11 SECRETARY MILLER: It's different.

12 MAJORITY CHAIRMAN SAYLOR: It's
13 different. I mean, we see -- we walk into a senior
14 center and we see someone who is 81 years old
15 helping someone who's 65 years old. So the need for
16 help out there is consistently across the line, any
17 age bracket. It's not just when you hit 81.

18 But we're seeing people who retire who
19 never had to fill out those kinds of forms before.

20 SECRETARY MILLER: Right.

21 MAJORITY CHAIRMAN SAYLOR: It's just very
22 confusing.

23 But anyway, we will move on to
24 Representative Kinsey.

25 REPRESENTATIVE KINSEY: Thank you,

1 Mr. Chairman.

2 Good afternoon again.

3 Welcome, Dr. Levine, Sarah, as well.

4 Earlier this morning, I talked
5 specifically about the community that I represent.
6 And I talked about, you know, some of the challenges
7 that folks have as it related to safe housing, the
8 violence, the food insecurities and the low income.
9 And I think what I was attempting to do was maybe
10 try to paint a picture as I saw it related to
11 individuals in my community throughout the
12 Commonwealth.

13 Secretary Miller, you know, maybe I
14 should just open up and ask you this specific
15 question. You know, we were talking about Medicaid
16 earlier and you mentioned that Medicaid is health
17 care, not welfare.

18 So as I think about those individuals
19 that are receiving Medicaid, can you sort of give us
20 a sense of who they are?

21 I mean, I made some notes here and said,
22 you know, seniors, pregnant women, folks with
23 disabilities, caregivers, folks in school, folks
24 that are retired. I mean, is that pretty accurate
25 in regards to the population who receives services

1 through Medicaid?

2 SECRETARY MILLER: And children. We
3 serve a lot of children, as well.

4 REPRESENTATIVE KINSEY: Children also.

5 SECRETARY MILLER: Yes.

6 REPRESENTATIVE KINSEY: All right. So
7 are there any categories that I'm leaving out in
8 regards to folks who are receiving services?

9 Dr. Levine, I'm sorry.

10 SECRETARY LEVINE: I think that it's very
11 important to recognize in the midst of the opioid
12 epidemic that approximately 120,000 people now
13 receive substance abuse services that would not have
14 without Medicaid expansion by Governor Wolf.

15 REPRESENTATIVE KINSEY: Dr. Levine, as
16 you just mentioned, those individuals that are
17 receiving services due to the opioid crisis, does
18 that run the gamut?

19 I mean, do we have information as to who
20 they are, from like an age perspective, men, women,
21 so forth on, as well?

22 Like are we collecting that type of data?

23 SECRETARY LEVINE: So we do have that
24 type of data.

25 REPRESENTATIVE KINSEY: Even if you don't

1 have it now, I mean, it's something you can always
2 submit to us. I just think it's important to
3 recognize, as we talk about those individuals that
4 are receiving Medicaid, that they're not just folks
5 who don't work.

6 I mean, we're talking about folks who
7 really run the gamut, you know, from all of
8 Pennsylvania, children, seniors, adults, people with
9 disabilities and so forth on. I just really want to
10 hammer home that point.

11 SECRETARY MILLER: I think it's a really
12 important point. You know, we put out a graphic
13 yesterday that I think is a really helpful graphic,
14 at least it has been for me, because it shows where
15 our money is going. And you can see the areas that
16 are driving our costs, since this is, you know, a
17 budget hearing to talk about that.

18 And the areas that are driving our costs
19 are long term services, both in the community and in
20 nursing homes, for seniors, people with disabilities
21 and the other cost driver in the other area we've
22 made significant investments over the last few years
23 is in services to people with intellectual
24 disabilities and autism.

25 So those have been the biggest cost

1 drivers over the last couple of years, but if you
2 look at -- there's a chart that I think we included
3 in our testimony, that shows kind of where out of
4 the \$12.5 billion in our budget, where the money
5 goes. And you know, we talked this morning a little
6 bit about Cash Assistance. You can see from that
7 chart, we spend \$6 million on Cash Assistance in a
8 \$12.5 billion budget. So less than 0.5 percent of
9 our budget is going to what some might call welfare,
10 but the rest of the money, you know, goes to
11 providing health care for all of the individuals you
12 just talked about.

13 It goes to providing long term services
14 and supports, services for people with intellectual
15 disabilities. It goes to help children in our child
16 welfare system, to provide behavioral health care.
17 That's where the bulk of our dollars go. So I think
18 that's an important point.

19 I think we also had another chart that
20 showed that 78 percent of our spend goes to seniors
21 and people with disabilities so that's who is
22 getting the bulk of our dollars.

23 REPRESENTATIVE KINSEY: Great.

24 Dr. Levine.

25 SECRETARY LEVINE: If I could just add,

1 from my experience as a pediatrician and adolescent
2 medical specialist at Penn State Hershey Medical
3 Center, almost 19 years before I took the position
4 as Physician General, I would like to highlight the
5 large amount of children that receive medical care,
6 both acute medical care in the emergency department
7 in the hospital because of Medicaid and CHIP and
8 also preventative care, check-ups, immunizations,
9 lead testing --

10 REPRESENTATIVE KINSEY: Sure.

11 SECRETARY LEVINE: -- under the Medicaid
12 system. So I think it's such an essential component
13 of health care for children and adolescents.

14 REPRESENTATIVE KINSEY: Great. I
15 appreciate you sharing that.

16 Secretary Miller, I want to go back,
17 again, I mentioned earlier I represent the city of
18 Philadelphia, serve on the Human Services Committee
19 as well as the Health Committees here. One of the
20 concerns that has been coming up as it relates to
21 individuals with intellectual disabilities,
22 providers from the city of Philadelphia have been
23 talking about the flat rate.

24 And I recognize that, you know, from a
25 budgetary standpoint, there are some concerns with

1 that, but you know, when you look at the higher
2 costs in the city of Philadelphia versus maybe other
3 parts of the Commonwealth, is there any ongoing
4 discussion to maybe try to assist those providers in
5 the city of Philadelphia in regards to providing
6 some additional funding, simply due to the rate?

7 SECRETARY MILLER: So just to be clear,
8 no one was flat funded.

9 REPRESENTATIVE KINSEY: Okay.

10 SECRETARY MILLER: That \$249 million
11 meant all providers saw an increase. And I talked
12 this morning about, you know, the assumptions that
13 we made in our rate setting process of the \$13 an
14 hour minimum for people with a high school diploma.

15 So that alone is higher than the minimum
16 wage in Philadelphia, for example. We have heard a
17 lot of concerns about the one rate for the entire
18 state. And so I think what you're alluding to is
19 whether we could look at going back to a system
20 where we have geographic rates and we don't have a
21 State rate.

22 So just to give you kind of some sense as
23 to why we ended up where we ended up, we had a very
24 thorough and extensive process to get to the place
25 where we have our rates now. We initially posted

1 rates with two geographic areas, and we had a number
2 of providers who came back and recommended that we
3 change the assumptions in the rate structure related
4 to the Bureau of Labor Statistic's assumptions. The
5 wages across the State condense -- I'm sorry, the
6 occupational selections and working with providers
7 to modify those assumptions, the variances across
8 the State condensed, so we moved to a statewide fee
9 schedule, which is consistent with the practice of
10 the vast majority of multicounty providers, as well
11 as the State, who use a single salary scale.

12 Having said that, we are working now with
13 our actuaries on how we might move to more than one
14 geographic area in the future and the potential
15 impact of doing that. In our proposed regulations,
16 we committed to refreshing rates at least every
17 three years, but there's nothing that prohibits us
18 from looking at rates more often than.

19 But the key is that any changes would
20 have to be implemented in the future because we have
21 a very extensive process that we have to go through,
22 and we would have to go through that same process of
23 getting stakeholder input, putting in and getting
24 approval, et cetera, et cetera, but that's something
25 we're looking at.

1 REPRESENTATIVE KINSEY: I appreciate
2 that. And I see the Chairman reaching for his
3 microphone, so I don't want to be disrespectful to
4 the Chairman's time, but thank you very much for
5 that.

6 Thank you, Mr. Chairman.

7 MAJORITY CHAIRMAN SAYLOR: You're
8 welcome.

9 With that, we'll recognize Representative
10 Heffley.

11 REPRESENTATIVE HEFFLEY: Thank you,
12 Mr. Chairman.

13 Thank you, Madam Secretary.

14 Just to follow up on the line of
15 questioning or comments earlier on the PBMs and the
16 reimbursement rates.

17 Is there anything that the Department can
18 do now?

19 Is there transparency in these contracts
20 between the MCOs and the PBMs to ensure that these
21 reimbursement rates are going to be adequate?

22 I mean, we have 900 independent
23 pharmacies, and I've heard from all of the
24 pharmacies in my district. This is something that's
25 really affecting their bottom line. It's going to

1 be difficult for them to stay in business and to
2 provide this medication in the community.

3 So is there more that can be done?

4 Is there legislatively things that need
5 to be done, to give you that ability to go in there
6 and address that?

7 DEPUTY SECRETARY ALLEN: So we are going
8 to be looking at adding language to our agreements
9 with the MCOs that require that they actually
10 receive information from their PBMs around pricing
11 or pricing changes. That is not something that we
12 have currently in the agreements, but based on the
13 experiences that we've heard about over the last
14 several months, it will be something that we add
15 going forward.

16 REPRESENTATIVE HEFFLEY: I mean this is
17 going on in many states, from what I understand. So
18 I certainly would look at doing everything possible
19 to try to get that money that's owed to them, you
20 know, get those reimbursements back to them.

21 To follow up on another line, HB 1095 was
22 a bill that I authored that addresses the proof of
23 citizenship or eligibility for the receipt of public
24 benefits. It's my understanding that a few years
25 ago, the Pennsylvania State had to pay back, I think

1 it was maybe \$40 million to the Federal government
2 for benefits that were paid out to people that were
3 ineligible.

4 This legislation would put it in statute
5 and explain the process of what somebody would need
6 because you don't have to be a citizen to be
7 eligible for benefits, but it sort of put it in
8 statutory process.

9 In the meantime, what is the Department
10 doing to ensure that anybody that's coming in for
11 public benefits is qualified to receive them?

12 What kind of proof, what kind of ID is
13 there to ensure that we don't have to pay back money
14 again or get involved with another issue with the
15 Federal government?

16 Well, as I mentioned earlier, you know,
17 we have a number -- we have 11 different databases
18 that we ping at the State and Federal level to check
19 for ongoing verification of eligibility of our
20 programs. I don't know if there's anything --

21 REPRESENTATIVE HEFFLEY: Is there any
22 requirement now that anybody would have to show some
23 kind of proof of ID, just prove who they are?

24 I mean, is that a question that's asked
25 right now?

1 SECRETARY MILLER: I'll have Lisa come up
2 and talk more about this.

3 REPRESENTATIVE HEFFLEY: And I guess the
4 reason that I'm passionate about this issue is
5 because I look around in the community, and we have
6 many people that are different groups that need,
7 whether it be the waiver program, the waiting list,
8 people that need these services and we have limited
9 dollars. So making sure that every dollar that's
10 being allocated is going to somebody that's eligible
11 for it.

12 DEPUTY SECRETARY WATSON: Sure. We do
13 have electronic verification services that we work
14 with to make sure that the individuals that are
15 applying for benefits are who they say they are. As
16 the secretary alluded to, we have a number of checks
17 that individuals have to go through when they apply
18 for benefits.

19 We have a minimum of 11 checks where we
20 get different information from income to wages, as
21 well as information from Social Security that would
22 help us determine whether individuals are who they
23 say they are.

24 REPRESENTATIVE HEFFLEY: Well, what's the
25 check for identification?

1 Like if somebody comes in that you know
2 who they are and you know that they're a citizen, so
3 what would be the ID?

4 Is there a photo ID that's required?

5 DEPUTY SECRETARY WATSON: It would be
6 whatever government-issued photo identification that
7 they would have.

8 REPRESENTATIVE HEFFLEY: If they don't
9 have a government-issued photo ID?

10 DEPUTY SECRETARY WATSON: They would have
11 to provide some sort of affidavit to us, and we
12 would have to look to see if we have another
13 exchange that could validate the information that
14 they provided to us.

15 REPRESENTATIVE HEFFLEY: Would you run
16 that through the SAVE Program at all?

17 DEPUTY SECRETARY WATSON: We do. We have
18 a partnership in effect today, but we've been doing
19 that for many years through SAVE.

20 REPRESENTATIVE HEFFLEY: Okay. All
21 right. Thank you. That was my line of questioning.

22 I do think it's important that we have
23 something in statute to provide that, moving
24 forward, that we don't wind up in a situation where
25 we have to pay back those dollars to the Federal

1 government or there are enough dollars there for
2 people that truly need it or that are eligible for
3 it in our State.

4 DEPUTY SECRETARY WATSON: We absolutely
5 agree that was not a fun audit for us. So we
6 certainly took the steps that we needed to make sure
7 that everything would be in place so that it would
8 not occur in the future.

9 REPRESENTATIVE HEFFLEY: Okay. Well, the
10 bill is currently in the Senate, was passed in the
11 House. And I would be willing to work with the
12 Department to try to get that across the finish line
13 and get that approved.

14 Thank you.

15 DEPUTY SECRETARY WATSON: Thank you.

16 MAJORITY CHAIRMAN SAYLOR: Representative
17 Sonney.

18 REPRESENTATIVE SONNEY: Thank you,
19 Mr. Chairman.

20 Secretary, good to see you.

21 I want to talk a little bit about the
22 LIFE Program. With the rollout of managed care, and
23 when other states rolled out managed care, did they
24 see any up tick in the use of the LIFE Program?

25 SECRETARY MILLER: My understanding is

1 that some states did, yes.

2 REPRESENTATIVE SONNEY: And are we at
3 this point?

4 Are we seeing any use of the LIFE Program
5 here in Pennsylvania as we begin, you know, the
6 rollout of managed care?

7 SECRETARY MILLER: So far we have not
8 seen that, no.

9 REPRESENTATIVE SONNEY: Do you wonder,
10 you know, why we are not seeing that?

11 We know that the LIFE Program is a lower
12 cost alternative, correct?

13 And so, you know, are we doing all that
14 we can to encourage and make sure that people
15 understand that the program is there and available?

16 SECRETARY MILLER: I think we've been
17 working very closely with the providers to do just
18 that. As we rolled out CHC, we made sure in all of
19 the materials that were going to participants that
20 we not only mention CHC, but also talked about LIFE.

21 The CHC population is much bigger than
22 those who are eligible for life, but even given
23 that, we've tried to do everything we can to make
24 sure people are aware because it's a great program
25 for those who are eligible and would choose that

1 program. I think going forward, we've also talked
2 about, with the providers, going through a training
3 with our IEB, so we take sure that they have all the
4 information on life that they need to help educate
5 participants in terms of their choices.

6 So I think we've worked really closely
7 with the LIFE providers and certainly contend to
8 continue doing that to make sure that as we continue
9 rolling out CHC, everyone knows that if they're
10 eligible, that life may be an option.

11 REPRESENTATIVE SONNEY: How do you
12 monitor and know that people are actually, you know,
13 being presented with all of those choices that might
14 be available to them?

15 You know, it's one thing for, you know,
16 an agency or provider to say, well, you know, we
17 give them this pamphlet right here that details
18 everything.

19 Well, how do you know that they're really
20 getting the pamphlet?

21 You know, we send minors into a store to
22 see if they can buy cigarettes or see if they can
23 buy beer at a beer distributor, you know, to see if
24 they can purchase beer.

25 Have you ever sent an elderly person in

1 to go through the process to get the feedback from
2 them of exactly, you know, what happened as they
3 went through the process of trying to get services?

4 SECRETARY MILLER: And Kevin can come up
5 and talk more if you like, but I know that we have a
6 lot of ways of getting information from
7 participants. We work with a lot of advocates and
8 consumers who are going through the program to get
9 that feedback loop, so we know what's working and
10 what's not.

11 So I think that is something that's a big
12 part of the program, is that feedback.

13 Would you like Kevin to come up?

14 REPRESENTATIVE SONNEY: Something to add?
15 Yes.

16 MAJORITY CHAIRMAN SAYLOR: Kevin, your
17 name again and title.

18 DEPUTY SECRETARY HANCOCK: Hi. I'm Kevin
19 Hancock, and I'm the Deputy Secretary for the Office
20 of Long Term Living. I work for the LIFE Program
21 and the LIFE Program Association on a frequent
22 basis.

23 We've received feedback from LIFE
24 providers, as well as the LIFE Provider Association.
25 They've conducted secret shoppers with our

1 independent enrollment broker, and then they have
2 identified better opportunities for communication
3 about the LIFE Program with recipients.

4 And we've used that as a way to identify
5 new types of communication with recipients in
6 Community Health Choices, who would be eligible for
7 the program. We are going to use that going
8 forward, especially with our rollout in the
9 southeastern portion of the State with Community
10 Health Choices to augment opportunities for
11 communication about the LIFE Program.

12 Just speaking very specifically to your
13 concern about the volume of enrollment with the
14 Program, we were expecting it to be more than it
15 was. Other states have experienced a significant
16 increase in what they call the PACE Program, which
17 is our LIFE Program.

18 Ten percent; we did not see that
19 increase. We would like to see a significant
20 enrollment in the LIFE Program that matches what's
21 seen in other states. And we're going to take every
22 opportunity to be able to get the message out that
23 this is a great option for people who are eligible
24 for it and people who are interested in the types of
25 services that it provides.

1 REPRESENTATIVE SONNEY: Currently, do you
2 limit the organizations on how many they can enroll?

3 DEPUTY SECRETARY HANCOCK: With the
4 LIFE --

5 REPRESENTATIVE SONNEY: With the LIFE
6 Program.

7 DEPUTY SECRETARY HANCOCK: We do not have
8 a cap on enrollment at this time. We do manage the
9 enrollment for the LIFE Program. Just because it's
10 not an entitlement, we do manage the enrollments.
11 But at this point, we work with the plans and we
12 work with them.

13 If they come close to an enrollment
14 ceiling, we've always increased it. So we would
15 very much work with the life plans if they were
16 getting close to an enrollment limit to make sure
17 that they had enough space to be able to enroll more
18 people.

19 REPRESENTATIVE SONNEY: I know that some
20 of those providers are continually expanding into
21 other areas of the Commonwealth that, you know,
22 don't currently have that service. So I don't know
23 that we have the entire State covered as of yet.

24 DEPUTY SECRETARY HANCOCK: We do not have
25 the entire State covered as of yet. We do have a

1 strategy, however. We are working with all of the
2 LIFE plans with an interest in expanding services,
3 sand we do have a plan.

4 We want the LIFE plan to be an enrollment
5 for Community Health Choices across the State. So
6 there are counties in the State that do not have the
7 availability of a life program, but we have been
8 working with plans and with the LIFE Providers
9 Association to make sure that that expansion takes
10 place and that it is a viable alternative across the
11 State.

12 REPRESENTATIVE SONNEY: Thank you.

13 Thank you, Mr. Chairman.

14 MAJORITY CHAIRMAN SAYLOR: Representative
15 Everett.

16 REPRESENTATIVE EVERETT: Thank you,
17 Mr. Chairman.

18 Thank you, Secretary, and everybody else
19 for being here today. Just a couple quick questions
20 about the proposed agency consolidation.

21 The Governor's budget proposes to combine
22 the Department of Health and the Department of
23 Human Services under the Department of Health and
24 Human Services. And my understanding is that that's
25 going to save a number of positions, some down and a

1 few up.

2 But my overall concern is not in those
3 fine details, but from a macro point of view, how
4 would that consolidation of Health and Human
5 Services better serve our constituents in
6 Pennsylvania.

7 SECRETARY LEVINE: So the Governor
8 strongly feels that forms should follow function.
9 Unifying the Departments of Health and Human
10 Services is really an excellent way to combine the
11 public health agency with the Human Services agency
12 and the primary health care payer of the State, and
13 being able to increase efficiencies through that
14 unification.

15 It really is not primarily designed as a
16 cost-savings measure. I mean, through efficiencies
17 over time, I'm sure we would be able to save costs,
18 but the idea is for us to work really well together.
19 And actually, what we've been doing over the last
20 year is working really, really closely together.

21 So we have, in terms of our Health and
22 Human Services hub, all of te four secretaries are
23 working very, very, very closely together. We say
24 that we are coordinating, collaborating,
25 communicating and working really, really closely.

1 So a couple of examples of that, the
2 shared services. So there is one deputy secretary
3 of administration for, actually, Health and Human
4 Services, Aging and DDEP, who we just hired. So
5 budget procurement and many other aspects,
6 administrative aspects of the four departments are
7 unified right now.

8 In addition, the budget is unified under
9 Jen's leadership for all four agencies. There are a
10 couple of spic issues, in which we're collaborating
11 very well, in addition. That includes the opioid
12 crisis, where all the agencies are working.

13 Now, of course, under the auspices of the
14 disaster declaration and the command center. In
15 addition, we have an interagency licensure work
16 group with Health and Human Services, actually
17 including DDAP. And in terms of health care
18 innovation, and that includes our rural health
19 initiatives and many other initiatives with Human
20 Services and, actually, the Department of Aging.

21 So we want to have the form of the
22 agencies follow that function of collaboration, and
23 so that's the primary purpose of the unification
24 proposal.

25 REPRESENTATIVE EVERETT: Thank you.

1 And you just did both of us a favor. You
2 answered a bunch of my sub-questions in your answer,
3 so that will move things along with my green light,
4 yellow light, red thing.

5 One thing is, I would imagine it would
6 also -- you didn't mention it, but I'm sure that
7 your IT systems being able to be merged together
8 will, you know, not only create efficiencies and
9 save money, but also be, you know, less cumbersome
10 for the users.

11 SECRETARY LEVINE: So IT actually has
12 already been unified before the entire
13 administration, under the Office of
14 Administration --

15 REPRESENTATIVE EVERETT: Right.

16 SECRETARY LEVINE: -- as well as human
17 resources. So that unification started a year or
18 more ago, and that is preceding a pace.

19 REPRESENTATIVE EVERETT: This is a budget
20 hearing and, you know, we are concerned about
21 providing better service, but we're also concerned
22 about saving money.

23 Do you see that this will continue to
24 provide efficiencies in the out years as we move
25 through future budgets as you, you know, as you

1 unify and work together that there will be further
2 cost savings that we can realize as we merge all of
3 these different systems together.

4 SECRETARY MILLER: Yeah. I mean, I think
5 over time, that's exactly what we would envision.
6 And you know, I think it's helpful sometimes to
7 think about the unification as, you know, if
8 legislation is passed and we end up moving forward
9 with unification, we say July 1 is the start date,
10 it's important to understand, though, that that
11 really is just the start date.

12 You know, what you're describing, the
13 long term efficiencies, that happens down the road
14 as we see opportunities for efficiencies and then
15 realize those, but July 1 really is just the
16 starting point for the unification.

17 REPRESENTATIVE EVERETT: Thank you.

18 We look forward to working with you on
19 the unification. It makes sense to me. I'm sure
20 that it made sense, at some point in time, to have
21 separate departments, but it certainly makes sense
22 now, with the common things that you do, to move
23 together. So I look forward to working with you on
24 that.

25 Thank you, Mr. Chairman.

1 SECRETARY MILLER: Thanks.

2 MAJORITY CHAIRMAN SAYLOR: The next
3 questioner is Representative Dunbar.

4 REPRESENTATIVE DUNBAR: Thank you, Mr.
5 Chairman. I guess we're on our second round through
6 here.

7 It's nice to see everybody still here. I
8 will drift slightly away from the budget for once.

9 In the last three weeks, I've been
10 sticking to the budget, but there is a somewhat
11 provincial-type item that I did want to discuss with
12 DHS. About a year ago, at an independent living
13 unit near my district, DHS came and started knocking
14 on doors in that independent living unit.

15 It was part of a continuing
16 care/retirement community. And after they knocked
17 on the doors, asked seniors questions. After that,
18 they pretty much said, well, they're in violation
19 and we want these individuals moved from independent
20 living to a more expensive high level of care, which
21 there was still some debate of whether that was
22 necessary or not.

23 I guess my question is, doesn't that
24 contradict exactly what we're trying to do as far as
25 aging in place. That's one question.

1 And secondly, is this something that's
2 going on all over the State?

3 Is this going on in HUD 202 units, as
4 well?

5 What exactly is the story?

6 SECRETARY MILLER: So I think I know -- I
7 think I'm familiar with the provider that you're
8 referring to. And when you say we came and knocked
9 on the door, I think that was after a complaint.
10 This was a complaint-driven process.

11 So we had received a complaint and then
12 were looking into it. I will say, so my
13 understanding is that the entity meets the
14 definition of a personal care home, which has
15 licensure requirements.

16 And so, you know, we're left with the
17 responsibility to enforce the stature. Having said
18 that, I do think that we may want to take a look at
19 these existing statutory definitions. To your
20 point, I think we do want more people to be served
21 in the community. That's the goal.

22 We also want to make sure they're being
23 served, at the same time they're safe and their
24 health is taken care of. But I think this might be
25 an area where we need to have statute catch up with

1 what's happening.

2 So I think that might be a good
3 opportunity to kind of have those discussions.

4 REPRESENTATIVE DUNBAR: I agree. And
5 think we need to define things a little to actually
6 fit with that we've already stated, as far as aging
7 in place.

8 If our regulations don't address that, we
9 certainly need to, in the interim, this facility is
10 caught up in kind of like a catch 22, and it's been
11 an ongoing process for over a year and it's really
12 frustrating as heck. And I would ask that the
13 Secretary please take a look at what's going on
14 there.

15 So without a phone call, without someone
16 reporting or something like that, you do not have
17 the authority to go and inspect an independent
18 living unit.

19 SECRETARY MILLER: I don't know that we
20 don't have the authority. I think in this
21 particular case, this was complaint driven, is my
22 understanding.

23 REPRESENTATIVE DUNBAR: I understand
24 that.

25 SECRETARY MILLER: So you're asking if we

1 have the authority to do that?

2 REPRESENTATIVE DUNBAR: Yes. I'm asking
3 if you have the authority without the complaint.

4 DEPUTY SECRETARY ALLEN: So in this
5 particular instance, because there was also a
6 personal care home on the same grounds as the
7 independent living facility, that's what triggered
8 us to review it because the actual staff, we
9 understand, were providing services at the
10 independent living facility.

11 So I think it's an area where we want to
12 make sure that folks that are living in those
13 facilities are able to do so, but in a way that's
14 safe for them. So I think there are opportunities
15 for us to work with everyone to figure out what
16 exactly we should be doing in terms of our
17 responsibility and just maybe looking at some other
18 states and what their experiences have been in these
19 situations, because I don't think it's just an issue
20 for Pennsylvania.

21 I think we're probably seeing this across
22 the country, so certainly, opportunities to continue
23 that discussion.

24 REPRESENTATIVE DUNBAR: Okay. And just
25 so I understand, if this facility had not, if you

1 had not received a complaint, would you have had the
2 authority to go in?

3 DEPUTY SECRETARY ALLEN: In terms of the
4 actual personal care home being on the same grounds
5 as the facility, we may have been looking at the
6 personal care home, which --

7 REPRESENTATIVE DUNBAR: I can understand
8 that.

9 DEPUTY SECRETARY ALLEN: -- the staff
10 that would be used in the facility. And if the
11 staff of the personal care home were actually also
12 providing services in the independent living
13 facility, that may have triggered our review.

14 REPRESENTATIVE DUNBAR: All right.

15 And I think we may need to have -- we
16 certainly will have continuing conversations about
17 it and try to get the legislation done to correct
18 the definitions, but it is very frustrating, not
19 only for the facility, but for the individuals that
20 live in the facility. And that's my greatest
21 concern, is them expressing back to, Representative,
22 we're going to have to move.

23 What's going to happen?

24 Are we going to get closed down?

25 And it's very frustrating that not only

1 the whole process, but the process has taken over a
2 year. So I appreciate you looking into it.

3 Thank you.

4 MAJORITY CHAIRMAN SAYLOR: Representative
5 Greiner.

6 REPRESENTATIVE GREINER: Thanks,
7 Mr. Chairman.

8 I have plenty of time to ask my simple
9 question, but I want to follow up on Representative
10 Dunbar, being from Lancaster County, and there being
11 a lot of retirement communities, independent living,
12 personal care, we need to get that addressed.

13 We want our seniors -- we talk the talk
14 that we want our seniors to live as independently as
15 possible and not have to move into a facility. I'm
16 with Representative Dunbar. We need to get, you
17 know, it might be happening in other States, but we
18 have to understand what's going on and when you have
19 the right to go into an independent living unit,
20 then try to tell people, they're doing as I said, we
21 might have to change the way we approach things.

22 All of a sudden, you're saying it's a
23 personal, you know, care community. We've changed.
24 Society has changed. And it really definitely needs
25 to be addressed.

1 And then, speaking of Lancaster County,
2 you also want to go back to Representative Santora,
3 Representative Heffley, I'm glad to hear that we're
4 dealing with our reimbursements for our independent
5 pharmacies, too. So now you've heard it from all
6 over the State. You got southeast, northeast, and
7 now south central. It was Lancaster County
8 delegation that I know spent some time looking at
9 this.

10 And it might have been us that reached
11 out to you, because I know that was a real problem
12 and the margins are very small. So I just want to
13 say, in those two areas from my prior colleagues, we
14 really need to do some work and we need to make sure
15 that both of those areas get shored up.

16 If there's anything that I can do to
17 help, you know, I would like to be part of that in
18 both of those areas.

19 Now, my simple question -- I guess it's
20 simple -- has to go back to the budget and it has to
21 go to our community based surgery centers. In the
22 budget, there is a line item or there is an
23 anticipation of getting \$25 million worth of
24 revenues from them.

25 You know, when you look at that, with the

1 number of surgery centers there are throughout the
2 State, that might end up being somewhere between \$75
3 and \$100,000 that each surgery center is going to
4 have to contribute to make up that balance that the
5 State is looking for.

6 And I was wondering whether you could
7 provide me some input or some insight into how you
8 think that, I guess it's going to be a tax or fee,
9 how that's going to be assessed?

10 DIRECTOR SWAILS: I don't think we have
11 the details on what the rate will be as far as the
12 assessment. We're just looking at these facilities.
13 Overall, they are cost effective, of course, but
14 they do not participate heavily in the Medicaid
15 program.

16 REPRESENTATIVE GREINER: Which is a
17 benefit to us, from the State perspective. That's
18 what I'm saying.

19 I'm just trying to get my hands around
20 this, the trade off. So there is a -- in one hand
21 they're cost effective to the State. In the other
22 hand, you're trying to get --

23 DIRECTOR SWAILS: Would be cost effective
24 to the Medicaid system, if they did participate.
25 They, on average, have about a 30 percent profit

1 margin across the facilities.

2 REPRESENTATIVE GREINER: So I hate to say
3 it. It sounds like we're going after them because
4 they're profitable.

5 DIRECTOR SWAILS: We're looking at all
6 avenues that we have to receive revenue to continue
7 their services.

8 REPRESENTATIVE GREINER: I understand
9 that. I'm just -- but that answer kind of threw me
10 off because that just threw me off. But I do know
11 this, any way, you answered my question. We're
12 unsure right now how that assessment is going to be
13 and how you're going to do it across the board.

14 But any way, thank you for your time.

15 Thanks, Mr. Chairman.

16 MAJORITY CHAIRMAN SAYLOR: Representative
17 Boback.

18 REPRESENTATIVE BOBACK: Thank you,
19 Mr. Chairman.

20 My question is going to zero in with the
21 opioid crisis, which of course has tentacles and is
22 hitting every aspect of our society. Mine is
23 specific with grandparents raising grandchildren.

24 I'm sure we could all give you heartfelt
25 stories of people who have come to our office that

1 were retired or maybe one grandparent lost her
2 spouse, but now is taking over because her children
3 were -- of course, with the opioid crisis.

4 But how do we help them?

5 This is the problem. I can't understand
6 why, if those children were put into foster care,
7 foster parents would be paid to take care of these
8 babies, these children; grandparents are not.

9 Number two, I believe there's a precedent
10 that was set. We spoke about it this morning, where
11 if someone requires care in their home, that's our
12 goal; keep them in their home. We even pay
13 caregivers who are related to the person who needs
14 to stay in their own home.

15 Why not grandparents with grandchildren?

16 I know there's a cost, but instead of
17 using the money for foster care, can't we give the
18 grandparents something instead of them now -- I
19 mean, this is unexpected. They don't have the
20 money.

21 And if I might ask another question, one
22 incident in particular, the children -- the son will
23 not sign off on the little boy. It's like a
24 9-month-old boy because he gets some kind of income,
25 but because he won't sign off to his mother, who is

1 the grandmother. She had to go back to work because
2 the child needs health care. He needs to be taken
3 to a doctor. He needs daycare.

4 So can you help me with this?

5 SECRETARY MILLER: Dr. Levine and I
6 actually had a chance to participate along with the
7 other secretaries to participate in a grandparents
8 raising grandchildren round table with the Governor.
9 Because I think we're hearing the same thing you're
10 hearing, you know, that this is not something --
11 grandparents are thinking about retirement and then
12 all of a sudden find themselves in a situation where
13 they've got, you know, three kids that are under 10
14 that they have to now raise.

15 So we met with them, just to start
16 understanding what is it that they need, because I
17 think that's what we're trying to figure out.

18 What can we do to help them?

19 And it was an interesting discussion. I
20 think, to your point about whether they can
21 participate in the foster care system, if they want
22 to formalize the arrangement in the foster care
23 system, they could get access to that funding if
24 they wanted to.

25 REPRESENTATIVE BOBACK: But I beg your

1 pardon, is it that they don't because they're afraid
2 the children might be taken off of them, because
3 grandparents have told me they will not sign those
4 children over to the system.

5 SECRETARY MILLER: I don't know at this
6 point if we know. We're participating in the
7 legislative work group around grandparents raising
8 grandchildren. I'll have Cathy come up. She has
9 more information.

10 I don't know if we know exactly why they
11 don't want to go through the system. When you're in
12 the foster care system, there are, I think,
13 reporting requirements. And so I don't know if
14 that's part of it, that people don't want -- I mean,
15 it's formalized and so you do have some of that,
16 reporting, et cetera that's part of that formal
17 process.

18 So I don't know that it's that some
19 people don't want to participate in that. I don't
20 have any more to say on that.

21 Cathy has been participating in that
22 workgroup.

23 MAJORITY CHAIRMAN SAYLOR: Cathy, if you
24 would, name and title.

25 DEPUTY SECRETARY UTZ: Good afternoon.

1 My name is Cathy Utz. I'm the Deputy
2 Secretary for the Office of Children and Youth and
3 Families.

4 And I think you're right. That is one of
5 the things that we've heard from grandparents, that
6 they're concerned about the ability of the system,
7 perhaps, to take custody of the children away from
8 them and that they may not get the services that
9 they need. So I think part of what we're really
10 trying to do is make sure that the folks understand
11 that the resources are available once a child is in
12 the welfare system, but I also appreciate -- and I
13 think we all recognize that we want to keep Children
14 with their families, whenever possible and
15 appropriate.

16 So part of the conversations that we've
17 really been trying to engage in is, I think, as
18 Secretary Miller was talking about identifying what
19 are the needs, what are the services and supports
20 that grandchildren need, whether they be infants or
21 whether they be teenagers, because we also recognize
22 that grandparents are not just raising infants.
23 They're raising teenagers, as well.

24 So making sure that we have an
25 understanding of the services and the supports that

1 they need and how we can then develop a program
2 outside of Pennsylvania's child welfare system,
3 really support the needs that they have driving
4 forward.

5 So we've had close conversations with the
6 Office of Child Development and Early Learning in
7 looking at how we determine and do an assessment, to
8 make sure that whatever resources are built are
9 responsive to their individual needs.

10 REPRESENTATIVE BOBACK: Because Cathy, it
11 does say the taxpayer dollars, when you consider if
12 these children were, in fact, put into foster care,
13 that's number one.

14 Number two, there's a precedent set. If
15 we look at how we pay caregivers, maybe that's
16 something we need to look at, the stipend.

17 And what does the caregiver go through if
18 they want to take care of their spouse, their
19 mother, whomever they are qualified to take care of.
20 So I think that might be something to look at.

21 I'll help you any way I can, but thank
22 you to keep that discussion going.

23 On a final note, thank you for this. I
24 this is a great thing. I love visuals, and this
25 chart, both of them, terrific. I will put this in

1 my office so when people say where does my money go;
2 it's right there. So thank you.

3 Thank you, Mr. Chairman.

4 MAJORITY CHAIRMAN SAYLOR: Representative
5 Keller.

6 REPRESENTATIVE KELLER: Thank you,
7 Mr. Chairman.

8 And thank you, Madam Secretary. I wanted
9 to actually sort of talk about the customer service
10 as it relates to applying and receiving birth and
11 death certificates in the Commonwealth. You know, I
12 was on the website, and there's a fact page here.

13 I know in our budget materials, according
14 to what we have the vital statistics has 77 current
15 people in 2017 -- I guess that must be '17-'18 --
16 and authorized, 83. We're looking at raising that
17 to 92.

18 Is that going to fix our backlog?

19 What are we doing to drive that down?

20 It says on here it can take up to four
21 weeks for births after 1967; and prior to that, it
22 can take up to 15 weeks to get the records.

23 So I guess what initiatives do we have
24 going on to make sure that we can get that customer
25 service?

1 SECRETARY LEVINE: Thank you for that
2 question.

3 Vital records and birth certificate and
4 death certificates are sort of an unheralded but
5 very, very vital function of the Department of
6 Health. The length of time that it takes to get,
7 particularly, a birth certificate is absolutely
8 unacceptable.

9 REPRESENTATIVE KELLER: Well, it is
10 because we have a lot of CDL drivers that now need
11 that for their license.

12 SECRETARY LEVINE: One hundred percent.
13 It is unacceptable.

14 Over the last probably 10 or 15 years,
15 there has been a significant problem with that
16 function. A lot of it is driven by the significant
17 increase in requests for birth certificates,
18 particularly with the Real ID Act. And then the
19 decrease in funding and complement of the Vital
20 Records Office over the last 10 or 15 years.

21 We have a four point plan in order to
22 improve the function for the Vital Records Bureau.
23 The first is, actually, over the last couple of
24 weeks, the office has moved in New Castle. It's
25 still in the Greater New Castle area, but we've

1 moved to a new more efficient facility. That is
2 just opening up right now.

3 The second is actually at no cost. We
4 have contracted with the Toyota Company, the Toyota
5 LEAN Division. And if you're aware of LEAN, it's a
6 way to get --

7 REPRESENTATIVE F. KELLER: Very well.
8 I come from manufacturing.

9 SECRETARY LEVINE: Thank you.

10 So we have contracts with the gurus of
11 LEAN at Toyota who have been to the vital records
12 facility, and they will be continuing to go there,
13 working with the staff over the next number of
14 months.

15 We got an update for that this week. The
16 staff -- we have great staff in New Castle and
17 throughout the Commonwealth for vital records --
18 they have taken to this very well in terms of
19 increasing their determination of increasing their
20 efficiencies.

21 REPRESENTATIVE KELLER: Okay. Good.
22 I'm glad to see that we have a plan.

23 SECRETARY LEVINE: We have two more
24 points, one of which, however, is, if I might, is
25 the increase in budget and complement that you

1 mentioned. It's \$2.35 million and it is absolutely
2 essential with our other measures in order to
3 improve those efficiencies.

4 REPRESENTATIVE KELLER: But people can
5 get the same-day service if they go to the counter,
6 correct?

7 SECRETARY LEVINE: That is correct.

8 REPRESENTATIVE KELLER: So we can
9 actually do these rather quickly, it just seems like
10 we get backlogged.

11 SECRETARY LEVINE: That's correct, sir.

12 REPRESENTATIVE KELLER: I guess we have
13 the different offices in Harrisburg, Pittsburgh,
14 Scranton and Philadelphia. If you could get for me,
15 the amount of requests we handle in each office and
16 the complement that handle those.

17 SECRETARY LEVINE: I won't take your time
18 up, but I'm just making sure we're benchmarking on
19 that because I look at this and I'm going to say, I
20 was on my phone here and we have a mobile app. My
21 compass PA mobile app for people who've applied for
22 and received State benefits, which, okay, we're
23 trying to be more efficient and I get that, but to
24 do that, you probably have to have a smart phone.

25 And you know, it's all about people that

1 are in need. And if you have money to pay for a
2 smart phone, you probably -- if I lost my job
3 tomorrow, I would probably reduce my expenditures.
4 This would be good for somebody who wanted to apply
5 for a birth certificate because they have a CDL
6 license.

7 So I would like us to put some of things
8 in place to make life more efficient for the people
9 that pay the bills in the Commonwealth. You know,
10 I'm not saying that we shouldn't help other people,
11 but I really struggle. I think most people in the
12 Commonwealth say, you know when somebody is down on
13 their luck, we want to help them, but they also
14 expect us people to manage their own resources well.

15 And to have a smart phone, if you have to
16 rely on other people to pay for your food or your
17 health care or other things, I think some people
18 struggle with that, particularly when you can't get
19 good service so that you can go to work every day.
20 So I guess I would like to say, I hope I have the
21 commitment from the Department to make the things
22 more user friendly for the people that have to go to
23 work every day.

24 SECRETARY LEVINE: Sure.

25 REPRESENTATIVE KELLER: Thank you.

1 MAJORITY CHAIRMAN SAYLOR: Madam
2 Secretary, I'm going to follow up on that.

3 SECRETARY LEVINE: Sure.

4 MAJORITY CHAIRMAN SAYLOR: Because birth
5 certificates have been a real issue with me.

6 We have spent millions on computers for
7 Vital Statistics. And the concern I have is we
8 modernize; we shouldn't need as many personnel as we
9 had before.

10 We modernize these things, and that's my
11 concern. I'm not going to point fingers at any one
12 person or individuals, but something is not right
13 when you modernize a department -- it should mean it
14 is more efficient that we have to bring Toyota in.

15 I'm glad they are coming in to do that,
16 but the fact that that we went from basically two
17 days to get a birth certificate to three months to
18 get a birth certificate, when we computerized the
19 Department, just doesn't ring right with me.

20 SECRETARY LEVINE: So I guess one of the
21 misconceptions is that all of the birth certificates
22 are digitalized so that they can be searched.
23 Actually, the old vital records that you're
24 referring to, that take the longest time, were
25 digitized, but they're not digitalized.

1 I know that -- it took me a couple of
2 months to pin that down, but they're like on
3 microfiche, so it's not just a piece of paper, but
4 they're not on a digital search engine. So it still
5 requires someone to find that. And if they need a
6 long form birth certificate, to touch it and to type
7 it into a system.

8 I've been Secretary for about eight
9 months now. I can't tell you why that was true. It
10 was years ago, but the system is not as IT-friendly
11 as you might think.

12 MAJORITY CHAIRMAN SAYLOR: I understand
13 that as such, and I'm not blaming you.

14 SECRETARY LEVINE: Thank you.

15 MAJORITY CHAIRMAN SAYLOR: I told
16 Secretary Miller earlier, it's just very frustrating
17 being a Pennsylvania Dutchman, as a Saylor here,
18 that you pay money to have something modernized and
19 it gets, not juts worse, it gets horribly worse.
20 It's a catastrophe.

21 And I know the demand for birth
22 certificates is more now than ever; I do get that.
23 But at the same time, who made the decision not to
24 do the right thing out there, because somebody
25 didn't make the right decision. And that's the

1 thing that we're talking about here in these
2 Appropriations Committee hearings this year when we
3 changed them. This is about accountability.

4 If I don't have any problem spending
5 money, modernizing things, getting each department
6 what it needs to perform at its best, but when a
7 decision is made to -- and I don't want to say waste
8 money, but I am going to say that any way, waste
9 money on a system that is not to the benefit of the
10 taxpayers.

11 People don't think that they have to get
12 a birth certificate. All of a sudden, they're
13 getting ready to go on a trip and it's an eight-week
14 wait. So I'm going to go off the soapbox a little
15 bit here. I apologize.

16 But it's just very frustrating that as
17 politicians, Chairman Markosek and I have to answer
18 to voters back home about the money we spend. And
19 then when we spend it, we don't get efficiencies.

20 So it's just a thing that I'm trying to
21 drive home, that this has to be fixed very quickly
22 because, you know, summer is coming. And if it's
23 not, legislators on both sides of the aisle, as well
24 as the Governor, are going to hear about it more,
25 because it's gotten worse in the last few months, it

1 seems like.

2 I appreciate your looking into it. I
3 appreciate what you're doing with the Toyota LEAN.
4 That's great. Hopefully this can be resolved rather
5 quickly because it's been going on for far too long.

6 SECRETARY LEVINE: Thank you.

7 MAJORITY CHAIRMAN SAYLOR: So with that,
8 we'll move to the next questioner, which is Cheryl
9 Delozier.

10 REPRESENTATIVE DELOZIER: Thank you,
11 Mr. Chairman.

12 Thank you guys for being here to answer
13 some questions. I have some questions from some
14 folks in the district.

15 One of the issues is, we talked a little
16 bit about child care earlier. Child care is still
17 on the forefront of what we need.

18 Many of our businesses and their
19 employees depend on child care and depend on it to
20 be healthy. We have our stars program and we have
21 many different entities that determine the quality
22 of our child care.

23 The Governor mentioned in his budget
24 address infrastructure strengths. And a lot of
25 these small businesses really feel that the strength

1 of having a good work force in our childcare area of
2 employment makes it a little easier for parents to
3 go to work.

4 So can you give us a little detail as to
5 what work initiatives the Department is working on,
6 dealing with child care workforce, and those that we
7 employ for that child care.

8 SECRETARY MILLER: Yes. Thank you for
9 the question.

10 So you'll notice in the budget, we have
11 an additional \$10 million in State budget funds with
12 \$5 million matched in Federal funds to go to
13 increased tier reimbursement rates for the quality
14 star providers.

15 So stars two, three and four are
16 providers. They haven't seen a rate increase in
17 over a decade. So our hope is that this rate
18 increase will lead to increases in wages for that
19 work force.

20 REPRESENTATIVE DELOZIER: Okay. And I
21 had asked yesterday about the stars program and
22 dealing with the fact that one and two are not
23 included and three and four are.

24 And there was a, you know --

25 SECRETARY MILLER: Just to clarify, so in

1 this, star two, three and four are included.

2 REPRESENTATIVE DELOZIER: With that one.

3 SECRETARY MILLER: Right.

4 REPRESENTATIVE DELOZIER: And it was
5 mentioned yesterday that we were kind of doubling up
6 on two, but in and of itself, are there any, you
7 know, with the ability to take those that are into
8 the workforce that deal with our child care, are we
9 putting any standards out there as to who can be --

10 I know they have to do backgrounds and
11 have clearances and that type of thing, but other
12 than that, as to what are the qualifications for
13 daycare?

14 SECRETARY MILLER: I will have Suzann
15 come up and address this one.

16 MAJORITY CHAIRMAN SAYLOR: Give your name
17 and your title.

18 DEPUTY SECRETARY MORRIS: Good afternoon.

19 Suzann Morris, Deputy Secretary for the
20 Office of Child Development and Early Learning.

21 So yes, you referenced the Keystone Stars
22 Program, our quality rating and improvement system.
23 We do have performance standards. As programs move
24 up in quality, we do ask our work force to
25 demonstrate, whether they're participating in

1 credential-bearing, credit-bearing programs through
2 higher education or if they are acquiring
3 professional development through our certified
4 Pequea system.

5 So we do monitor how our teachers are
6 accruing knowledge as well as skills as they move up
7 in quality.

8 REPRESENTATIVE DELOZIER: Okay. Thank
9 you very much. Switch subjects real quick for
10 another area that was asked about in our neck of the
11 woods, the County Child Welfare System. If we have
12 a delay in the budget in the prioritization of what
13 is considered important and what is integral to
14 operations -- welfare, obviously, being very, very
15 important, but the county systems, when we don't pay
16 out to the counties, those systems do not receive
17 funds.

18 So my question comes to the health and
19 safe of those particular children that are in that
20 system.

21 Why do you plan on making that one of the
22 integral parts and ones that do consider it an
23 emergency payment or is that going to remain as not
24 an integral part.

25 DIRECTOR SWAILS: So in the past as we

1 have had passes, we go through a process with the
2 attorneys to determine the funds that can be
3 released. You may remember that we were actually
4 taken to court on not paying the county payments for
5 child welfare --

6 REPRESENTATIVE DELOZIER: Hence the
7 question.

8 DIRECTOR SWAILS: -- and we won.

9 At this time, unless legal changes their
10 position, it would be no.

11 REPRESENTATIVE DELOZIER: Okay. So
12 they're not considered an essential service at this
13 point and will not be in the future?

14 DIRECTOR SWAILS: Correct.

15 REPRESENTATIVE DELOZIER: Okay. Thank
16 you.

17 MAJORITY CHAIRMAN SAYLOR: Representative
18 Kampf.

19 REPRESENTATIVE KAMPF: Secretary Miller,
20 over here.

21 SECRETARY MILLER: Sorry. I can't see
22 you.

23 REPRESENTATIVE KAMPF: Okay. Health
24 Choices again.

25 SECRETARY MILLER: Okay.

1 REPRESENTATIVE KAMPF: All right.

2 SECRETARY MILLER: Let's do it again.

3 REPRESENTATIVE KAMPF: This combining
4 physical and behavioral health; so as I understand
5 it, we contract or provide services through several
6 MCOs in the various regions for physical health and
7 then the counties generally speaking contract for
8 behavioral health. And so my question is -- so I
9 got that right so far?

10 SECRETARY MILLER: That's right.

11 REPRESENTATIVE KAMPF: Okay. Good.

12 SECRETARY MILLER: We're on a better
13 track.

14 REPRESENTATIVE KAMPF: Right. Well, that
15 was my problem. Sorry.

16 Have you explored whether it would be,
17 perhaps, more efficient, maybe some savings realized
18 if we were to contract through the MCOs for both
19 services at the same time?

20 Do you understand what I'm asking?

21 SECRETARY MILLER: So eliminating the
22 behavioral health carveout, it sounds like, I think
23 is what you're asking.

24 REPRESENTATIVE KAMPF: To me, it just
25 sounds like we've got sort of a county-based for

1 behavioral health and then an MCO-based across the
2 State for physical health. And I'm wondering
3 whether we might combine those somehow.

4 SECRETARY MILLER: So this is not
5 something we've been actively exploring. I think,
6 you know, as I've talked to folks, particularly in
7 the counties, I hear a lot in terms of the benefits
8 of having the behavioral health carveout and the
9 emphasis that we place on behavioral health services
10 by having that carveout.

11 Having said that, I mean, I think from
12 our perspective, we're happy to have discussions
13 with you about anything you want to talk about. We
14 just -- it's not something we've actively been
15 exploring.

16 REPRESENTATIVE KAMPF: Okay. And then
17 with respect to nursing homes -- so I digested your
18 answer, which was, essentially, there could be some
19 rate increases through the managed care process as
20 it evolves.

21 I mean, I see in the budget for home and
22 community base, it looks like there are some
23 increases. And I don't see increases for folks in
24 nursing homes. And I just wonder how you reconcile
25 that, because my sense is, for medical services and

1 nursing homes, that there is a financial challenge
2 going on, whatever its source.

3 DIRECTOR SWAILS: I think as we discussed
4 before, as we expand Community Health Choices, the
5 Community Health Choices provider will be
6 negotiating the rates with the nursing homes. We
7 have those rates actually now to provide payment to
8 the nursing homes. So we believe that the rates
9 include that.

10 We do have a contractual agreement, as
11 well, to make sure that the nursing homes over the
12 next two years do not see a rate decrease.

13 REPRESENTATIVE KAMPF: So I hear from
14 that, for you, it's really just, because we're
15 rolling out a new way of providing resources to the
16 incomes -- it's not that there is some sort of a
17 choice being made for home and community-based over
18 getting the appropriate dollars to our nursing
19 homes; is that right?

20 DIRECTOR SWAILS: Correct. We're
21 shifting, you know, for the '18-'19 budget, but by
22 then, the majority of the State will be in Community
23 Health Choices, and we certainly recognize that as
24 we try to allow everyone to age in place, not
25 everyone can, and there are needs for nursing homes

1 and they are critical to providing those services.

2 REPRESENTATIVE KAMPF: Mr. Chairman, if
3 possible, if we could get some sort of, if it's
4 possible to encapsulate this or summarize it, some
5 sort of report on how that MCO process is going and
6 whether there will be some built-in rate increases
7 in the future or whether there are some realized
8 savings through the MCO process for the nursing home
9 that they're not as challenged.

10 In my head, what I have been taught is,
11 we reimburse about \$195 a day, which is below cost,
12 for providing services by about \$25, \$28. So I'm
13 not sure there's room there for savings and
14 renegotiation without new dollars, but I would like
15 to know if you can do that.

16 DIRECTOR SWAILS: And those Community
17 Health Choices rates, as well as Physical Health
18 Choices rates, are done annually and must be
19 actuarially sound.

20 SECRETARY MILLER: I --

21 MAJORITY CHAIRMAN SAYLOR: Go ahead,
22 Madam Secretary, if you want to.

23 SECRETARY MILLER: The last thing I will
24 say is, I don't know how much information we know
25 today, in terms of your question. I think you're

1 trying to get at how is this process through the
2 MCOs going to work?

3 And because we just rolled out the
4 southwest, I don't know that we have a lot of
5 experience right now to, I think, give you some of
6 the information you're looking for, but we're happy
7 to continue with this conversation, too.

8 REPRESENTATIVE KAMPF: If I could,
9 Mr. Chairman.

10 But with four years, I think, of no rate
11 increases for the Medicaid and nursing home
12 population, you know, even a few more months is
13 something to be concerned about.

14 MAJORITY CHAIRMAN SAYLOR: Madam
15 Secretary, I will follow that up a little bit, in
16 that I think all of us are concerned about the
17 nursing homes going bankrupt and we know baby
18 boomers are retiring, but we also know a large part
19 of our population is 85 and above and it's growing
20 rapidly.

21 And the concern we have is the care for
22 those individuals as they need nursing care. If we
23 don't have the proper amount of homes here -- and
24 personal care homes are another issue, as well. I
25 think we just need to develop a policy and a plan of

1 how we're going to handle these baby boomers as we
2 move forward.

3 The problem, I think we sometimes deal
4 with here in the General Assembly, as well as in
5 government, I will say as a whole, even including
6 the Governor overall, is we wait till it happens and
7 then we're hit with a big price tag.

8 I think we need to develop a plan of
9 those that are moving up, longer life of living, you
10 know, I won't mention my mom's age because I do that
11 a lot at my town hall meetings -- and what I have to
12 deal with with her.

13 SECRETARY MILLER: I bet she loves that.

14 MAJORITY CHAIRMAN SAYLOR: You know, it
15 is one of those things. People are living to be 90
16 and 100. I can't believe how many people in my
17 district are 100 years old.

18 SECRETARY MILLER: Yeah.

19 MAJORITY CHAIRMAN SAYLOR: It just is,
20 being a person who's getting old myself, what are we
21 doing?

22 What plan do we have to deal with this in
23 the future?

24 We don't want to wake up some day and
25 say, wow, we don't have space in our nursing homes

1 to handle this. So again, whatever we can continue
2 to do to develop the philosophy, working together,
3 the General Assembly and the Governor, so on and so
4 forth, to develop a real plan, because I think
5 that's one of the areas -- I keep saying this, but I
6 think our seniors are some of those who are most
7 vulnerable and being missed out on, as well as some
8 of our children who are autistic and other needs
9 like that. We're putting out a lot of money, but
10 we're short changing, in my opinion, those with real
11 needs because we're not getting our priorities
12 straight.

13 SECRETARY MILLER: This is a tough area.
14 I think you're right to focus on it, and I think
15 you're right to suggest that we try to figure out
16 together what we can do because the baby boomers and
17 the aging population is a real issue.

18 I was working on this when I was at the
19 Department of Insurance around long-term care
20 insurance. And you know, we know people aren't
21 buying long-term care insurance anymore and people
22 are not preparing for what the next steps are as
23 they get older. And I think because of that,
24 Medicaid bears the brunt of paying those costs,
25 which is why we're seeing that growth in our budget,

1 too.

2 So this is one of those areas I think we
3 actually have an opportunity to partner with
4 insurance and others to try and figure out, you
5 know, people aren't saving for retirement. They're
6 not thinking about those long-term care costs. And
7 because of that, the state is going to bear more of
8 that burden. And I think whatever we can do to
9 prepare for that, I think, is what we should be
10 doing.

11 MAJORITY CHAIRMAN SAYLOR: I mean, nobody
12 thinks they're old till they're 50 and then they
13 start thinking about retirement.

14 SECRETARY MILLER: Nobody wants to think
15 about getting old.

16 MAJORITY CHAIRMAN SAYLOR: It's a little
17 late to start a savings at 50, but you should start.

18 Anyway, Representative Jamie Santora.

19 REPRESENTATIVE SANTORA: Thank you,
20 Mr. Chairman.

21 Madam Secretary, following up on
22 Representative Boback's questioning about seniors.
23 I've got to tell you, I'm glad that you've had the
24 round tables. I'll stick with the theme that I
25 don't blame you or your departments, both of you,

1 but when it comes to this, government sucks.

2 And I don't mean that in a -- it's just
3 horrible what the seniors have to go through in
4 order to raise their own grandchildren. And they
5 are scared of the system.

6 I have had multiple meetings back home.
7 It's the same thing from so many people. And it's
8 -- where do you go?

9 How do I get that?

10 You mean there's health care available
11 for my grandchild?

12 It needs to be put on one page, one place
13 where seniors can go and get that information.

14 If this is one thing that we can do --

15 SECRETARY MILLER: We're working on it.

16 REPRESENTATIVE SANTORA: That needs to be
17 done as fast as possible.

18 SECRETARY MILLER: Totally agree.

19 REPRESENTATIVE SANTORA: Because with
20 this drug epidemic right now, there are so many
21 seniors taking over the responsibility for their
22 grandchildren and they just can't handle it and they
23 do need assistance.

24 So on that, I'm going to switch a little.

25 Are you aware that the Federal government

1 owes the Commonwealth millions of dollars based on
2 the fact that we are not in compliance of the
3 Federal regulations called Title 4E?

4 And if we get in compliance, there could
5 be upwards of \$100 million coming our way. There
6 was a task force created back in, I think it was
7 2013, Act 55, that made suggestions.

8 Where are we on those?

9 Do we support them?

10 I'm guessing we have somebody that needs
11 to introduce themselves again and give a little
12 information.

13 DEPUTY SECRETARY: Perhaps. My name is
14 Cathy Utz, and I'm the Deputy Secretary for the
15 Office of Children and Youth and families.

16 So I think that there are kind of two
17 pieces in that. There was the right methodology
18 task force, which you are referencing. And part of
19 what we talked about in the rate methodology task
20 force was how we could potentially look at the
21 Federal funds. I would say that it's not hundreds
22 of millions of dollars.

23 REPRESENTATIVE SANTORA: No, \$100
24 million. I'm sorry.

25 DEPUTY SECRETARY UTZ: That's about

1 forty-eight million --

2 REPRESENTATIVE SANTORA: I corrected
3 myself.

4 DEPUTY SECRETARY UTZ: It's about --

5 REPRESENTATIVE SANTORA: It could cap out
6 at \$100 million.

7 DEPUTY SECRETARY UTZ: It's approximately
8 \$48 million that we've lost over that period of time
9 and it's only a partial deferral on rates that are
10 charged by providers that are over \$200. So even if
11 we implemented the changes that were required
12 through the rate methodology task force, we are not
13 guaranteed from a separate perspective.

14 REPRESENTATIVE SANTORA: Do you support
15 those?

16 DEPUTY SECRETARY UTZ: Yes, and we have
17 said that. There was, I think, legislation that was
18 introduced in the past that we were involved in and
19 we were continuing to do a fiscal analysis of that
20 in order to move forward.

21 But I think if you're talking about how
22 we get off deferral, that's not just specific to the
23 rate methodology task force. There was also an
24 automatic rate adjustment factor that was built into
25 those recommendations. So I think that that would

1 have to be part of a conversation with the General
2 Assembly.

3 REPRESENTATIVE SANTORA: Have you done
4 those calculations?

5 DEPUTY SECRETARY UTZ: We have to go back
6 and I have to verify whether those are still the
7 same cost calculations that we have done in the
8 past.

9 REPRESENTATIVE SANTORA: Okay. If you
10 could, provide that information --

11 DEPUTY SECRETARY UTZ: Yes.

12 REPRESENTATIVE SANTORA: -- to our
13 Chairmen, and then they'll get it out to us.

14 DEPUTY SECRETARY UTZ: Certainly.

15 REPRESENTATIVE SANTORA: Great. And
16 then, Dr. Levine, I'm probably going off gear, but
17 on the opioid crisis, I mentioned it in many of the
18 hearings to different groups and I will mention it
19 to you.

20 I've got a proposal for the Narcan law to
21 add a step and amend that to require folks to see a
22 certified recovery specialist before they can walk
23 away, after being administered Narcan. I'm hoping
24 for as much support as possible. If there's a cost
25 associated, figure it out because this -- put aside

1 the fact this epidemic is costing us money; it's
2 costing us lives.

3 And if we can do one more step to
4 potentially help them get to recovery, ultimately,
5 it's something we should do. And I got -- I
6 understood the intent of the Narcan law, but I
7 really don't believe it was for folks to just be
8 able to walk away and go overdose over and over and
9 over again.

10 SECRETARY LEVINE: So we'd be very
11 pleased to discuss any proposal with you. I do want
12 to highlight the warm hand-off programs that we have
13 developed. I mean our feeling is that Narcan is
14 absolutely essential because it saves a life. And
15 it's impossible to get into treatment and recovery
16 if you're dead.

17 However, it is not sufficient, and we
18 have to get people into treatment, as you were
19 suggesting. So we developed, with the Department of
20 Drug and Alcohol Programs, a warm hand-off clinical
21 pathway. So that is a pathway for emergency
22 departments to use.

23 This was done with also the Emergency
24 Medical Association to get people into treatment.
25 It involves that the emergency departments will be

1 calling the SCA, that they will send someone, as you
2 were suggesting, to the emergency department to work
3 with that patient and family, to get them into
4 treatment.

5 REPRESENTATIVE SANTORA: The problem is
6 we're not getting them to the emergency departments.
7 The police are growing. They're doing it. They're
8 saving a life and they're refusing to get in an
9 ambulance, they are refusing.

10 We've got to add a step. We have to. We
11 are not helping these people.

12 SECRETARY LEVINE: I think you're
13 correct. I think that happens too often, but I do
14 think that more and more are going to the emergency
15 department. Actually, with money from the 21st
16 Century, Federal Cures Grant, we are having six
17 regional convenings. That includes EMS; it includes
18 police; it includes the hospitals and emergency
19 departments; it includes the SCA; it includes the
20 coroners.

21 Really, all the stakeholders in the
22 region to talk about exactly what you've been
23 mentioning, how do we get people after they're
24 resuscitated with Narcan into treatment?

25 And so those regional convenings will be

1 happening over the next two months.

2 REPRESENTATIVE SANTORA: I appreciate the
3 meetings happening. We need action from those
4 meetings. Chairman Saylor said it today, what was
5 it, 13 more this week or in the last week?

6 It's just, I would like to know the
7 statistics on how many of those people had been
8 administered Narcan in the past.

9 SECRETARY LEVINE: Thank you.

10 MAJORITY CHAIRMAN SAYLOR: Thank you,
11 Mr. Secretary.

12 REPRESENTATIVE EVERETT: Thank you,
13 Mr. Chairman. I want to follow up on the discussion
14 about the LEAN process improvement. Just by
15 coincidence, one of my colleagues, who is not on the
16 Committee asked that I ask a question about whether
17 you're using LEAN improvement process, and sure
18 enough, you are. His questions were a little more
19 specific.

20 I understand you're using them in one
21 area. His questions were, where are you using LEAN?

22 Or are you using other process
23 improvement-type things?

24 I'm not -- by disclosure, I'm not selling
25 -- I don't work for anybody who does LEAN process

1 improvement or anything.

2 But yeah, if you could just touch on -- I
3 know you're using it there, but are you using it
4 elsewhere or are you using other process improvement
5 things as you try to do your mergers and try to
6 improve your processes?

7 SECRETARY LEVINE: Sarah Boateng, my
8 Executive Deputy Secretary, Department of Health
9 will answer your question.

10 DEPUTY SECRETARY BOATENG: So at the
11 Department of Health, we have a quality improvement
12 and performance management team. So they monitor
13 performance metrics for the Department and report
14 those monthly to executives so we can monitor how
15 we're responding to various priorities.

16 We also have a number of Department of
17 Health staff who are trained LEAN ninjas, which is a
18 LEAN term.

19 REPRESENTATIVE EVERETT: I understand
20 that.

21 DEPUTY SECRETARY BOATENG: And so they
22 work with the various bureaus and deputates that we
23 have at the Department to improve processes. So as
24 Dr. Levine mentioned, we've been doing this work in
25 the Vital Records. We've also done LEAN performance

1 improvement process with our pure grant process plan
2 applications and are really looking for all
3 opportunities in the Department.

4 The intention of LEAN is to cut out any
5 of the fat and really create an efficient process.
6 And certainly, over time, processes can bellow and
7 grow, and why we're doing this becomes lost. So
8 we're really digging into the why we're doing it.
9 If we don't have to do it anymore, cut it out.

10 REPRESENTATIVE EVERETT: That sounds
11 great. I think constant process improvement. As
12 soon as you're done, loop back and start over again.
13 That's what keeps things going. Go ahead.

14 SECRETARY MILLER: It is. Just to let
15 you know, from DHS's perspective, we have a similar
16 process, kind of an ongoing quality improvement
17 initiative that we call People Stat. So we're
18 constantly reviewing data in each of our program
19 areas to see how things are going and see where we
20 have opportunities to improve outcomes.

21 So that's part of our process. We also
22 are being introduced to LEAN. The entire cabinet
23 was introduced to us at a recent cabinet meeting and
24 we were told that if our agencies hadn't already
25 been rolling out this initiative that we were going

1 to be involved in it, so I know we're going to be
2 getting folks trained in that, as well.

3 REPRESENTATIVE EVERETT: That's great.
4 My colleague will be happy to hear that.

5 Just follow up on where Representative
6 Santora just was on the Narcan and getting folks
7 into treatment and how to do that. You know, I
8 serve on the Board for Center for Rural
9 Pennsylvania, I forget how many hearings we had a
10 couple years ago. You know, one of the things we
11 heard, is that until somebody wants treatment, it's
12 very difficult to make them stay in treatment.

13 We've had people come in and testify to
14 us over and over and over again that they were
15 forced to go do rehab either by the court system, a
16 divorce, their parents or whatever and until they
17 were ready, they would just get right out of rehab,
18 be right back, find their old friends and go right
19 back to it.

20 And we all hear stories about people, you
21 know, some days in the emergency room or that people
22 are Narcaned multiple times in a day and have no
23 desire to seek treatment. So like Representative
24 Santora, I'm looking at another angle from maybe the
25 Judiciary to take these people and maybe find a way

1 that we can offer them sort of alternatives to
2 either maybe spend a couple nights in jail or
3 consult with a specialist about going into treatment
4 or something, because it just, you know, what we're
5 doing now, it's better.

6 Narcan is great. It saves lots of lives,
7 but we need the hand offs to get these people into
8 treatment. Happy to work with you on ideas of how
9 we can convince people maybe to participate and do
10 those things.

11 I know you know how probably difficult
12 that is from your experiences with talking to people
13 about it. Any ideas you might have, I'd be happy to
14 hear them or we can work on it, you know, down the
15 road.

16 SECRETARY LEVINE: We'd be pleased to
17 work on that. Now, there is money in the 21st
18 Century Cures Grant for drug courts. And so the
19 Wolf Administration is strongly supportive of an
20 expansion of drug courts.

21 That's being coordinated by PCCCD to
22 expand drug courts, so that people do have, as you
23 said, incentives to get into treatment.

24 REPRESENTATIVE EVERETT: Right. It seems
25 to me that when somebody overdoses, they've

1 obviously broken the law. And I don't understand
2 why we don't have a little leverage over those
3 individuals right at that point to try to get them,
4 you know, to at least hear from people that might be
5 able to help them.

6 Yeah, look forward to working on that.

7 SECRETARY LEVINE: Thank you.

8 REPRESENTATIVE EVERETT: Red light is on.
9 Thank you very much.

10 Thank you, Mr. Chairman.

11 MAJORITY CHAIRMAN SAYLOR: Thank you.

12 I wanted to recognize that we've been
13 joined by the Speaker of the House, Mike Turzai.
14 He's here to observe, as well.

15 With that, we move to our next
16 questioner, which is Representative Marguerite
17 Quinn.

18 REPRESENTATIVE QUINN: Thank you.

19 Nice to see you, Mr. Speaker.

20 And thank you very much for being here.
21 I know it's been a long day.

22 I'm going to jump around to a couple of
23 questions, so bear with me. The first one I'm going
24 to ask, it's kind of a blanket question with regard
25 to the -- I'll call them health lines, hemophilia,

1 lupus, sickle cell, et cetera, et cetera, epilepsy.

2 It seems to me, in my -- this is the 12th
3 budget that I'm going to be voting on, but these
4 line items are always, for lack of a better word,
5 just ping-ponged back and forth. And these agencies
6 -- not agencies, but these organizations represent
7 real people with real needs. And last year at this
8 time when I was uptight about these, not cuts,
9 zeroed out. I mean, there's no weaning for these
10 organizations.

11 I was uptight about it and someone said
12 to me, you know, that money goes to pamphlets and
13 stuff. So as the organizations started coming back
14 into my office, I would say, how are these dollars
15 spent, and how are you going to make them up in the
16 community?

17 So I'd like you to comment to see if
18 there's, you know, minus 100 percent dot, dot, dot,
19 all the way down the line, but then I don't see them
20 picked up again in the budget. I'm not saying this
21 is unique to the present administration, to cut
22 them, but it's really -- it stinks for these people.

23 You know, I'll look at renal dialysis.
24 If you need that stuff, you can't not have it. I
25 get surprised that we're -- if the goal is to get

1 them off the General Fund, then to be able to say
2 you're going to have a 10 percent cut here, the
3 following year another 10, and wean them, but this
4 back and forth.

5 Doctor, I'll let you --

6 SECRETARY LEVINE: So you are correct.
7 These are very serious conditions and very important
8 funding mechanisms. We are pleased to work with you
9 as the budget process unfolds on those initiatives
10 and those priorities.

11 REPRESENTATIVE QUINN: And as you work
12 with me, are you additionally pledging to work with
13 the administration, to have them realize, from you
14 as the Chief Physician for the State, the
15 importance?

16 I mean, until I had a loved one with
17 epilepsy, I didn't realize that epilepsy support
18 services, actually, go into a home in a neighborhood
19 or in a school to help those people around that
20 person know how to react in a seizure.

21 SECRETARY LEVINE: You are correct again
22 about the severity of the conditions and the
23 seriousness. And again, we pledge to work with you
24 and the administration and to work out funding when
25 possible.

1 REPRESENTATIVE QUINN: Please continue to
2 be a voice for these people.

3 SECRETARY LEVINE: Thank you. Of course.

4 REPRESENTATIVE QUINN: They do not
5 deserve -- they're families and individuals -- to
6 just be in this ping pong match.

7 SECRETARY LEVINE: Of course.

8 REPRESENTATIVE QUINN: It was mentioned
9 that your IT has already been unified. That's
10 terrific.

11 I've been asking throughout this budget
12 process about the risk of cyber security and some of
13 the precautions that are being taken.

14 Have you -- and I'm not even sure who to
15 look to, Secretary, you haven't been there all that
16 long, but have you had breaches?

17 We've heard of breaches in other states.

18 Are there things that -- what are you
19 aware of that you're catching because I'm not seeing
20 a major investment here in IT with regard to cyber
21 security?

22 And my gosh, if any one of these items
23 that we're talking about, TANF, any of this stuff,
24 we're in trouble.

25 SECRETARY LEVINE: I think that,

1 actually, that question would be best put to
2 Sharon Minnich, the Secretary of Office of
3 Administration.

4 REPRESENTATIVE QUINN: I did.

5 SECRETARY LEVINE: Because that's where
6 the cyber security lies.

7 REPRESENTATIVE QUINN: Well, it lies
8 there, but I also -- these are systems and programs
9 that are administered under you. So I'm just not
10 confident that when we just kick it all to one
11 branch or one office that we're protecting all of
12 these programs here. So I will follow up with that.

13 And Doctor, while we're chatting here, I
14 looked at this and I see a number of GO-TIME
15 savings. And one of the things, I'm curious as to
16 what we're doing and are we realizing any savings
17 through the use of telemedicine?

18 Many of the subjects, be it opioid,
19 mental health, I've seen some figures from other
20 states, where the chronic care, diseases, such as
21 diabetes, are being really addressed very well,
22 efficiently and having results through telemedicine.

23 SECRETARY LEVINE: So I'll speak for the
24 Department of Health. You might want to, in terms
25 of Medicaid, I mean, from the Department of Health,

1 since November of 2016, the Department of Health has
2 convened a Telehealth Advisory Committee. It has
3 subcommittees in terms of behavioral health,
4 financing behavioral health, IT infrastructure,
5 reimbursement, et cetera. We're working on quality
6 initiatives.

7 I don't think we have generated savings
8 from that Committee. I think it's working with
9 stakeholders right now. I don't know if from
10 Medicaid -- one of you?

11 DEPUTY SECRETARY ALLEN: Yeah, I wouldn't
12 say that we have seen savings, necessarily, but we
13 certainly encourage the use of telemedicine when at
14 all possible. I think we have had a policy in place
15 for several years that has allowed for consultations
16 to be done through telemedicine, both on the
17 Medicaid side through physical health, as well as on
18 the behavioral health side for consultations.

19 So we're looking at other opportunities
20 along with the Department of Health to expand the
21 reach of telemedicine.

22 REPRESENTATIVE QUINN: While savings are
23 good, my primary focus is of quality care to the
24 patients, but I do believe this is something that
25 going forward, we can find some real dollar savings

1 without jeopardizing the quality of care.

2 Thank you.

3 MAJORITY CHAIRMAN SAYLOR: Representative
4 Ortitay.

5 REPRESENTATIVE ORTITAY: Thank you,
6 Mr. Chairman.

7 I want to talk a little bit about
8 Medicaid expansion. This year's cost alone, I think
9 the increase was \$50 million.

10 Do you have the projected costs out for
11 the next three, four, five years and know what the
12 annual increase is going to be, courtesy of what the
13 Federal government is making us pick up.

14 DIRECTOR SWAILS: I don't have that with
15 me, no.

16 REPRESENTATIVE ORTITAY: Could you guys
17 get that info for us.

18 DIRECTOR SWAILS: Sure.

19 REPRESENTATIVE ORTITAY: I know we do
20 annual budgets around here, but it's nice to know,
21 like five years out, what it looks like and how much
22 money we're going to need to come up with.

23 Secretary Miller, I may not have done a
24 good enough job earlier today quoting you, so I'm
25 going to read from your testimony a little bit, so

1 hopefully I get it right.

2 On page 6 of your written testimony, you
3 talk about a \$4.5 million initiative to enhance
4 coordination of social supports and services for
5 opioid epidemic.

6 There's \$4 million to expand
7 evidence-based home visiting in areas hit hardest by
8 the epidemic.

9 Do you guys know which areas are hardest
10 hit and how?

11 And are you tracking that information?

12 SECRETARY MILLER: So in talking with
13 Suzann, I think we do. I think in our work with
14 Department of Health, we know the areas hardest hit,
15 so we'll be working with the home visiting providers
16 in those areas to get applications on expanding.

17 REPRESENTATIVE ORTITAY: Okay. So you
18 guys are tracking those numbers of where the
19 overdoses are and all the treatments?

20 SECRETARY LEVINE: So that is an
21 important point about tracking overdoses and data.
22 So that highlights actually the importance of the
23 Disaster Declaration that the Governor declared and
24 the Command Center Group that we have formed at the
25 Department of Health and at PEMA.

1 So this is really all the Health and
2 Human Services agencies, including PEMA, including
3 law enforcement. So we have Pennsylvania State
4 Police, PCCCD, Department of Corrections there.

5 So one of the tasks is to collect better
6 data. We're already collecting better data about
7 neonatal abstinence syndrome. We're coordinating
8 data in terms of overdoses as well as - fatal
9 overdoses as well as non-fatal overdoses, as well as
10 Naloxone usage by police and EMS.

11 So one of the purposes is to better
12 collect the data, and then use that data to inform
13 policy.

14 REPRESENTATIVE ORTITAY: Is there any way
15 that we could see any of that information?

16 SECRETARY LEVINE: Yes.

17 REPRESENTATIVE ORTITAY: Okay.

18 SECRETARY LEVINE: So actually, we'll be
19 putting up, in the next two weeks, a data dashboard
20 on the Governor's website.

21 Sarah, do you want to briefly talk about
22 the dashboard?

23 DEPUTY SECRETARY BOATENG: Sure. So
24 we've had a lot of inquiries about making the opioid
25 data available so that community officials, local

1 officials can understand the impact on their
2 community. And so, under the Governor's Disaster
3 Declaration, we've been coordinating all of that
4 data and are going to be putting forward a
5 public-facing dashboard that provides a lot of this
6 information. It provides it down to the county
7 level. You can click on your county. You can see
8 how your county compares to other counties.

9 PDMP, opioid distribution rates, NAS data
10 Medicaid rates, so all of that will be available by
11 the end of the month.

12 REPRESENTATIVE ORTITAY: Okay. Thank
13 you.

14 With \$4.5 half million going out, I just
15 want to make sure -- I would like to know where it's
16 going. I mean, we all have areas that are hard hit
17 and, you know, of course, we all hope the money
18 comes to our districts, but it would just be nice to
19 see what areas across the State are, in fact, the
20 hardest hit. I'm sure you guys have all seen the
21 report that we're one of -- of all the States around
22 us, we actually are seeing an increase in overdose
23 deaths. I think that was up to July.

24 I don't know how accurate that report
25 was, but the extra \$4.5 million, I'm sure, would go

1 a long way for that.

2 On another topic a little bit related, do
3 you know about how many MA clients are currently
4 receiving treatment for substance abuse disorders?

5 SECRETARY MILLER: The data I have, I
6 think, is from '16-'17 that we had 236,000
7 individuals with an SUD diagnosis.

8 That's who was actually receiving
9 treatment.

10 REPRESENTATIVE ORTITAY: And that was as
11 of, you said '16?

12 SECRETARY MILLER: I think that was
13 '16-'17 data.

14 REPRESENTATIVE ORTITAY: Okay. All
15 right. And one last question that I have.

16 Do you know how many people are currently
17 on extended TANF?

18 I know I'm jumping around here.

19 SECRETARY MILLER: About 9600.

20 REPRESENTATIVE ORTITAY: Okay. Is there
21 a maximum amount of time they're allowed to be on
22 it? I know there are certain exceptions of why they
23 are allowed to be extended, but I --

24 SECRETARY MILLER: I don't think there's
25 a maximum.

1 REPRESENTATIVE ORTITAY: All right.

2 Thank you.

3 Thank you, Mr. Chairman.

4 MAJORITY CHAIRMAN SAYLOR: Representative
5 Hahn.

6 REPRESENTATIVE HAHN: Thank you,
7 Mr. Chairman.

8 It's been a long day, so I'm not sure if
9 I missed this or not, but I had a question about the
10 County Assistance Offices. I know in the '17-'18
11 budget, there was an estimated cost savings, I
12 believe, of almost \$17 or \$18 million because of
13 savings that would be included to modernize the
14 County Assistance Offices.

15 That was to -- the increased use of the
16 web-based application and the processing centers, so
17 that the cases, I think, could be shifted from areas
18 if they had to be. So the last year's budget
19 indicated the savings were the first step and the
20 modernization process -- I didn't see any mention of
21 that in this year's budget number.

22 So are you still on the modernization
23 plan?

24 Is that still going forward?

25 What's happening with that?

1 SECRETARY MILLER: Lisa can kick me if I
2 misstate this. I think the areas where we were
3 expecting savings were related to moving, developing
4 some processing centers and moving work to those
5 centers, and we did not move work to those centers
6 with that initiative. So I think that's why you
7 don't see it reflected in the current materials.

8 REPRESENTATIVE HAHN: Why not?

9 SECRETARY MILLER: We had further
10 conversations with a lot of our CAO staff who had
11 significant concerns about that. And I don't think,
12 initially, we had a good dialogue with them about
13 how this was going to roll out, what it was going to
14 mean. So we said, let's take a step back and let's
15 focus on those pieces of this initiative that are
16 related to improving customer service and work
17 together to figure out how we can continue to
18 improve customer service going forward.

19 REPRESENTATIVE HAHN: So when you're
20 saying a processing center -- so Northampton County
21 has the Human Services Office. People can go in.

22 And then, were you going to take
23 applications coming in there and moving them to
24 another processing center?

25 SECRETARY MILLER: So the back office

1 functions would have been done in a different
2 processing center.

3 REPRESENTATIVE HAHN: Okay. But you're
4 on hold with that.

5 And the workers in that office actually
6 thought that would be better to just say there?

7 You know, I think they do a great job
8 when my staff calls. The county people work with us
9 and do a great job, but I think they're backlogged
10 from all of the different things that come in
11 because we always have the LIHEAP applications and
12 everything that goes through those centers.

13 So I'm just curious on what we can do to
14 get that case load evened out for them, so that they
15 can get them handled in an efficient manner.

16 SECRETARY MILLER: Well, I think this was
17 where we kind of said to them, let's work together.
18 I think that was an initiative that sort of felt to
19 them like we announced it, hadn't really had
20 conversations about it, so we kind of said, okay.

21 Let's put that on hold and talk about how
22 we can improve our customer service and how we can
23 streamline our processes, operate more efficiently
24 and really be more customer friendly. Now we're
25 trying to sort of work collaboratively and come up

1 with ideas as to how to do that.

2 REPRESENTATIVE HAHN: Can people go
3 online now and do the application and submit it?

4 SECRETARY MILLER: Yes.

5 REPRESENTATIVE HAHN: And then it gets to
6 the correct county?

7 SECRETARY MILLER: Yes.

8 REPRESENTATIVE HAHN: And then they go
9 from there.

10 And then, does the county contact them
11 for more information?

12 And I guess following up on
13 Representative Quinn, how safe is that information
14 that's going into the counties?

15 SECRETARY MILLER: So the application
16 goes to the County Assistance Offices and then they
17 follow up with that individual and get it --

18 REPRESENTATIVE HAHN: It doesn't come to
19 the State; it goes right to the County Assistance
20 Office.

21 SECRETARY MILLER: Well, the County
22 Assistance Offices are part of the State.

23 REPRESENTATIVE HAHN: No, I know, but I'm
24 always afraid information is going to come to
25 Harrisburg and then we're going to forward it to the

1 county.

2 I mean, it's an application that somebody
3 in Northampton County is actually submitting to
4 Northampton County, correct?

5 SECRETARY MILLER: Yes.

6 REPRESENTATIVE HAHN: Correct. Okay.

7 And the information, then, is safe going
8 over the site?

9 SECRETARY MILLER: Yes.

10 REPRESENTATIVE HAHN: All right. Thank
11 you.

12 MAJORITY CHAIRMAN SAYLOR: Okay. To wrap
13 up our second round is Representative Helm.

14 REPRESENTATIVE HELM: Thank you,
15 Mr. Chairman.

16 I would like to talk about post partum
17 depression, which is a serious condition that
18 affects about 21,000 Pennsylvania families every
19 year. And we also know that the early intervention
20 program is an effective channel for addressing the
21 health needs of not only at-risk infants, but that
22 it can also be a vital resource to help connect
23 mothers experiencing post partum depression to the
24 mental health care they need.

25 Hopefully you are familiar with HB 200,

1 which would do exactly that by automatically
2 qualifying infants whose mothers are at risk for
3 depression, for early intervention screening and
4 tracking.

5 And if you are familiar with the bill, do
6 you support it?

7 And can you give us an estimate of how
8 much implementation would cost?

9 SECRETARY MILLER: We do support it. And
10 if my memory serves me, I want to say \$900,000 was
11 our estimate. We'll have to get back to you on the
12 estimate.

13 REPRESENTATIVE HELM: All right.

14 SECRETARY MILLER: But we do support
15 that.

16 REPRESENTATIVE HELM: All right. That
17 was my only question. Get back to me.

18 Thank you.

19 SECRETARY MILLER: You're welcome.

20 DIRECTOR SWAILS: Representative Helm, if
21 we could respond to your earlier question that we
22 didn't have the answer to on the State hospitals.
23 You had asked why the census was going up in
24 '18-'19.

25 REPRESENTATIVE HELM: I did ask that

1 question.

2 DIRECTOR SWAILS: Even though we were
3 closing Norristown -- we closed the civil side on
4 that, but, you know, turned that into a forensic
5 unit. And the reason it's going up is we expect to
6 have more forensic beds there.

7 REPRESENTATIVE HELM: All right.

8 DIRECTOR SWAILS: For overall census.

9 REPRESENTATIVE HELM: Thank you.

10 MAJORITY CHAIRMAN SAYLOR: With the last
11 questions, Representative Quinn and Representative
12 Kampf each have one more question.

13 Representative Quinn.

14 REPRESENTATIVE QUINN: Thank you very
15 much.

16 I'm going to draw your attention, please,
17 to the Governor's budget, where it assumes an
18 additional \$130 million in the hospital assessment.
19 We've been advised that this number is more than
20 100 percent of the net gain in the hospital funding.

21 How does the State justify a 60 percent
22 increase in this?

23 I mean, I don't really see our community
24 hospitals being able to absorb this.

25 It's just catching us as to where it's

1 coming from.

2 DEPUTY SECRETARY ALLEN: So the hospital
3 assessment legislation, as you know, expires at the
4 end of June this year. So we have been working with
5 our partners at HAP to look at what are the options
6 available to move the assessment forward for the
7 future and certainly looking at what hospitals
8 currently receive through the assessment, and also,
9 what opportunities we have going forward in the
10 future.

11 So that is an ongoing dialogue, and we
12 commit to continuing that dialogue.

13 REPRESENTATIVE QUINN: But what's being
14 proposed is actually moving backwards in terms of
15 their net. It just seems that -- it seems like the
16 dialogue stopped and they weren't there. I saw your
17 red light.

18 DEPUTY SECRETARY ALLEN: Would you like
19 me to respond?

20 MAJORITY CHAIRMAN SAYLOR: You can answer
21 the question.

22 DEPUTY SECRETARY ALLEN: Okay.

23 So I think in terms of the amount that
24 the Department has included in the budget, yes, it
25 assumes \$130 million in revenues for the

1 Commonwealth, but we're also looking at what are the
2 revenues that are available to the hospitals and
3 being able to look at it from the perspective of the
4 full year and not necessarily just starting in July.

5 So I think that's an ongoing dialogue
6 that we're going to continue to have with the
7 community around what will that look like going
8 forward for the hospitals.

9 REPRESENTATIVE QUINN: Thank you.

10 I would like to be involved in those
11 dialogues and the information back and forth.

12 Thanks.

13 DEPUTY SECRETARY ALLEN: Sure.

14 REPRESENTATIVE KAMPF: Secretary Miller,
15 back to the County Assistance Offices, the
16 McKinsey Report, which the Governor used, I think at
17 least a million dollars of taxpayer money, pointed
18 out to Florida and some other states had done some
19 significant efficiency work. Tens, maybe even
20 hundreds of millions of dollars were saved.

21 Did I hear you say that you talked to
22 some people in the County Assistance Offices and
23 they didn't want to do that so you stopped going
24 forward on that front?

25 SECRETARY MILLER: So I think the

1 initiative, the proposed savings was -- I want to
2 say, was it \$7 million -- which we just, I think had
3 to absorb somewhere, but it was \$7 million and part
4 of that initiative was related to. And I think
5 there were other pieces of the initiative, again,
6 around customer service, but the piece relates to
7 developing two processing centers that we didn't
8 move forward on. That's correct.

9 REPRESENTATIVE KAMPF: With respect to
10 the recommendations in the McKinsey Report that the
11 taxpayer paid for on the County Assistance, have we
12 realized any savings?

13 SECRETARY MILLER: I think we'll have to
14 get back to you on that.

15 REPRESENTATIVE KAMPF: Please.

16 MAJORITY CHAIRMAN SAYLOR: All right.

17 For the last question from members,
18 before the Chairman asks a question, Representative
19 Boback.

20 REPRESENTATIVE BOBACK: Thank you,
21 Mr. Chairman.

22 I would like to shift our gears to
23 caseworkers in our counties. I'm concerned because
24 I know there's increased reporting, mandated
25 reporting now that I'm glad that we go through, but

1 that does take a lot of time for our caseworkers.

2 And the problem with the opioids, I know
3 a lot of schools are looking for the assistance for
4 referrals for caseworkers.

5 So my question is, who determines the
6 number of caseworkers required in a county?

7 How is that paid for?

8 Can a county request more?

9 Or is it on them to hire more
10 caseworkers?

11 Can you, as departments, require a county
12 to hire more caseworkers?

13 SECRETARY MILLER: So I'm going to let
14 Cathy take this one.

15 DEPUTY SECRETARY UTZ: Good afternoon
16 again. Cathy Utz, Deputy Secretary for the Office
17 of Children and Youth and families.

18 And so each year, the county Children &
19 Youth agencies submit to us what's called the
20 needs-based plan and budget. So they identify the
21 number of staff they need, based on the services
22 that they're deliver for each of the children and
23 families that they're serving.

24 So as they see increases in the number of
25 reports that they're receiving, they make a request,

1 but it's the county who is responsible for
2 determining the number of staff that they need. If
3 we identify and recognize that they may be
4 struggling in meeting the time frames that we have
5 for completion of investigation, we would engage in
6 a conversation with the county Children & Youth
7 agency administrator to talk to them about the
8 potential need for additional staff, but it really
9 comes back to the county commissioners, who are --
10 they're county employees, unlike the County
11 Assistance Offices, where they're State employees.

12 In county Children & Youth agencies,
13 they're county employees. So the counties are
14 responsible for determining the number of staff they
15 need, as well as then reimbursing the salary and
16 wages or setting salary and wages. We reimburse a
17 percent -- it's 80 percent -- of the cost of
18 salaries and benefits is reimbursed by the
19 Commonwealth.

20 REPRESENTATIVE BOBACK: Thank you very
21 much.

22 DEPUTY SECRETARY UTZ: You're welcome.

23 REPRESENTATIVE BOBACK: Thank you,
24 Mr. Chairman.

25 MAJORITY CHAIRMAN SAYLOR: Madam

1 Secretary, I just want to ask this. I have some
2 concerns as I looked at the budget for DHS over the
3 coming past and the present, the upcoming year, and
4 the budget in '19-'20, as well.

5 In the year of '17-'18, the State budget
6 part, General Fund, was \$12,300,000. This current
7 fiscal year proposal is \$12,563,000. But in
8 '19-'20, after next year's elections, or this year's
9 elections, it jumps by a billion dollars.

10 Can you explain to me why a billion
11 dollar jump when there's only a \$200 million jump
12 from last year to this current budget that we're in
13 the process of looking at?

14 SECRETARY MILLER: Can you tell us where
15 you got the '19-'20 information?

16 MAJORITY CHAIRMAN SAYLOR: The Governor's
17 budget book.

18 SECRETARY MILLER: Okay.

19 MAJORITY CHAIRMAN SAYLOR: Because it
20 lists next year's expenditures for '19-'20 to be
21 \$13,515,000 and some-odd change. And it's page E
22 22-16.

23 DIRECTOR SWAILS: I can talk generally
24 about it. We have mandated costs as we move
25 forward. There are some one-time savings this year,

1 as we discussed earlier. So we will have to make
2 those costs up in '19-'20.

3 MAJORITY CHAIRMAN SAYLOR: And the real
4 concern I have is, that's after an election. And I
5 came here right after the 1991 budget debacle when
6 there was a \$3 billion tax increase and a billion
7 dollars just in one department from one year to the
8 next spells a lot of trouble for us in the General
9 Assembly.

10 So that's why I'm real concerned that
11 just in one year, we're going to have a billion
12 dollar increase in a department. So I think we need
13 to figure out how we're going to pay for that
14 because I don't know too many people, even though
15 it's after an election, that are going to be wanting
16 to vote for a tax increase just for this one
17 department for a billion dollar increase.

18 So we have to find savings to cover that.
19 Now, again, we don't want to sacrifice our most
20 needy, but a billion dollar increase in one year
21 means that maybe we need to be doing something
22 different in this year's budget, so we don't end up
23 with a billion dollar difference from one year to
24 the next. That is a huge increase in the
25 Department's budget, and I have real concerns.

1 I look forward to continuing discussions
2 on that particular issue as we move forward in this
3 budget process this year.

4 SECRETARY MILLER: Sure.

5 MAJORITY CHAIRMAN SAYLOR: Representative
6 Markosek.

7 MINORITY CHAIRMAN MARKOSEK: Yes.
8 Thanks, Chairman.

9 I think Jen touched a little bit on the
10 Chairman's concern. There are some one-time
11 funding mechanisms that will go away after this
12 budget, and I think everybody on the Committee knows
13 that.

14 And I think there are also some
15 additional mandates we will have, as well. So I
16 think, you know, whether that equals, you know, that
17 full billion dollars or not, I think those are
18 things that we have to consider when we're looking
19 at something like that, of why there is a jump next
20 year.

21 But I want to thank you all for appearing
22 today. It was a long day for you, but I thin you
23 did a good job. You have a big, tough job. There's
24 no question about it.

25 You know, hopefully all of us here will

1 be helpful to you in trying to get things done. I
2 know earlier this morning we talked about doing some
3 innovative things that caught my ear. And I think
4 we need to be very helpful to you when you're
5 looking at better ways to serve the people of
6 Pennsylvania.

7 We don't necessarily have to do it the
8 same way all the time. Thinking outside of the box,
9 et cetera, is a good thing. And we're here to help,
10 so I want to thank you again.

11 MAJORITY CHAIRMAN SAYLOR: Again,
12 Secretary Levine and Secretary Miller, I appreciate
13 you taking time out of your busy schedules today to
14 be here. Again, I'm going to continue to stress
15 that billion dollars is not acceptable to my Caucus.
16 I don't believe I can speak for my members in saying
17 that a billion dollar increase from one year to the
18 next.

19 And I understand the one-time funding,
20 but we have to figure that out to work because we
21 cannot come back here after an election. Our own
22 credibility is on the line. When you tell the
23 taxpayers right after an election, we're doing a
24 billion dollar increase in one department, that's
25 not something they like to hear right after an

1 election.

2 They feel that we deceived them. A lot
3 of people are going to be out there running on a lot
4 of issues, let's be honest, both sides of the aisle.

5 To come back here after an election and
6 have a huge tax increase for a billion dollar
7 increase in a budget, we just have to look at how we
8 manage these dollars and where we can find cost
9 savings and cuts that don't sacrifice the services
10 to our seniors and to our people of special needs.

11 So I will ask the Department to, as we
12 work through this process, to come back here with
13 recommendations. I get the one-time funding that's
14 there, and I know where they are, but it doesn't
15 change the fact that a billion dollars in one year
16 is going to be a lot to swallow for the taxpayers of
17 Pennsylvania.

18 SECRETARY MILLER: We look forward to
19 working on it.

20 MAJORITY CHAIRMAN SAYLOR: Again, thank
21 you very much.

22 This Committee will reconvene tomorrow
23 morning at 10:00 a.m. We are on schedule to be
24 starting with the State Police. No matter what the
25 weather conditions are, we will be here at

1 10:00 a.m.

2 Thank you.

3 SECRETARY MILLER: Thank you.

4 SECRETARY LEVINE: Thank you.

5 (Whereupon, the hearing adjourned.)

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CERTIFICATE

I hereby certify that the proceedings are contained fully and accurately in the notes taken by me on the within proceedings and that this is a correct transcript of the same.

Tiffany L. Mast,
Court Reporter/Notary