BEFORE:  (Continued)

HONORABLE PATTY KIM
HONORABLE STEPHEN KINSEY
HONORABLE LEANNE KRUEGER-BRANEKY
HONORABLE MIKE O'BRIEN
HONORABLE MARK ROZZI
HONORABLE PETER SCHWEYER

NON-COMMITTEE MEMBERS

HONORABLE TOM MURT
HONORABLE JIM COX
HONORABLE CRIS DUSH
HONORABLE ELI EVANKOVICH
HONORABLE JUDY WARD
HONORABLE ALEX CHARLTON
HONORABLE TEDD NESBIT
HONORABLE KATHY RAPP
HONORABLE PAM DeLISSIO
HONORABLE BRIAN SIMS
HONORABLE PERRY WARREN
HONORABLE SCOTT CONKLIN
HONORABLE MARK LONGIETTI
HONORABLE MIKE DRISCOll

COMMITTEE STAFF PRESENT:

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REPUBLICAN EXECUTIVE DIRECTOR

RITCHIE LAFAYER
REPUBLICAN DEPUTY EXECUTIVE DIRECTOR

MIRIAM FOX
DEMOCRATIC EXECUTIVE DIRECTOR

TARA TREES
DEMOCRATIC CHIEF COUNSEL

Pennsylvania House of Representatives
Commonwealth of Pennsylvania
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SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony and handouts online.)
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,
Representative Sims, Representative Conklin, and Representative DeLissio. All right. And Cox, I'm sorry, Representative Cox. And Representative Perry Warren.

Do we have everybody?

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

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

I don't want to simply talk about platitudes today. I really think -- it's a big budget. I know the Secretary has been working very hard to do her best over there, newly-appointed a few months ago, but we have a full day of hearings. We will do multiple rounds throughout the day. We will adjourn at 12 o'clock promptly.
We will return at 1 o'clock to start again for multiple rounds until we kind of run out of questions for the Secretary. By then, she'll be worn out.

SECRETARY MILLER: Wonderful.

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

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

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

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

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

Can you give us a little idea of the
status of that line item?

And who are the beneficiaries?

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

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

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

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

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

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

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

We know that not all providers have passed along an increase or the same increase in wages, but we have spoken to several providers who indicated that this significant investment allowed
them to increase wages. We've heard from some providers that they were able to increase their starting wage by a dollar an hour. Some are paying as much as $15.00 an hour.

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

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

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

The last thing I would just say is, this is a really important issue for us across our entire
Department, not just with our ODP or our Office of Developmental Programs area. We want to see direct care worker wages and the wages for those that provide services to the people that we serve increase across the board.

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

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

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

There are a lot of other places that they can go and work for maybe a little better rate, a better pay, benefits, all of those kinds of things.
So I think the fact that we're looking at that, we're trying to make life better for them, we're trying to recruit those folks, keep those folks that we have, that is very important.

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

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

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

I was just with a provider last week that said they gave a dollar increase in October, a dollar an hour increase this year -- earlier this year, they gave another two dollars. And they're contemplating another dollar in April. Their board
made a decision to pass along the entire rate increase in the form of increased wages. They said it's made a huge difference in their recruitment efforts.

MAJORITY CHAIRMAN SAYLOR: Very good.

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

So with that, we will move to Representative Dunbar.

REPRESENTATIVE DUNBAR: Thank you, Mr. Chairman.

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

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

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

DIRECTOR SWAILS: We transitioned from a
gross receipts tax to a managed care assessment.

REPRESENTATIVE DUNBAR: Managed care assessment, yes.

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

So that 351 was revenue received after the guaranty ended.

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

DIRECTOR SWAILS: Correct, this one time.

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

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

REPRESENTATIVE DUNBAR: Because when I look at the Governor's budget book, looking at capitation, it's showing an increase from
$3.1 billion this year to $3.5 billion next year.

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

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

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

DIRECTOR SWAILS: That's right.

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

DIRECTOR SWAILS: That's correct.

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

So does the Governor have any other plans?

DIRECTOR SWAILS: There were some one-time costs that occurred in '17-'18. That will not occur in '18-'19. So that will be somewhat offset, but we do need to reauthorize the hospital
assessment this year, as well, and there was some additional revenue included in '18-'19 for that.

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

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

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

DIRECTOR SWAILS: Correct.

REPRESENTATIVE DUNBAR: Okay. Thank you.

MAJORITY CHAIRMAN SAYLOR: Representative Donatucci.

REPRESENTATIVE DONATUCCI: Thank you, Mr. Chairman.

Good afternoon. Thank you for being here.

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

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

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

REPRESENTATIVE DONATUCCI: So now I'm going to visit the other end of the spectrum and talk about infants and toddlers. I saw that there's a new pilot program to serve infants and toddlers in high quality child care. Can you tell us more about the proposed pilot?

How many children do you expect to serve? Where will the pilots be located? Does high quality mean star three and star four locations?

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

So this is $3 million to establish a one-year pilot program focused on high quality early
care and education programs for about 220 children.
These will be children under three in keystone star
three and star four programs, just as you suggested.

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

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

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

MAJORITY CHAIRMAN SAYLOR: Representative
Delozier.

REPRESENTATIVE DELOZIER: Thank you,
Mr. Chairman.

I just broke the mike. We've been using
it too much this week.
Thank you, Madam Secretary, for being here. I have a question on HB 59 that was vetoed by the Governor this October with the Human Services Code.

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

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

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

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

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

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

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

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

SECRETARY MILLER: Well, I think the
issue is with Medicaid, Medicaid is not a welfare program, it's a healthcare program. So it provides health care to people.

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

REPRESENTATIVE DELOZIER: And how many is that?

Do you know what the percentages are?

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

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

SECRETARY MILLER: That's the question.

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

But more and more, you know, just with the whole campaign, like I mentioned, we want them to be part of our economy, we want them to grow what
their abilities are. When we talk about the people that are not -- yet we're vetoing bills that would require this.

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

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

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

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

REPRESENTATIVE DELOZIER: Quickly.

Sorry.

SECRETARY MILLER: First, one of the things we're doing is we're doing a deep dive into
the Medicaid claims data. So we've got a contractor working with us to try to really understand, through the claims data, what might be going on with these populations, so we have a better sense of kind of where they're coming from.

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

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

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

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

    REPRESENTATIVE DELOZIER: I agree.

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

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

    So why are we not balancing that out?

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

    My light is extremely red, but just the ability to say that we do need to make sure that we're not punitive. Let's work to make sure that our system is helping them and not, you know,
hitting them over the head with one and saying, go
to work with the other. So I want to balance that
out.

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

REPRESENTATIVE DELOZIER: Okay.

SECRETARY MILLER: So we agree on that.

REPRESENTATIVE DELOZIER: Thank you very
much.

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

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

But for the administration to veto 59, HB
59, to me, was an act of irresponsibility. We're
holding people of special needs at a higher standard
than we are people that can work. More importantly,
we all know, for health reasons -- we talk about
this with our seniors all the time -- physical
activity, getting them out and about is the best thing for mental health. It's the best thing for physical health.

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

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

When people are able-bodied and can work and aren't working, what about those who can't? There are more services we need to give to people with physical disabilities, to our seniors, to our people with autism. Those people are making sacrifices. We're not providing the services because we're spending money over here for people who can work and can provide services for themselves, but we're allowing them to be -- I hate
to say the word lazy, but I'm going to say lazy.

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

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

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

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

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

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

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

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

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

We have to understand, we have a lot of vulnerable citizens. This Commonwealth is growing in its senior population with baby boomers. That means this State is going to be taxed even more -- I hate to use that word tax -- but our services are going to be taxed even more to provide good quality services to our seniors in this State.
So we have to make sure we're managing these programs and getting the best out of them. I don't know where the Department is going, and I'm willing to let you respond to that, but Madam Secretary, we can't just say we want to give these people something. We've got to have an actual action by the Department to make it happen and see a real change because that growing list of people who are not working, who are able to work, has been growing.

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

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

MAJORITY CHAIRMAN SAYLOR: Sure.

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

And I think -- I understand that we may be talking about welfare when we're talking about Medicaid, but I think the general public also understands that we don't want to see people lose
access to their health care.

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

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

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

I'm not going to sit here and tell you that those programs are perfect; they're not. We brought everyone together for a full day to say,
let's talk about where we are today, where are our strengths, what are we doing well, where are our weaknesses, but most importantly where are those areas where we think we can do a better job?

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

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

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

But that's what I'd like to do. I think we can make a big difference here, if we're focused on it. And I can commit to you, Chairman, we're
very focused on this issue right now.

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

SECRETARY MILLER: That's fair.

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

SECRETARY MILLER: Right.

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

SECRETARY MILLER: Sure.

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

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

It's so large, I know it's a lot to get your hands around a lot of things, and things change, but we are -- it's important and I'm excited about your comments. I'm excited that we'll be seeing more innovation out of the Department to get
these kinds of things done, because I don't think there are any of us, on either side of the aisle, who want to throw somebody off welfare who is truly needing it.

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

SECRETARY MILLER: Sure.

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

SECRETARY MILLER: You too.

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

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

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

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

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

Thank you.

SECRETARY MILLER: Thank you.

MAJORITY CHAIRMAN SAYLOR: The only thing I will say to Chairman Markosek is the fact that
asking for money before you demonstrate that you're
willing to make changes -- the Department has been
coming to the General Assembly for many years asking
for more money, $600 million, a billion dollars at a
time, and we haven't seen the changes.

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

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

SECRETARY MILLER: Absolutely.

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

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

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

SECRETARY MILLER: Yes.

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

SECRETARY MILLER: Can I stand up and applaud?

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

I will tell you, that's something that I'm really focused on at the Department, trying to figure out all of the ways that we can reduce that
stigma because it does keep people who need our services from getting them. People don't want to be on government benefits.

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

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

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

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

Also, we will go to the next questioner,
Representative Daley.

REPRESENTATIVE DALEY: Thank you, Mr. Chairman.

Good morning.

SECRETARY MILLER: Good afternoon.

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

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

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

Can you tell me, in a very challenging fiscal environment, why should the Legislature prioritize a rate increase for these programs?
SECRETARY MILLER: You know, I think, to your point, Representative, home visiting is an evidence-based program that works. I had an opportunity recently to go visit a home visiting program and talk to families -- and it was the whole family that was there -- who are being served by home visitors.

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

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

I think home visiting is one of those programs that has all sorts of outcomes that are going to help us as we try to fight the opioid epidemic, in particular. That's obviously the expansion we're proposing, is to really target those areas hit hardest by the opioid epidemic, so we can try to -- we tend to focus a lot, with that
epidemic, on the individual struggling with the addiction and forget that they're part of a family that's also struggling. So I think that home visiting is a great way for us to focus on that family and to do what we can to give parents the tools they need to be really good parents and to help out long term.

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

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

I think it's an incredibly important program, but I want to -- and I even had a town hall and invited people to talk about home visiting and their experience. But I think it's really important to make that case, to us sitting here, about the rate increase.
So if you could just take a few minutes
to specifically address the rate increase.

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

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

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

I think we could all benefit from having
somebody who could help our family sort of figure
out how to be new parents.

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

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

SECRETARY MILLER: Absolutely.

MAJORITY CHAIRMAN SAYLOR: Next questioner is Representative Roae.

REPRESENTATIVE ROAE: Thank you, Mr. Chairman.

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

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

There are already work requirements, you know, for welfare checks, food stamps, subsidized daycare, you know, things like that. And in HB 59,
minors were exempt; the elderly were exempt; people with disabilities were exempt; pregnant women were exempt. So we were talking about able-bodied non elderly adults that do not have disabilities.

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

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

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

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

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

This administration has worked really
hard to increase access to health care.

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

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

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

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

SECRETARY MILLER: So here's the issue, when you start getting down to all of the exemptions, I think what you're left with is just as
you suggest, you have a very small group of people
in the population that you're then focused on.

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

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

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

But you have all of those other states
trying to do this. Kentucky is already doing it.
Does Pennsylvania have to be a follower
in everything?
At least on some things, can Pennsylvania lead, do you think?

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

REPRESENTATIVE ROAE: Well, they got approved.

SECRETARY MILLER: They got approved.

REPRESENTATIVE ROAE: Right. They got approved.

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

SECRETARY MILLER: Right.

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

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

And to your point, we're talking about a
very small number of people that would be subject to the work requirement. We would have to build quite a bureaucracy and find a lot of funding to pay for that for a small group of people as opposed to spending our time and energy trying to figure out how we can do a better job of providing work supports to people and getting people to work. So I think that's really where we want to focus.

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

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

Thank you.

MAJORITY CHAIRMAN SAYLOR: Representative Kinsey.

REPRESENTATIVE KINSEY: Thank you,
Mr. Chairman.

Good morning, Madam Secretary, Deputy Secretary, Director.

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

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

SECRETARY MILLER: Medicaid is health care.

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

SECRETARY MILLER: Right.

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

But for right now, Madam Secretary, I serve a district in the city of Philadelphia, which is pretty socially and economically diverse. We've
had some challenges as it relates to safe housing, violence, trauma, food insecurities, low income. When I speak of those types of situations, they often translate into a higher utilization of health care and health care services.

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

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

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

So we've been really pushing our managed care organizations to do more in this area. I think I mentioned we recently convened them to say, let's talk about what it is that's happening today. And
part of that is, I think this is a great role for the State. We are a convener. We are a great entity to bring everybody together and say, let's learn from each other; what is somebody doing?

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

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

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

And I'm really interested in continuing
the conversation with them about what we can do related to employment. I think one of the things that came up for me in this meeting where we were focused on employment and social determinants was we had a lot of discussion about things that were happening around housing and food insecurity. Halfway through, I was sort of frustrated because I thought I wanted to be talking about employment. Then we started really articulating the fact that it's hard to talk to someone about employment if they don't have secure housing or if they don't know where their next meal is coming from. So you know, there's an order to these things. I think all of these are social determinants that we need to be focused on. And I think through our work with MCOs, we're focused on it. We also have a Health Enterprise Zone Initiative. To your point, we have a lot of people in north Philly.

REPRESENTATIVE KINSEY: Well, speaking about that. Even I don't always see the north Philadelphia area, but Einstein Hospital is actually in my district. I believe they're part of that Health Enterprise Zone, so I'd like to get more information on that, probably not at this hearing
right now, but I appreciate that because I want to find out the status of that initiative, as well, as it relates to serving the folks in northwest and north Philadelphia, as well.

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

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

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

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

Are there other ways that we can try to help these individuals that are providing these
services to this target population?

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

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

SECRETARY MILLER: Thank you.

REPRESENTATIVE KINSEY: Thank you,
Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative
Keller.

REPRESENTATIVE KELLER: Thank you,
Mr. Chairman.

Thank you, Madam Secretary.

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

Could you provide those to the Committee,
please?

SECRETARY MILLER: Further detail on them?

REPRESENTATIVE KELLER: Yeah.

SECRETARY MILLER: Absolutely.

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

SECRETARY MILLER: Yeah.

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

SECRETARY MILLER: Sure. We're --

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

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

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

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

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

SECRETARY MILLER: Sure.

REPRESENTATIVE KELLER: That information, the breakdown.

SECRETARY MILLER: Of course.

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

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

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

SECRETARY MILLER: Yes.

REPRESENTATIVE KELLER: Do you have the numbers done?
SECRETARY MILLER: Absolutely. We can provide you with that.

REPRESENTATIVE KELLER: When can we get that?

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

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

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

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

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

I'm not necessarily talking about people receiving the benefits, but I know there are sometimes an issue when cards are either lost or stolen.
When a card ends up missing, do we stop the activity on that card right away?

How does that work?

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

Can you repeat the question?

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

Do we stop the activity on it?

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

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

All of the cards that we issue have to be PIN, meaning the individual that receives it, much like all of our debit cards, has a four digit PIN that they have assigned to them.
REPRESENTATIVE KELLER: Okay. Have we ever had a card that's been reported lost or stolen been used after it was reported lost or stolen?

DEPUTY SECRETARY WATSON: Not that I'm aware of.

REPRESENTATIVE KELLER: Okay. I just wanted to make sure that, you know, we're not having cards out there that don't get used.

DEPUTY SECRETARY WATSON: Sure.

REPRESENTATIVE KELLER: I appreciate that. I'm actually back to some line item questions now. I just want to make sure that nobody is taking benefits from people that need them.

I'm on the line items, on the tracking run. County assistance offices, they normally are the intake in our counties that qualify people for benefits, correct?

SECRETARY MILLER: Uh-huh.

REPRESENTATIVE KELLER: And they are, I would say, the people that we have on the front line that make sure that the people who need benefits get them.

General government operations, that's the operations down here in Harrisburg?

Is that the people who work over here in
the DHS Building and all of the overhead down here?

DIRECTOR SWAILS: I'm not sure it's

specific to just Harrisburg.

REPRESENTATIVE KELLER: But it's all the

State-run stuff?

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

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

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

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

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

DIRECTOR SWAILS: Twenty-eight million
almost.

REPRESENTATIVE KELLER: Okay, $28
million.
So they're actually going up also?

DIRECTOR SWAILS: Yes.

REPRESENTATIVE KELLER: But less than 5 percent?

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

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

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

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

Thank you, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative Bullock.

REPRESENTATIVE BULLOCK: Thank you, Chairman.

Good morning, Secretary. How are you?

SECRETARY MILLER: Good morning. Great.

REPRESENTATIVE BULLOCK: Good.

First, I wanted to say thank you for
visiting with us at the Broad Street Ministry. I believe it was a week or two ago. That is an amazing partnership.

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

SECRETARY MILLER: That's right.

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

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

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

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

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

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

DEPUTY SECRETARY UTZ: Certainly. My
name is Cathy Utz, and I'm the Deputy for the Office
of Children and Youth and Families.
The Office of Children and Youth and Families is working with our Budget Office to really conduct our review to determine all of the impacts of Family First and how that will have an impact on private providers, as well as our county Children & Youth agencies. And I think with any piece of federal legislation, part of what we're looking at is are there places where we're able to use dollars in a different way than we're currently able to, to perhaps offset some of the other costs?

We are still conducting our analysis, as well.

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

I would like to shift to SNAP.

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

SECRETARY MILLER: That's right.

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

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

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

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

So from a State budget perspective, I
think we want to do everything we can to get people that are eligible for SNAP to take it up.

REPRESENTATIVE BULLOCK: To maximize those benefits.

SECRETARY MILLER: Exactly.

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

SECRETARY MILLER: The total dollar amount of SNAP benefits?

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

SECRETARY MILLER: Yes, it is.

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

SECRETARY MILLER: Sure.

REPRESENTATIVE BULLOCK: Thank you.

Thank you, Mr. Chairman.
MAJORITY CHAIRMAN SAYLOR: Representative Boback.

REPRESENTATIVE BOBACK: Thank you, Mr. Chairman.

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

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

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

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

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

So we actually do a lot on the front end to prevent fraud. We work very closely with the Office of the Inspector General. We do -- I think
they're quarterly reports that I saw that look at things like suspicious SNAP activity, that look at transactions that happened across state lines. If there's, for example, three months of transactions that are all across state lines, there's a question of residency.

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

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

REPRESENTATIVE BOBACK: Thank you for that.

Why not a photo on the ID?

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

I mean, I can't go to a doctor without producing a photo ID of myself, so why can't we have
I cannot help but believe, okay, you have the PIN number, but they could identify that photo. Why not?

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

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

And when you think about it, what we often see in terms of EBT card trafficking, it often involves either a complicit store owner or a cashier or clerk. So if you've got a cashier or clerk that's willing to take partake in an illegal
activity, having a photo on the ID is just not going
to be a very effective deterrent.

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

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

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

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

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

SECRETARY MILLER: Okay. I appreciate your perspective.

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

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

How are they penalized for this?

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

REPRESENTATIVE BOBACK: And then you do track this.

Have you always been tracking your office, or is this something new under your realm?
SECRETARY MILLER: Have we always been tracking what? I'm sorry.

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

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

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

Thank you, Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative Kim.

REPRESENTATIVE KIM: Good morning, ladies, Secretary.

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

You can make double at a warehouse, but we're not talking boxes, we're talking about children.
How does your Department -- is your Department planning to adjust to this higher minimum wage if it is passed?

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

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

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

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

The hope there -- and again, we don't set the wages, we provide the rate increases -- but the hope there is that by increasing those tiered
reimbursement rates, particularly on the higher quality providers, that we will then see increases in wages. And of course, we know that with increases in wages, that will help with retention and just quality of the program itself.

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

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

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

Those recoveries equate to a very small percent of our expenditures, so we're talking about .2 percent of our State budget is sort of the recoveries we get. And we don't think that's because we're missing a lot of fraud. We attribute that to a couple things.
First, we do a lot on the front end to make sure that dollars are not going out that shouldn't be going out. And second, as we talked about today, we serve very vulnerable populations. So I think that's why we don't see a lot of fraud, but I think if you look at our program integrity efforts -- I've had some legislators as I talk to them, I think, confuse some of the announcements we've done around program integrity efforts with fraud and had concerns that there's just hundreds of millions of dollars of fraud out there, which is absolutely not the case.

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

We also have checks with other databases. On either a daily or monthly basis, we're checking with 11 different databases at the State and Federal
level to verify eligibility for our programs. So we put a lot of work in this to keep the dollars where they belong and making sure that we're serving the people that need them.

REPRESENTATIVE KIM: Thank you for your answers.

Thank you, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative Ortitay.

REPRESENTATIVE ORTITAY: Thank you, Mr. Chairman.

Thank you, Secretary.

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

What are we missing out on?

SECRETARY MILLER: So what we heard in this day-long discussion we had with our partners is a couple of things. One, we heard that because of the requirements, we tend to focus on just one group of people, which we know, in SNAP or TANF, we're talking about less than 10 percent of the population that's subject to work requirement.
So it's a small group of people, but we tend to focus all efforts on that group. So people who might be experiencing, let's say domestic violence or a mental health condition, whatever it is, and might be exempt from work requirements, we don't tend to focus on them.

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

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

REPRESENTATIVE ORTITAY: All right. I
want to follow up a little bit on that, because right after you had said that we were missing opportunities, you said you had some big, bold ideas.

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

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

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

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

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

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

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

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

REPRESENTATIVE ORTITAY: Okay. I know we spent a lot of time talking about work requirements for MA, but I know a lot of people, just not on this Committee, but in the legislature itself that have a ton of good ideas. And I'm sure we would be happy
to compile a list and send them over to you, just so you can take a look at them and maybe give some feedback, at least start the conversation.

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

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

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

Do you guys silo shy information with other departments?

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

SECRETARY MILLER: Yes. Thank you for that question.

So we have started meeting with L&I -- and I think have been meeting with them previously, as well. But I think right now, because we have such a renewed focus on this issue and really want
to see what we can do, we are coordinating with L&I.

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

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

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

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

I'll just mention one last thing. It just seems like we have a patchwork of programs across our entire State budget in different agencies, not dealing with just labor but dealing
with how we treat opioids and sharing information across the board.

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

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

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

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

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

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

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

Thank you.

Thank you, Mr. Chairman.

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

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

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

REPRESENTATIVE KRUEGER-BRANEKY: Thank you, Mr. Chairman.
Hi, Secretary. Thank you so much for joining us here today. And I've really appreciated how thoughtfully you've answered the questions that we've put to you so far.

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

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

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

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

Since 2004, half of the State's countywide nursing homes were sold to private
companies, half of them. And then just recently, we saw two significant changes, HCR Manor Care, the country's largest nursing home chain, actually sold itself into bankruptcy.

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

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

SECRETARY MILLER: You've pointed out a big issue that we're facing. And as you said, you know, we've got a population, an aging population that is booming. One of the things that we are doing is moving to managed care, which I think long term, you know, this is the area in our budget when you look at cost drivers -- and obviously, we're here to talk about the budget, right -- if you look at cost drivers, the most significant cost driver we have is in our long term services and supports for our seniors, for people with physical with disabilities.
We've made investments of over $800 million in this area alone over the last few years. So this is a growing area. Because we're going to be moving to managed care, the rates and the rates that will be paid to nursing homes, for example, will be taken over by our CHC-MCOs in that process.

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

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

REPRESENTATIVE KRUEGER-BRANEKY: And to that same point, I've heard the same thing in my
district. We had, unfortunately, a constituent who made $15.93 too much over the limit and got caught in this donut hole where she couldn't get the home care services and yet was being pushed into a nursing home.

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

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

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

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

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

REPRESENTATIVE KRUEGER-BRANEKY: Folks in nursing homes, what percentage are on Medical Assistance?
And is that number going up or going down or staying the same?

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

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

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

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

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

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

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

As you know, many of the nursing facilities in Pennsylvania do provide a significant portion of their population under the umbrella of Medicaid services, but the population itself has not shown significant increases. Most of our population
increases have actually been on the home and community side.

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

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

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

REPRESENTATIVE KRUEGER-BRANEKY: Okay.

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

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

DEPUTY SECRETARY HANCOCK: I believe that was 2012, if I'm not mistaken. I can get the date
for sure, but I believe it was 2012.

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

DEPUTY SECRETARY HANCOCK: That's correct.

REPRESENTATIVE KRUEGER-BRANEKY: Okay.

Thank you.

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

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

Anyway, we will move to Representative James.

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

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

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

SECRETARY MILLER: A short list of services that would make you eligible for TANF?
REPRESENTATIVE JAMES: Yes, the services that I would be eligible for. Perhaps, I asked that --

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

REPRESENTATIVE JAMES: Right.

SECRETARY MILLER: -- the TANF population.

Okay.

REPRESENTATIVE JAMES: A real short list.

MAJORITY CHAIRMAN SAYLOR: Again, name and title?

I keep asking, I apologize.

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

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

And when we work with them, we work with them to send them to one of our employment and training programs, which we have a number that operate throughout the Commonwealth. They can either go to our EARN Program that helps them find
placement and also offers some job-specific training.

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

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

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

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

DEPUTY SECRETARY WATSON: Correct. You
still would get child care services. You may, if you were eligible for SNAP, continue to receive your SNAP benefits.

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

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

DEPUTY SECRETARY WATSON: For TANF, yes.

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

DEPUTY SECRETARY WATSON: For TANF, yes.

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

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

REPRESENTATIVE JAMES: Okay. Do you know what the current rate of participation is, how many people are eligible for TANF and are working, approximately?
DEPUTY SECRETARY WATSON: Out of our TANF population, I think we have -- well, that are actually working -- we have about 36 percent of the TANF population that are actually subject to the work requirement. Those would be those individuals that are in our employment and training programs.

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

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

I have what, five years, lifetime benefit?

DEPUTY SECRETARY WATSON: Correct. There are --

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

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

REPRESENTATIVE JAMES: So five and five.

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

REPRESENTATIVE JAMES: Okay. If someone is found to be in non compliance, how do you follow up on that?
Is there any police work on this issue?

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

REPRESENTATIVE JAMES: Thank you. Great segue.

What are the sanctioned procedures?
What happens if someone is found guilty?

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

REPRESENTATIVE JAMES: Define a sanction for me, please.

DEPUTY SECRETARY WATSON: A sanction is essentially preventing them from receiving benefits within the program. In terms of a single family, it would just be for that one particular head of the household.
A family sanction would be for that individual as well as any other person in the household.

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

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

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

DEPUTY SECRETARY WATSON: Okay.

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

DEPUTY SECRETARY WATSON: Okay.

REPRESENTATIVE JAMES: Thank you very much.

DEPUTY SECRETARY WATSON: You're welcome.

REPRESENTATIVE JAMES: Thank you, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative Greiner.

REPRESENTATIVE GREINER: Thank you, Mr. Chairman.

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

I had asked this earlier in the hearings a couple of weeks ago. The Governor is proposing a minimum wage increase from $7.25 to $12.00 per hour. The IFO, when they testified, indicated this would impact more than a million workers. I guess, several question.

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

SECRETARY MILLER: No.

REPRESENTATIVE GREINER: No. Okay. Have you taken into account the timing of eligibility of -- so I guess that would be no, too. Timing of eligibility determinations in your estimates; so for example, if families remain eligible for child care for one year, it would take some time before there's an impact in the Child Care Works Program.

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

REPRESENTATIVE GREINER: So you're not increasing -- so that answers that. So we're not -- because if we would increase the minimum wage, what
I'm saying is, some of these recipients could end up, maybe not -- there should be cost savings. We're looking for ways to --

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

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

I do --

SECRETARY MILLER: I think -

REPRESENTATIVE GREINER: Yes. Go ahead.

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

REPRESENTATIVE GREINER: But let me just ask you, you're already -- didn't the Governor -- I think I asked you this a couple of weeks ago -- the
Governor already had signed an executive order, so there are probably very few people -- they're already probably making close to $12 an hour in your Department already, meaning there really isn't going to be much impact --

SECRETARY MILLER: We're providers, though.

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

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

I mean, what's being done?

And then getting back to that RFI, I mean, have you actually had people coming to you, the government, saying, I think there are ways that
we can evaluate this to determine where fraud is and where fraud is being committed?

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

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

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

So we've previously tried to engage with software vendors, similar to what was proposed in HB 59. And while those vendors may believe there's fraud, waste or abuse, oftentimes those results show
false positives. So that's been our experience with this.

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

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

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

REPRESENTATIVE GREINER: One thing that I've encouraged, and I'm on record, is that I really do think that our departments, when we look at how big our budget is and we're trying to save
costs, I think we need to look at, perhaps, a forensic audit. I think it needs to start with the department, too, because of the amount of dollars. Forensic, I'm talking line by line to figure out what's going on with the Federal government, the dollars that are being sent. Any time you have a budget this big, I am concerned about waste, you know.

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

MAJORITY CHAIRMAN SAYLOR: Representative Briggs.

REPRESENTATIVE BRIGGS: Thank you, Chairman.

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

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

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

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

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

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

So I don't want to ask you a question
about it today, but I did want to address it. When
I send it, I will copy the Chairmen. When you
respond, if you could reply to the Chairmen, that
would be terrific.
SECRETARY MILLER: Of course.

REPRESENTATIVE BRIGGS: Thank you.

Thank you, Chairman.

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

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

It's great to have you here.

SECRETARY MILLER: Thank you.

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

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

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

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

REPRESENTATIVE QUINN: Thanks. And when
you get back to me, I'm also curious if you could
let us know what payouts, not on individuals, but
what payouts on behalf of the Department have been
made?

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

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

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

It is?

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

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

What is the current waiting list?
Back on December 31st of '17, we were told that 13,614 individuals on the waiting list. And then we had a breakdown, emergency, critical needs, and the planning stages.

Could you please give us an update on that?

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

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

Do you want the breakdowns?

REPRESENTATIVE QUINN: I don't need the breakdowns, per se, but I've got that in emergency, critical. To me, those two words are synonymous.
And then planning. I thought planning is more of an immediate, but you're saying it can be up to five years?

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

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

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

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

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

What is the attrition rate of the waiting list?

Magical chairs.

MAJORITY CHAIRMAN SAYLOR: Name and title?

DEPUTY SECRETARY THALER: Nancy Thaler, Deputy Secretary for the Office of Developmental
MAJORITY CHAIRMAN SAYLOR: Would you say that again a little louder?

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

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

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

REPRESENTATIVE QUINN: Thank you, Nancy. I'm recalling a hearing a year and a half ago or so when we talked specifically about the discretion for the amount of services. And if my recollection is correct, and please let me know, it was more at the county level that would say, this individual can get services that can equate into the hundreds of thousands of dollars a year, yet the next person coming on the list, they might be able to get like,
you know, $20,000 a year.

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

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

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

I also want to make a comment about the word emergency. Everybody responds that way. Emergency means now. Really, people who are in an emergency status are really taken care of.
Emergency equates to people who -- it simply equates to the phrase, I need services now or in the next year. So that would, for instance, a child who is leaving public school. They're in public school, but it's pretty clear they want services in the next year. So it's not an emergency now, but it will be if we don't do something.

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

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

In the current year's budget, we have an initiative for graduates, but in the proposed budget, there is an initiative for the children graduating in 2018, just around the corner, but there's also an initiative to capture the children in 2019. So throughout this school year, those
families and students can know. They can plan for
the future with security that they'll have services.

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

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

DEPUTY SECRETARY THALER: No.

REPRESENTATIVE QUINN: Thank you.

MAJORITY CHAIRMAN SAYLOR: Thank you.

We'll reconvene at 1 o'clock.

Madam Secretary, thank you.

(Whereupon, a recess was taken.)

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

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

(Testifiers sworn en mass.)

MAJORITY CHAIRMAN SAYLOR: With that,
we'll start off -- the first questioner is
Representative Kampf.

REPRESENTATIVE KAMPF: Thank you, Mr. Chairman.

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

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

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

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

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

REPRESENTATIVE KAMPF: Yes.
SECRETARY MILLER: -- we're waiting for a court decision on that.

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

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

REPRESENTATIVE KAMPF: Right.

SECRETARY MILLER: So --

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

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

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

SECRETARY MILLER: That's Community Health Choices.

REPRESENTATIVE KAMPF: Right. But there
was a bid problem there and there was a court case
that caused the Department to go back and issue a
new set of bids.

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

REPRESENTATIVE KAMPF: All right. Okay.
Well, can we call it Health Choices?
SECRETARY MILLER: Which one are we
talking about?

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

REPRESENTATIVE KAMPF: Yes, that is the
one.

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

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

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

REPRESENTATIVE KAMPF: Okay. They were
resolved.
And there are no administrative challenges now?

SECRETARY MILLER: There are no administrative challenges with CHC.

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

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

I thought you said out Health Choices, but --

REPRESENTATIVE KAMPF: I'm sure I did.

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

REPRESENTATIVE KAMPF: Okay. All right.

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

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

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

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

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

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

And so our goal is to make sure that we're providing adequate rates and funding to the MCOs, so that when they contract with all of the providers, not just the nursing homes, but the
community-based providers, as well, there are
adequate rates to continue those services.

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

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

    Health Choices, right?

    SECRETARY MILLER: Uh-huh.

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

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

    REPRESENTATIVE KAMPF: Okay. And where
do they stand?

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

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

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

    REPRESENTATIVE KAMPF: Okay.
SECRETARY MILLER: So that affects, roughly, 2.3 million recipients. Does that sound about right?
SECRETARY MILLER: Yes.
REPRESENTATIVE KAMPF: Okay. Have you considered, instead of waiting for the decision, just letting any eligible provider, essentially, bid for that work?
DEPUTY SECRETARY ALLEN: So as we are waiting for the decision, the existing agreements with the existing Health Choices MCOs, they continue to operate in the zones that exist today and will continue to do so.
REPRESENTATIVE KAMPF: Has the Governor asked the Inspector General to look into the bid irregularities?
DEPUTY SECRETARY ALLEN: Yes.
REPRESENTATIVE KAMPF: What's the outcome of that?
DEPUTY SECRETARY ALLEN: There is no outcome at this point.
REPRESENTATIVE KAMPF: Has there been any fiscal impact, any cost to this? This is the bid irregularities and the two trips to court.
SECRETARY MILLER: Just a lot of legal time.

REPRESENTATIVE KAMPF: Any costs associated with that.

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

REPRESENTATIVE KAMPF: Okay. Thank you.

MAJORITY CHAIRMAN SAYLOR: Representative Schweyer.

REPRESENTATIVE SCHWEYER: Thank you, Mr. Chairman.

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

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

Can you get -- and if you don't have it off the top of your head, that's fine, but of that
remaining subsector of folks that was whittled down over the last couple of hours, roughly, how many folks are in and out versus how many folks are chronic?

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

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

So if you could get that information to us, that would be helpful. Skipping ahead, going back to last year's Human Services Code, I think it was HB 59. There was a provision passed by the legislature that I was concerned about and I wanted
to ask your opinion about and make sure I wasn't completely on the wrong track, and that would be to mandate that we eliminate -- if budgets get tight, that we would eliminate non emergency medical transportation as a covered cost under Human Services. That was something that was written in there. It was taken out. The language changed a little bit, but it still would address that.

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

So can you explain that a little bit more?

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

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

DEPUTY SECRETARY ALLEN: Sure. So the non emergency medical transportation services are actually required services under the Medicaid
Program. So for us to not cover those is not really an option from a Federal perspective.

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

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

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

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

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

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

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

SECRETARY MILLER: I think we may have some -- I don't off the top of my head have the figures. I think this is one of those issues that as we delve into the Medicaid claims data, we want to look at, because I think, to your point, as we think about what we can do to do a better job of getting individuals who are able to work working, I think we need to understand the population better.
I don't think a one-size-fits-all solution is going to work for this group. So understanding who is coming off, how long people are staying on, I think that's a key part of understanding what we can do better to provide opportunities to reduce barriers and get people to training.

REPRESENTATIVE SCHWEYER: I do appreciate that.

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

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

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

REPRESENTATIVE SCHWEYER: Okay.

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

REPRESENTATIVE SCHWEYER: Great. Thank you.

If that specific question is available,
I'd really appreciate hearing about that.

Thank you.

SECRETARY MILLER: Sure.

REPRESENTATIVE SCHWEYER: Thank you,
Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative Helm.

REPRESENTATIVE HELM: Thank you,
Mr. Chairman.

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

How much did DHS spend on contract staff in 2016?

And in what line items were these costs?

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

And in what line items are these costs?

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

REPRESENTATIVE HELM: Okay. My big question was, so follow up with me on this one,
would it be less expensive to hire state staff to perform these activities?

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

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

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

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

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

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

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

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

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

SECRETARY MILLER: That's something we
work very closely with the counties on, and it's challenging. We want to get more people into the community, but it often takes providers time to find sites and counties to find providers. So this is a big priority for us because we do want to see more people served in the community, but there are challenges with that.

REPRESENTATIVE HELM: And I don't believe you requested any funds to transition the people back. Can you explain why?

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

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

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

As I mentioned, it takes awhile for counties to find providers sometimes and for
providers to find sites, but this absolutely continues to be a priority in terms of finding people and getting them out of institutional care.

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

Has this been successful?

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

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

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

REPRESENTATIVE DUNBAR: Thank you, Representative.
Next will be Representative Hahn.

REPRESENTATIVE HAHN: Thank you.

Good afternoon, Madam Secretary.

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

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

Do you have any idea?

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

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

I think as we talked more and more to the families, they got more and more comfortable with the providers and with kind of the community settings. So there were a total of 80 people initially at Hamburg. We've had a couple go into
nursing homes, a couple who were transferred into other State centers, 15 that have moved into the community so far. A handful have passed away, unfortunately.

The current census now is 55.

REPRESENTATIVE HAHN: That are still there?

SECRETARY MILLER: That are still there.

REPRESENTATIVE HAHN: Fifty-five, okay.

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

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

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

To group homes or where are they going to?

SECRETARY MILLER: Right. Exactly.

REPRESENTATIVE HAHN: And do the families
have a choice?

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

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

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

SECRETARY MILLER: Yep.

REPRESENTATIVE HAHN: What about the employees at Hamburg?

What were their options?

Do they get State employment at another facility?

What's happening with them?

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

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

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

We started working with the employees of Hamburg immediately when the closure announcement was made. There are a series of actions taken,
including freezing positions in other places. We already had difficulty holding onto staff because they would be transporting to Wernersville State Hospital, which isn't too far. So that's often the first preferred transition.

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

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

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

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

DEPUTY SECRETARY THALER: Right. But I just want to make a comment about, there are a number of employees who could retire and chose not to and chose to stay and work until the place was closed, which I think speaks to their commitment to the people.
REPRESENTATIVE HAHN: Good. Thank you.

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

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

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

Are you aware of that?

And are you working with the Department of Transportation?

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

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

DEPUTY SECRETARY ALLEN: I'm sorry.

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

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

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

Then they get a waiver, correct?

DEPUTY SECRETARY ALLEN: For medically
necessary transportation, yes. In some instance, the waivers are providing other transportation services to get folks to things other than medical services. So yes, the waivers are still providing some of those services, as well.

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

Thank you, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative Santora.

REPRESENTATIVE SANTORA: Thank you.

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

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

SECRETARY MILLER: Sure. So the AAAs are obviously a valuable contributor to see as we rolled
out the southwest and for that to continue as we continue rolling out the program.

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

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

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

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

SECRETARY MILLER: So CHC is authorized by the Federal government through a waiver that prohibits any conflict of interest between the eligibility and MCO plan selection process and the operations of the MCOs. So CMS has reviewed and approved our approach to eligibility, which has included the use of Aging Well.
But we will consistently monitor the CHC-MCOs in all of our agencies and contractors to make sure that there's no risk of conflict of interest and we'll make any changes if a conflict arises.

REPRESENTATIVE SANTORA: Okay. Great.

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

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

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

What is going on here?
DEPUTY SECRETARY ALLEN: So thank you for that question. I'll answer.

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

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

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

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

REPRESENTATIVE SANTORA: Because these small independents cannot afford to eat those costs. That's my biggest concern.
So if the Department can do something about that and make sure it's not happening in the future, that's all I'm asking for.

Thank you for your answer on that.

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

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

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

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

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

Shouldn't they be getting the maximum amount possible, especially since they've been flat
all these years?

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

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

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

So if you could hit those two questions.

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

REPRESENTATIVE SANTORA: I'm sorry.

You're right. I believe 6.6 percent when the costs have gone up 30 percent, so really they're under water.

DIRECTOR SWAILS: Sure. I just wanted to say that we do continue to work with the CCAP and
the counties to work on a resolution to make sure that they are funded and maintained because they are really providers of safety net services and are important to the system.

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

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

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

And I guess what I would ask all of you, since you are -- you work very closely with your constituents, you know the issues that are coming
up, please bring them to our attention because I think when we were rolling out the southwest, Maximus was doing work with us with that rollout.

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

REPRESENTATIVE SANTORA: Thank you.

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

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

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

We as legislators help people fill out
forms for property tax rent/rebate, and they're 
fairly simple, but they're not easily understood by 
senior citizens. Maximus is not helping our seniors 
at all. It has been a total and complete failure 
on their part, in understanding the problems that 
seniors face.

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

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

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

SECRETARY MILLER: I've heard that same 
sentiment from a lot of legislators. I think as we 
move forward with the new procurement, I think we 
need to do everything we can also to address what 
you're talking about. I mean, we've seen
improvements in the numbers with Maximus, but I also
appreciate the helping seniors fill out the
paperwork and things like that, that aren't
necessarily happening.

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

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

SECRETARY MILLER: It's different.

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

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

SECRETARY MILLER: Right.

MAJORITY CHAIRMAN SAYLOR: It's just very
confusing.

But anyway, we will move on to
Representative Kinsey.

REPRESENTATIVE KINSEY: Thank you,
Mr. Chairman.

Good afternoon again.

Welcome, Dr. Levine, Sarah, as well.

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

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

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

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

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

REPRESENTATIVE KINSEY: Children also.

SECRETARY MILLER: Yes.

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

Dr. Levine, I'm sorry.

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

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

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

Like are we collecting that type of data?

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

REPRESENTATIVE KINSEY: Even if you don't
have it now, I mean, it's something you can always submit to us. I just think it's important to recognize, as we talk about those individuals that are receiving Medicaid, that they're not just folks who don't work.

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

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

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

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

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

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

REPRESENTATIVE KINSEY: Great.

Dr. Levine.

SECRETARY LEVINE: If I could just add,
from my experience as a pediatrician and adolescent medical specialist at Penn State Hershey Medical Center, almost 19 years before I took the position as Physician General, I would like to highlight the large amount of children that receive medical care, both acute medical care in the emergency department in the hospital because of Medicaid and CHIP and also preventative care, check-ups, immunizations, lead testing --

REPRESENTATIVE KINSEY: Sure.

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

REPRESENTATIVE KINSEY: Great. I appreciate you sharing that.

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

And I recognize that, you know, from a budgetary standpoint, there are some concerns with
that, but you know, when you look at the higher
costs in the city of Philadelphia versus maybe other
parts of the Commonwealth, is there any ongoing
discussion to maybe try to assist those providers in
the city of Philadelphia in regards to providing
some additional funding, simply due to the rate?

SECRETARY MILLER: So just to be clear, no one was flat funded.

REPRESENTATIVE KINSEY: Okay.

SECRETARY MILLER: That $249 million meant all providers saw an increase. And I talked this morning about, you know, the assumptions that we made in our rate setting process of the $13 an hour minimum for people with a high school diploma.

So that alone is higher than the minimum wage in Philadelphia, for example. We have heard a lot of concerns about the one rate for the entire state. And so I think what you're alluding to is whether we could look at going back to a system where we have geographic rates and we don't have a State rate.

So just to give you kind of some sense as to why we ended up where we ended up, we had a very thorough and extensive process to get to the place where we have our rates now. We initially posted
rates with two geographic areas, and we had a number of providers who came back and recommended that we change the assumptions in the rate structure related to the Bureau of Labor Statistic's assumptions. The wages across the State condense -- I'm sorry, the occupational selections and working with providers to modify those assumptions, the variances across the State condensed, so we moved to a statewide fee schedule, which is consistent with the practice of the vast majority of multicounty providers, as well as the State, who use a single salary scale.

Having said that, we are working now with our actuaries on how we might move to more than one geographic area in the future and the potential impact of doing that. In our proposed regulations, we committed to refreshing rates at least every three years, but there's nothing that prohibits us from looking at rates more often than.

But the key is that any changes would have to be implemented in the future because we have a very extensive process that we have to go through, and we would have to go through that same process of getting stakeholder input, putting in and getting approval, et cetera, et cetera, but that's something we're looking at.
REPRESENTATIVE KINSEY: I appreciate that. And I see the Chairman reaching for his microphone, so I don't want to be disrespectful to the Chairman's time, but thank you very much for that.

Thank you, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: You're welcome.

With that, we'll recognize Representative Heffley.

REPRESENTATIVE HEFFLEY: Thank you, Mr. Chairman.

Thank you, Madam Secretary.

Just to follow up on the line of questioning or comments earlier on the PBMs and the reimbursement rates.

Is there anything that the Department can do now?

Is there transparency in these contracts between the MCOs and the PBMs to ensure that these reimbursement rates are going to be adequate?

I mean, we have 900 independent pharmacies, and I've heard from all of the pharmacies in my district. This is something that's really affecting their bottom line. It's going to
be difficult for them to stay in business and to provide this medication in the community.

So is there more that can be done?

Is there legislatively things that need to be done, to give you that ability to go in there and address that?

DEPUTY SECRETARY ALLEN: So we are going to be looking at adding language to our agreements with the MCOs that require that they actually receive information from their PBMs around pricing or pricing changes. That is not something that we have currently in the agreements, but based on the experiences that we've heard about over the last several months, it will be something that we add going forward.

REPRESENTATIVE HEFFLEY: I mean this is going on in many states, from what I understand. So I certainly would look at doing everything possible to try to get that money that's owed to them, you know, get those reimbursements back to them.

To follow up on another line, HB 1095 was a bill that I authored that addresses the proof of citizenship or eligibility for the receipt of public benefits. It's my understanding that a few years ago, the Pennsylvania State had to pay back, I think
it was maybe $40 million to the Federal government for benefits that were paid out to people that were ineligible.

This legislation would put it in statute and explain the process of what somebody would need because you don't have to be a citizen to be eligible for benefits, but it sort of put it in statutory process.

In the meantime, what is the Department doing to ensure that anybody that's coming in for public benefits is qualified to receive them?

What kind of proof, what kind of ID is there to ensure that we don't have to pay back money again or get involved with another issue with the Federal government?

Well, as I mentioned earlier, you know, we have a number -- we have 11 different databases that we ping at the State and Federal level to check for ongoing verification of eligibility of our programs. I don't know if there's anything --

REPRESENTATIVE HEFFLEY: Is there any requirement now that anybody would have to show some kind of proof of ID, just prove who they are?

I mean, is that a question that's asked right now?
SECRETARY MILLER: I'll have Lisa come up and talk more about this.

REPRESENTATIVE HEFFLEY: And I guess the reason that I'm passionate about this issue is because I look around in the community, and we have many people that are different groups that need, whether it be the waiver program, the waiting list, people that need these services and we have limited dollars. So making sure that every dollar that's being allocated is going to somebody that's eligible for it.

DEPUTY SECRETARY WATSON: Sure. We do have electronic verification services that we work with to make sure that the individuals that are applying for benefits are who they say they are. As the secretary alluded to, we have a number of checks that individuals have to go through when they apply for benefits.

We have a minimum of 11 checks where we get different information from income to wages, as well as information from Social Security that would help us determine whether individuals are who they say they are.

REPRESENTATIVE HEFFLEY: Well, what's the check for identification?
Like if somebody comes in that you know who they are and you know that they're a citizen, so what would be the ID?

Is there a photo ID that's required?

DEPUTY SECRETARY WATSON: It would be whatever government-issued photo identification that they would have.

REPRESENTATIVE HEFFLEY: If they don't have a government-issued photo ID?

DEPUTY SECRETARY WATSON: They would have to provide some sort of affidavit to us, and we would have to look to see if we have another exchange that could validate the information that they provided to us.

REPRESENTATIVE HEFFLEY: Would you run that through the SAVE Program at all?

DEPUTY SECRETARY WATSON: We do. We have a partnership in effect today, but we've been doing that for many years through SAVE.

REPRESENTATIVE HEFFLEY: Okay. All right. Thank you. That was my line of questioning.

I do think it's important that we have something in statute to provide that, moving forward, that we don't wind up in a situation where we have to pay back those dollars to the Federal
government or there are enough dollars there for people that truly need it or that are eligible for it in our State.

DEPUTY SECRETARY WATSON: We absolutely agree that was not a fun audit for us. So we certainly took the steps that we needed to make sure that everything would be in place so that it would not occur in the future.

REPRESENTATIVE HEFFLEY: Okay. Well, the bill is currently in the Senate, was passed in the House. And I would be willing to work with the Department to try to get that across the finish line and get that approved.

Thank you.

DEPUTY SECRETARY WATSON: Thank you.

MAJORITY CHAIRMAN SAYLOR: Representative Sonney.

REPRESENTATIVE SONNEY: Thank you, Mr. Chairman.

Secretary, good to see you.

I want to talk a little bit about the LIFE Program. With the rollout of managed care, and when other states rolled out managed care, did they see any up tick in the use of the LIFE Program?

SECRETARY MILLER: My understanding is
that some states did, yes.

REPRESENTATIVE SONNEY: And are we at this point?

Are we seeing any use of the LIFE Program here in Pennsylvania as we begin, you know, the rollout of managed care?

SECRETARY MILLER: So far we have not seen that, no.

REPRESENTATIVE SONNEY: Do you wonder, you know, why we are not seeing that?

We know that the LIFE Program is a lower cost alternative, correct?

And so, you know, are we doing all that we can to encourage and make sure that people understand that the program is there and available?

SECRETARY MILLER: I think we've been working very closely with the providers to do just that. As we rolled out CHC, we made sure in all of the materials that were going to participants that we not only mention CHC, but also talked about LIFE.

The CHC population is much bigger than those who are eligible for life, but even given that, we've tried to do everything we can to make sure people are aware because it's a great program for those who are eligible and would choose that
program. I think going forward, we've also talked about, with the providers, going through a training with our IEB, so we take sure that they have all the information on life that they need to help educate participants in terms of their choices.

So I think we've worked really closely with the LIFE providers and certainly contend to continue doing that to make sure that as we continue rolling out CHC, everyone knows that if they're eligible, that life may be an option.

REPRESENTATIVE SONNEY: How do you monitor and know that people are actually, you know, being presented with all of those choices that might be available to them?

You know, it's one thing for, you know, an agency or provider to say, well, you know, we give them this pamphlet right here that details everything.

Well, how do you know that they're really getting the pamphlet?

You know, we send minors into a store to see if they can buy cigarettes or see if they can buy beer at a beer distributor, you know, to see if they can purchase beer.

Have you ever sent an elderly person in
to go through the process to get the feedback from them of exactly, you know, what happened as they went through the process of trying to get services?

SECRETARY MILLER: And Kevin can come up and talk more if you like, but I know that we have a lot of ways of getting information from participants. We work with a lot of advocates and consumers who are going through the program to get that feedback loop, so we know what's working and what's not.

So I think that is something that's a big part of the program, is that feedback.

Would you like Kevin to come up?

REPRESENTATIVE SONNEY: Something to add?

Yes.

MAJORITY CHAIRMAN SAYLOR: Kevin, your name again and title.

DEPUTY SECRETARY HANCOCK: Hi. I'm Kevin Hancock, and I'm the Deputy Secretary for the Office of Long Term Living. I work for the LIFE Program and the LIFE Program Association on a frequent basis.

We've received feedback from LIFE providers, as well as the LIFE Provider Association. They've conducted secret shoppers with our
independent enrollment broker, and then they have identified better opportunities for communication about the LIFE Program with recipients. And we've used that as a way to identify new types of communication with recipients in Community Health Choices, who would be eligible for the program. We are going to use that going forward, especially with our rollout in the southeastern portion of the State with Community Health Choices to augment opportunities for communication about the LIFE Program.

Just speaking very specifically to your concern about the volume of enrollment with the Program, we were expecting it to be more than it was. Other states have experienced a significant increase in what they call the PACE Program, which is our LIFE Program.

Ten percent; we did not see that increase. We would like to see a significant enrollment in the LIFE Program that matches what's seen in other states. And we're going to take every opportunity to be able to get the message out that this is a great option for people who are eligible for it and people who are interested in the types of services that it provides.
REPRESENTATIVE SONNEY: Currently, do you limit the organizations on how many they can enroll?

DEPUTY SECRETARY HANCOCK: With the LIFE --

REPRESENTATIVE SONNEY: With the LIFE Program.

DEPUTY SECRETARY HANCOCK: We do not have a cap on enrollment at this time. We do manage the enrollment for the LIFE Program. Just because it's not an entitlement, we do manage the enrollments. But at this point, we work with the plans and we work with them.

If they come close to an enrollment ceiling, we've always increased it. So we would very much work with the life plans if they were getting close to an enrollment limit to make sure that they had enough space to be able to enroll more people.

REPRESENTATIVE SONNEY: I know that some of those providers are continually expanding into other areas of the Commonwealth that, you know, don't currently have that service. So I don't know that we have the entire State covered as of yet.

DEPUTY SECRETARY HANCOCK: We do not have the entire State covered as of yet. We do have a
strategy, however. We are working with all of the LIFE plans with an interest in expanding services, and we do have a plan.

We want the LIFE plan to be an enrollment for Community Health Choices across the State. So there are counties in the State that do not have the availability of a life program, but we have been working with plans and with the LIFE Providers Association to make sure that that expansion takes place and that it is a viable alternative across the State.

REPRESENTATIVE SONNEY: Thank you.
Thank you, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative Everett.

REPRESENTATIVE EVERETT: Thank you, Mr. Chairman.
Thank you, Secretary, and everybody else for being here today. Just a couple quick questions about the proposed agency consolidation.

The Governor's budget proposes to combine the Department of Health and the Department of Human Services under the Department of Health and Human Services. And my understanding is that that's going to save a number of positions, some down and a
few up.

But my overall concern is not in those fine details, but from a macro point of view, how would that consolidation of Health and Human Services better serve our constituents in Pennsylvania.

SECRETARY LEVINE: So the Governor strongly feels that forms should follow function. Unifying the Departments of Health and Human Services is really an excellent way to combine the public health agency with the Human Services agency and the primary health care payer of the State, and being able to increase efficiencies through that unification.

It really is not primarily designed as a cost-savings measure. I mean, through efficiencies over time, I'm sure we would be able to save costs, but the idea is for us to work really well together. And actually, what we've been doing over the last year is working really, really closely together.

So we have, in terms of our Health and Human Services hub, all of the four secretaries are working very, very, very closely together. We say that we are coordinating, collaborating, communicating and working really, really closely.
So a couple of examples of that, the shared services. So there is one deputy secretary of administration for, actually, Health and Human Services, Aging and DDEP, who we just hired. So budget procurement and many other aspects, administrative aspects of the four departments are unified right now.

In addition, the budget is unified under Jen's leadership for all four agencies. There are a couple of spic issues, in which we're collaborating very well, in addition. That includes the opioid crisis, where all the agencies are working.

Now, of course, under the auspices of the disaster declaration and the command center. In addition, we have an interagency licensure work group with Health and Human Services, actually including DDAP. And in terms of health care innovation, and that includes our rural health initiatives and many other initiatives with Human Services and, actually, the Department of Aging.

So we want to have the form of the agencies follow that function of collaboration, and so that's the primary purpose of the unification proposal.

REPRESENTATIVE EVERETT: Thank you.
And you just did both of us a favor. You answered a bunch of my sub-questions in your answer, so that will move things along with my green light, yellow light, red thing.

One thing is, I would imagine it would also -- you didn't mention it, but I'm sure that your IT systems being able to be merged together will, you know, not only create efficiencies and save money, but also be, you know, less cumbersome for the users.

SECRETARY LEVINE: So IT actually has already been unified before the entire administration, under the Office of Administration --

REPRESENTATIVE EVERETT: Right.

SECRETARY LEVINE: -- as well as human resources. So that unification started a year or more ago, and that is preceding a pace.

REPRESENTATIVE EVERETT: This is a budget hearing and, you know, we are concerned about providing better service, but we're also concerned about saving money.

Do you see that this will continue to provide efficiencies in the out years as we move through future budgets as you, you know, as you
unify and work together that there will be further
cost savings that we can realize as we merge all of
these different systems together.

SECRETARY MILLER: Yeah. I mean, I think
over time, that's exactly what we would envision.
And you know, I think it's helpful sometimes to
think about the unification as, you know, if
legislation is passed and we end up moving forward
with unification, we say July 1 is the start date,
it's important to understand, though, that that
really is just the start date.

You know, what you're describing, the
long term efficiencies, that happens down the road
as we see opportunities for efficiencies and then
realize those, but July 1 really is just the
starting point for the unification.

REPRESENTATIVE EVERETT: Thank you.

We look forward to working with you on
the unification. It makes sense to me. I'm sure
that it made sense, at some point in time, to have
separate departments, but it certainly makes sense
now, with the common things that you do, to move
together. So I look forward to working with you on
that.

Thank you, Mr. Chairman.
SECRETARY MILLER: Thanks.

MAJORITY CHAIRMAN SAYLOR: The next questioner is Representative Dunbar.

REPRESENTATIVE DUNBAR: Thank you, Mr. Chairman. I guess we're on our second round through here.

It's nice to see everybody still here. I will drift slightly away from the budget for once.

In the last three weeks, I've been sticking to the budget, but there is a somewhat provincial-type item that I did want to discuss with DHS. About a year ago, at an independent living unit near my district, DHS came and started knocking on doors in that independent living unit.

It was part of a continuing care/retirement community. And after they knocked on the doors, asked seniors questions. After that, they pretty much said, well, they're in violation and we want these individuals moved from independent living to a more expensive high level of care, which there was still some debate of whether that was necessary or not.

I guess my question is, doesn't that contradict exactly what we're trying to do as far as aging in place. That's one question.
And secondly, is this something that's going on all over the State?

Is this going on in HUD 202 units, as well?

What exactly is the story?

SECRETARY MILLER: So I think I know -- I think I'm familiar with the provider that you're referring to. And when you say we came and knocked on the door, I think that was after a complaint. This was a complaint-driven process.

So we had received a complaint and then were looking into it. I will say, so my understanding is that the entity meets the definition of a personal care home, which has licensure requirements.

And so, you know, we're left with the responsibility to enforce the stature. Having said that, I do think that we may want to take a look at these existing statutory definitions. To your point, I think we do want more people to be served in the community. That's the goal.

We also want to make sure they're being served, at the same time they're safe and their health is taken care of. But I think this might be an area where we need to have statute catch up with
what's happening.

So I think that might be a good opportunity to kind of have those discussions.

REPRESENTATIVE DUNBAR: I agree. And think we need to define things a little to actually fit with that we've already stated, as far as aging in place.

If our regulations don't address that, we certainly need to, in the interim, this facility is caught up in kind of like a catch 22, and it's been an ongoing process for over a year and it's really frustrating as heck. And I would ask that the Secretary please take a look at what's going on there.

So without a phone call, without someone reporting or something like that, you do not have the authority to go and inspect an independent living unit.

SECRETARY MILLER: I don't know that we don't have the authority. I think in this particular case, this was complaint driven, is my understanding.

REPRESENTATIVE DUNBAR: I understand that.

SECRETARY MILLER: So you're asking if we
have the authority to do that?

REPRESENTATIVE DUNBAR: Yes. I'm asking if you have the authority without the complaint.

DEPUTY SECRETARY ALLEN: So in this particular instance, because there was also a personal care home on the same grounds as the independent living facility, that's what triggered us to review it because the actual staff, we understand, were providing services at the independent living facility.

So I think it's an area where we want to make sure that folks that are living in those facilities are able to do so, but in a way that's safe for them. So I think there are opportunities for us to work with everyone to figure out what exactly we should be doing in terms of our responsibility and just maybe looking at some other states and what their experiences have been in these situations, because I don't think it's just an issue for Pennsylvania.

I think we're probably seeing this across the country, so certainly, opportunities to continue that discussion.

REPRESENTATIVE DUNBAR: Okay. And just so I understand, if this facility had not, if you
had not received a complaint, would you have had the
authority to go in?

DEPUTY SECRETARY ALLEN: In terms of the
actual personal care home being on the same grounds
as the facility, we may have been looking at the
personal care home, which --

REPRESENTATIVE DUNBAR: I can understand
that.

DEPUTY SECRETARY ALLEN: -- the staff
that would be used in the facility. And if the
staff of the personal care home were actually also
providing services in the independent living
facility, that may have triggered our review.

REPRESENTATIVE DUNBAR: All right.

And I think we may need to have -- we
certainly will have continuing conversations about
it and try to get the legislation done to correct
the definitions, but it is very frustrating, not
only for the facility, but for the individuals that
live in the facility. And that's my greatest
concern, is them expressing back to, Representative,
we're going to have to move.

What's going to happen?

Are we going to get closed down?

And it's very frustrating that not only
the whole process, but the process has taken over a
year. So I appreciate you looking into it.

Thank you.

MAJORITY CHAIRMAN SAYLOR: Representative

Greiner.

REPRESENTATIVE GREINER: Thanks,

Mr. Chairman.

I have plenty of time to ask my simple
question, but I want to follow up on Representative
Dunbar, being from Lancaster County, and there being
a lot of retirement communities, independent living,
personal care, we need to get that addressed.

We want our seniors -- we talk the talk
that we want our seniors to live as independently as
possible and not have to move into a facility. I'm
with Representative Dunbar. We need to get, you
know, it might be happening in other States, but we
have to understand what's going on and when you have
the right to go into an independent living unit,
then try to tell people, they're doing as I said, we
might have to change the way we approach things.

All of a sudden, you're saying it's a
personal, you know, care community. We've changed.
Society has changed. And it really definitely needs
to be addressed.
And then, speaking of Lancaster County, you also want to go back to Representative Santora, Representative Heffley, I'm glad to hear that we're dealing with our reimbursements for our independent pharmacies, too. So now you've heard it from all over the State. You got southeast, northeast, and now south central. It was Lancaster County delegation that I know spent some time looking at this.

And it might have been us that reached out to you, because I know that was a real problem and the margins are very small. So I just want to say, in those two areas from my prior colleagues, we really need to do some work and we need to make sure that both of those areas get shored up.

If there's anything that I can do to help, you know, I would like to be part of that in both of those areas.

Now, my simple question -- I guess it's simple -- has to go back to the budget and it has to go to our community based surgery centers. In the budget, there is a line item or there is an anticipation of getting $25 million worth of revenues from them.

You know, when you look at that, with the
number of surgery centers there are throughout the State, that might end up being somewhere between $75 and $100,000 that each surgery center is going to have to contribute to make up that balance that the State is looking for.

And I was wondering whether you could provide me some input or some insight into how you think that, I guess it's going to be a tax or fee, how that's going to be assessed?

DIRECTOR SWAILS: I don't think we have the details on what the rate will be as far as the assessment. We're just looking at these facilities. Overall, they are cost effective, of course, but they do not participate heavily in the Medicaid program.

REPRESENTATIVE GREINER: Which is a benefit to us, from the State perspective. That's what I'm saying.

I'm just trying to get my hands around this, the trade off. So there is a -- in one hand they're cost effective to the State. In the other hand, you're trying to get --

DIRECTOR SWAILS: Would be cost effective to the Medicaid system, if they did participate. They, on average, have about a 30 percent profit
margin across the facilities.

REPRESENTATIVE GREINER: So I hate to say it. It sounds like we're going after them because they're profitable.

DIRECTOR SWAILS: We're looking at all avenues that we have to receive revenue to continue their services.

REPRESENTATIVE GREINER: I understand that. I'm just -- but that answer kind of threw me off because that just threw me off. But I do know this, any way, you answered my question. We're unsure right now how that assessment is going to be and how you're going to do it across the board.

But any way, thank you for your time.

Thanks, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative Boback.

REPRESENTATIVE BOBACK: Thank you, Mr. Chairman.

My question is going to zero in with the opioid crisis, which of course has tentacles and is hitting every aspect of our society. Mine is specific with grandparents raising grandchildren.

I'm sure we could all give you heartfelt stories of people who have come to our office that
were retired or maybe one grandparent lost her spouse, but now is taking over because her children were -- of course, with the opioid crisis.

But how do we help them?

This is the problem. I can't understand why, if those children were put into foster care, foster parents would be paid to take care of these babies, these children; grandparents are not.

Number two, I believe there's a precedent that was set. We spoke about it this morning, where if someone requires care in their home, that's our goal; keep them in their home. We even pay caregivers who are related to the person who needs to stay in their own home.

Why not grandparents with grandchildren?

I know there's a cost, but instead of using the money for foster care, can't we give the grandparents something instead of them now -- I mean, this is unexpected. They don't have the money.

And if I might ask another question, one incident in particular, the children -- the son will not sign off on the little boy. It's like a 9-month-old boy because he gets some kind of income, but because he won't sign off to his mother, who is
the grandmother. She had to go back to work because
the child needs health care. He needs to be taken
to a doctor. He needs daycare.

So can you help me with this?

SECRETARY MILLER: Dr. Levine and I
actually had a chance to participate along with the
other secretaries to participate in a grandparents
raising grandchildren round table with the Governor.

Because I think we're hearing the same thing you're
hearing, you know, that this is not something --
grandparents are thinking about retirement and then
all of a sudden find themselves in a situation where
they've got, you know, three kids that are under 10
that they have to now raise.

So we met with them, just to start
understanding what is it that they need, because I
think that's what we're trying to figure out.

What can we do to help them?

And it was an interesting discussion. I
think, to your point about whether they can
participate in the foster care system, if they want
to formalize the arrangement in the foster care
system, they could get access to that funding if
they wanted to.

REPRESENTATIVE BOBACK: But I beg your
pardon, is it that they don't because they're afraid
the children might be taken off of them, because
grandparents have told me they will not sign those
children over to the system.

SECRETARY MILLER: I don't know at this
point if we know. We're participating in the
legislative work group around grandparents raising
grandchildren. I'll have Cathy come up. She has
more information.

I don't know if we know exactly why they
don't want to go through the system. When you're in
the foster care system, there are, I think,
reporting requirements. And so I don't know if
that's part of it, that people don't want -- I mean,
it's formalized and so you do have some of that,
reporting, et cetera that's part of that formal
process.

So I don't know that it's that some
people don't want to participate in that. I don't
have any more to say on that.

Cathy has been participating in that
workgroup.

MAJORITY CHAIRMAN SAYLOR: Cathy, if you
would, name and title.

DEPUTY SECRETARY UTZ: Good afternoon.
My name is Cathy Utz. I'm the Deputy Secretary for the Office of Children and Youth and Families.

And I think you're right. That is one of the things that we've heard from grandparents, that they're concerned about the ability of the system, perhaps, to take custody of the children away from them and that they may not get the services that they need. So I think part of what we're really trying to do is make sure that the folks understand that the resources are available once a child is in the welfare system, but I also appreciate -- and I think we all recognize that we want to keep Children with their families, whenever possible and appropriate.

So part of the conversations that we've really been trying to engage in is, I think, as Secretary Miller was talking about identifying what are the needs, what are the services and supports that grandchildren need, whether they be infants or whether they be teenagers, because we also recognize that grandparents are not just raising infants. They're raising teenagers, as well.

So making sure that we have an understanding of the services and the supports that
they need and how we can then develop a program outside of Pennsylvania's child welfare system, really support the needs that they have driving forward.

So we've had close conversations with the Office of Child Development and Early Learning in looking at how we determine and do an assessment, to make sure that whatever resources are built are responsive to their individual needs.

REPRESENTATIVE BOBACK: Because Cathy, it does say the taxpayer dollars, when you consider if these children were, in fact, put into foster care, that's number one.

Number two, there's a precedent set. If we look at how we pay caregivers, maybe that's something we need to look at, the stipend.

And what does the caregiver go through if they want to take care of their spouse, their mother, whomever they are qualified to take care of. So I think that might be something to look at.

I'll help you any way I can, but thank you to keep that discussion going.

On a final note, thank you for this. I this is a great thing. I love visuals, and this chart, both of them, terrific. I will put this in
my office so when people say where does my money go; it's right there. So thank you.

Thank you, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative Keller.

REPRESENTATIVE KELLER: Thank you, Mr. Chairman.

And thank you, Madam Secretary. I wanted to actually sort of talk about the customer service as it relates to applying and receiving birth and death certificates in the Commonwealth. You know, I was on the website, and there's a fact page here.

I know in our budget materials, according to what we have the vital statistics has 77 current people in 2017 -- I guess that must be '17-'18 -- and authorized, 83. We're looking at raising that to 92.

Is that going to fix our backlog? What are we doing to drive that down?

It says on here it can take up to four weeks for births after 1967; and prior to that, it can take up to 15 weeks to get the records.

So I guess what initiatives do we have going on to make sure that we can get that customer service?
SECRETARY LEVINE: Thank you for that question.

Vital records and birth certificate and death certificates are sort of an unheralded but very, very vital function of the Department of Health. The length of time that it takes to get, particularly, a birth certificate is absolutely unacceptable.

REPRESENTATIVE KELLER: Well, it is because we have a lot of CDL drivers that now need that for their license.

SECRETARY LEVINE: One hundred percent. It is unacceptable.

Over the last probably 10 or 15 years, there has been a significant problem with that function. A lot of it is driven by the significant increase in requests for birth certificates, particularly with the Real ID Act. And then the decrease in funding and complement of the Vital Records Office over the last 10 or 15 years.

We have a four point plan in order to improve the function for the Vital Records Bureau. The first is, actually, over the last couple of weeks, the office has moved in New Castle. It's still in the Greater New Castle area, but we've
moved to a new more efficient facility. That is just opening up right now.

The second is actually at no cost. We have contracted with the Toyota Company, the Toyota LEAN Division. And if you're aware of LEAN, it's a way to get --

REPRESENTATIVE F. KELLER: Very well.

I come from manufacturing.

SECRETARY LEVINE: Thank you.

So we have contracts with the gurus of LEAN at Toyota who have been to the vital records facility, and they will be continuing to go there, working with the staff over the next number of months.

We got an update for that this week. The staff -- we have great staff in New Castle and throughout the Commonwealth for vital records -- they have taken to this very well in terms of increasing their determination of increasing their efficiencies.

REPRESENTATIVE KELLER: Okay. Good.

I'm glad to see that we have a plan.

SECRETARY LEVINE: We have two more points, one of which, however, is, if I might, is the increase in budget and complement that you
mentioned. It's $2.35 million and it is absolutely
essential with our other measures in order to
improve those efficiencies.

   REPRESENTATIVE KELLER: But people can
get the same-day service if they go to the counter,
correct?

   SECRETARY LEVINE: That is correct.

   REPRESENTATIVE KELLER: So we can
actually do these rather quickly, it just seems like
we get backlogged.

   SECRETARY LEVINE: That's correct, sir.

   REPRESENTATIVE KELLER: I guess we have
the different offices in Harrisburg, Pittsburgh,
Scranton and Philadelphia. If you could get for me,
the amount of requests we handle in each office and
the complement that handle those.

   SECRETARY LEVINE: I won't take your time
up, but I'm just making sure we're benchmarking on
that because I look at this and I'm going to say, I
was on my phone here and we have a mobile app. My
compass PA mobile app for people who've applied for
and received State benefits, which, okay, we're
trying to be more efficient and I get that, but to
do that, you probably have to have a smart phone.

   And you know, it's all about people that
are in need. And if you have money to pay for a smart phone, you probably -- if I lost my job tomorrow, I would probably reduce my expenditures. This would be good for somebody who wanted to apply for a birth certificate because they have a CDL license.

So I would like us to put some of things in place to make life more efficient for the people that pay the bills in the Commonwealth. You know, I'm not saying that we shouldn't help other people, but I really struggle. I think most people in the Commonwealth say, you know when somebody is down on their luck, we want to help them, but they also expect us people to manage their own resources well.

And to have a smart phone, if you have to rely on other people to pay for your food or your health care or other things, I think some people struggle with that, particularly when you can't get good service so that you can go to work every day. So I guess I would like to say, I hope I have the commitment from the Department to make the things more user friendly for the people that have to go to work every day.

SECRETARY LEVINE: Sure.

REPRESENTATIVE KELLER: Thank you.
MAJORITY CHAIRMAN SAYLOR: Madam Secretary, I'm going to follow up on that.

SECRETARY LEVINE: Sure.

MAJORITY CHAIRMAN SAYLOR: Because birth certificates have been a real issue with me. We have spent millions on computers for Vital Statistics. And the concern I have is we modernize; we shouldn't need as many personnel as we had before.

We modernize these things, and that's my concern. I'm not going to point fingers at any one person or individuals, but something is not right when you modernize a department -- it should mean it is more efficient that we have to bring Toyota in.

I'm glad they are coming in to do that, but the fact that that we went from basically two days to get a birth certificate to three months to get a birth certificate, when we computerized the Department, just doesn't ring right with me.

SECRETARY LEVINE: So I guess one of the misconceptions is that all of the birth certificates are digitalized so that they can be searched. Actually, the old vital records that you're referring to, that take the longest time, were digitized, but they're not digitalized.
I know that -- it took me a couple of months to pin that down, but they're like on microfiche, so it's not just a piece of paper, but they're not on a digital search engine. So it still requires someone to find that. And if they need a long form birth certificate, to touch it and to type it into a system.

I've been Secretary for about eight months now. I can't tell you why that was true. It was years ago, but the system is not as IT-friendly as you might think.

MAJORITY CHAIRMAN SAYLOR: I understand that as such, and I'm not blaming you.

SECRETARY LEVINE: Thank you.

MAJORITY CHAIRMAN SAYLOR: I told Secretary Miller earlier, it's just very frustrating being a Pennsylvania Dutchman, as a Saylor here, that you pay money to have something modernized and it gets, not just worse, it gets horribly worse.

It's a catastrophe.

And I know the demand for birth certificates is more now than ever; I do get that. But at the same time, who made the decision not to do the right thing out there, because somebody didn't make the right decision. And that's the
thing that we're talking about here in these Appropriations Committee hearings this year when we changed them. This is about accountability.

If I don't have any problem spending money, modernizing things, getting each department what it needs to perform at its best, but when a decision is made to -- and I don't want to say waste money, but I am going to say that any way, waste money on a system that is not to the benefit of the taxpayers.

People don't think that they have to get a birth certificate. All of a sudden, they're getting ready to go on a trip and it's an eight-week wait. So I'm going to go off the soapbox a little bit here. I apologize.

But it's just very frustrating that as politicians, Chairman Markosek and I have to answer to voters back home about the money we spend. And then when we spend it, we don't get efficiencies.

So it's just a thing that I'm trying to drive home, that this has to be fixed very quickly because, you know, summer is coming. And if it's not, legislators on both sides of the aisle, as well as the Governor, are going to hear about it more, because it's gotten worse in the last few months, it
seems like.

I appreciate your looking into it. I appreciate what you're doing with the Toyota LEAN. That's great. Hopefully this can be resolved rather quickly because it's been going on for far too long.

SECRETARY LEVINE: Thank you.

MAJORITY CHAIRMAN SAYLOR: So with that, we'll move to the next questioner, which is Cheryl Delozier.

REPRESENTATIVE DELOZIER: Thank you, Mr. Chairman.

Thank you guys for being here to answer some questions. I have some questions from some folks in the district.

One of the issues is, we talked a little bit about child care earlier. Child care is still on the forefront of what we need.

Many of our businesses and their employees depend on child care and depend on it to be healthy. We have our stars program and we have many different entities that determine the quality of our child care.

The Governor mentioned in his budget address infrastructure strengths. And a lot of these small businesses really feel that the strength
of having a good work force in our childcare area of employment makes it a little easier for parents to go to work.

So can you give us a little detail as to what work initiatives the Department is working on, dealing with child care workforce, and those that we employ for that child care.

SECRETARY MILLER: Yes. Thank you for the question.

So you’ll notice in the budget, we have an additional $10 million in State budget funds with $5 million matched in Federal funds to go to increased tier reimbursement rates for the quality star providers.

So stars two, three and four are providers. They haven't seen a rate increase in over a decade. So our hope is that this rate increase will lead to increases in wages for that work force.

REPRESENTATIVE DELOZIER: Okay. And I had asked yesterday about the stars program and dealing with the fact that one and two are not included and three and four are.

And there was a, you know --

SECRETARY MILLER: Just to clarify, so in
this, star two, three and four are included.

REPRESENTATIVE DELOZIER: With that one.

SECRETARY MILLER: Right.

REPRESENTATIVE DELOZIER: And it was mentioned yesterday that we were kind of doubling up on two, but in and of itself, are there any, you know, with the ability to take those that are into the workforce that deal with our child care, are we putting any standards out there as to who can be --

I know they have to do backgrounds and have clearances and that type of thing, but other than that, as to what are the qualifications for daycare?

SECRETARY MILLER: I will have Suzann come up and address this one.

MAJORITY CHAIRMAN SAYLOR: Give your name and your title.

DEPUTY SECRETARY MORRIS: Good afternoon. Suzann Morris, Deputy Secretary for the Office of Child Development and Early Learning.

So yes, you referenced the Keystone Stars Program, our quality rating and improvement system. We do have performance standards. As programs move up in quality, we do ask our workforce to demonstrate, whether they're participating in
credential-bearing, credit-bearing programs through higher education or if they are acquiring professional development through our certified Pequea system.

So we do monitor how our teachers are accruing knowledge as well as skills as they move up in quality.

REPRESENTATIVE DELOZIER: Okay. Thank you very much. Switch subjects real quick for another area that was asked about in our neck of the woods, the County Child Welfare System. If we have a delay in the budget in the prioritization of what is considered important and what is integral to operations -- welfare, obviously, being very, very important, but the county systems, when we don't pay out to the counties, those systems do not receive funds.

So my question comes to the health and safe of those particular children that are in that system.

Why do you plan on making that one of the integral parts and ones that do consider it an emergency payment or is that going to remain as not an integral part.

DIRECTOR SWAILS: So in the past as we
have had passes, we go through a process with the attorneys to determine the funds that can be released. You may remember that we were actually taken to court on not paying the county payments for child welfare --

REPRESENTATIVE DELOZIER: Hence the question.

DIRECTOR SWAILS: -- and we won.

At this time, unless legal changes their position, it would be no.

REPRESENTATIVE DELOZIER: Okay. So they're not considered an essential service at this point and will not be in the future?

DIRECTOR SWAILS: Correct.

REPRESENTATIVE DELOZIER: Okay. Thank you.

MAJORITY CHAIRMAN SAYLOR: Representative Kampf.

REPRESENTATIVE KAMPF: Secretary Miller, over here.

SECRETARY MILLER: Sorry. I can't see you.


SECRETARY MILLER: Okay.
REPRESENTATIVE KAMPF: All right.

SECRETARY MILLER: Let's do it again.

REPRESENTATIVE KAMPF: This combining physical and behavioral health; so as I understand it, we contract or provide services through several MCOs in the various regions for physical health and then the counties generally speaking contract for behavioral health. And so my question is -- so I got that right so far?

SECRETARY MILLER: That's right.

REPRESENTATIVE KAMPF: Okay. Good.

SECRETARY MILLER: We're on a better track.

REPRESENTATIVE KAMPF: Right. Well, that was my problem. Sorry.

Have you explored whether it would be, perhaps, more efficient, maybe some savings realized if we were to contract through the MCOs for both services at the same time?

Do you understand what I'm asking?

SECRETARY MILLER: So eliminating the behavioral health carveout, it sounds like, I think is what you're asking.

REPRESENTATIVE KAMPF: To me, it just sounds like we've got sort of a county-based for
behavioral health and then an MCO-based across the State for physical health. And I'm wondering whether we might combine those somehow.

SECRETARY MILLER: So this is not something we've been actively exploring. I think, you know, as I've talked to folks, particularly in the counties, I hear a lot in terms of the benefits of having the behavioral health carveout and the emphasis that we place on behavioral health services by having that carveout.

Having said that, I mean, I think from our perspective, we're happy to have discussions with you about anything you want to talk about. We just -- it's not something we've actively been exploring.

REPRESENTATIVE KAMPF: Okay. And then with respect to nursing homes -- so I digested your answer, which was, essentially, there could be some rate increases through the managed care process as it evolves.

I mean, I see in the budget for home and community base, it looks like there are some increases. And I don't see increases for folks in nursing homes. And I just wonder how you reconcile that, because my sense is, for medical services and
nursing homes, that there is a financial challenge going on, whatever its source.

DIRECTOR SWAILS: I think as we discussed before, as we expand Community Health Choices, the Community Health Choices provider will be negotiating the rates with the nursing homes. We have those rates actually now to provide payment to the nursing homes. So we believe that the rates include that.

We do have a contractual agreement, as well, to make sure that the nursing homes over the next two years do not see a rate decrease.

REPRESENTATIVE KAMPF: So I hear from that, for you, it's really just, because we're rolling out a new way of providing resources to the incomes -- it's not that there is some sort of a choice being made for home and community-based over getting the appropriate dollars to our nursing homes; is that right?

DIRECTOR SWAILS: Correct. We're shifting, you know, for the '18-'19 budget, but by then, the majority of the State will be in Community Health Choices, and we certainly recognize that as we try to allow everyone to age in place, not everyone can, and there are needs for nursing homes
and they are critical to providing those services.

REPRESENTATIVE KAMPF: Mr. Chairman, if possible, if we could get some sort of, if it's possible to encapsulate this or summarize it, some sort of report on how that MCO process is going and whether there will be some built-in rate increases in the future or whether there are some realized savings through the MCO process for the nursing home that they're not as challenged.

In my head, what I have been taught is, we reimburse about $195 a day, which is below cost, for providing services by about $25, $28. So I'm not sure there's room there for savings and renegotiation without new dollars, but I would like to know if you can do that.

DIRECTOR SWAILS: And those Community Health Choices rates, as well as Physical Health Choices rates, are done annually and must be actuarially sound.

SECRETARY MILLER: I --

MAJORITY CHAIRMAN SAYLOR: Go ahead, Madam Secretary, if you want to.

SECRETARY MILLER: The last thing I will say is, I don't know how much information we know today, in terms of your question. I think you're
trying to get at how is this process through the
MCOs going to work?

And because we just rolled out the
southwest, I don't know that we have a lot of
experience right now to, I think, give you some of
the information you're looking for, but we're happy
to continue with this conversation, too.

REPRESENTATIVE KAMPF: If I could,
Mr. Chairman.

But with four years, I think, of no rate
increases for the Medicaid and nursing home
population, you know, even a few more months is
something to be concerned about.

MAJORITY CHAIRMAN SAYLOR: Madam
Secretary, I will follow that up a little bit, in
that I think all of us are concerned about the
nursing homes going bankrupt and we know baby
boomers are retiring, but we also know a large part
of our population is 85 and above and it's growing
rapidly.

And the concern we have is the care for
those individuals as they need nursing care. If we
don't have the proper amount of homes here -- and
personal care homes are another issue, as well. I
think we just need to develop a policy and a plan of
how we're going to handle these baby boomers as we move forward.

The problem, I think we sometimes deal with here in the General Assembly, as well as in government, I will say as a whole, even including the Governor overall, is we wait till it happens and then we're hit with a big price bag.

I think we need to develop a plan of those that are moving up, longer life of living, you know, I won't mention my mom's age because I do that a lot at my town hall meetings -- and what I have to deal with with her.

SECRETARY MILLER: I bet she loves that.

MAJORITY CHAIRMAN SAYLOR: You know, it is one of those things. People are living to be 90 and 100. I can't believe how many people in my district are 100 years old.

SECRETARY MILLER: Yeah.

MAJORITY CHAIRMAN SAYLOR: It just is, being a person who's getting old myself, what are we doing?

What plan do we have to deal with this in the future?

We don't want to wake up some day and say, wow, we don't have space in our nursing homes
to handle this. So again, whatever we can continue
to do to develop the philosophy, working together,
the General Assembly and the Governor, so on and so
forth, to develop a real plan, because I think
that's one of the areas -- I keep saying this, but I
think our seniors are some of those who are most
vulnerable and being missed out on, as well as some
of our children who are autistic and other needs
like that. We're putting out a lot of money, but
we're short changing, in my opinion, those with real
needs because we're not getting our priorities
straight.

SECRETARY MILLER: This is a tough area.
I think you're right to focus on it, and I think
you're right to suggest that we try to figure out
together what we can do because the baby boomers and
the aging population is a real issue.

I was working on this when I was pat the
Department of Insurance around long-term care
insurance. And you know, we know people aren't
buying long-term care insurance anymore and people
are not preparing for what the next steps are as
they get older. And I think because of that,
Medicaid bears the brunt of paying those costs,
which is why we're seeing that growth in our budget,
too.

So this is one of those areas I think we actually have an opportunity to partner with insurance and others to try and figure out, you know, people aren't saving for retirement. They're not thinking about those long-term care costs. And because of that, the state is going to bear more of that burden. And I think whatever we can do to prepare for that, I think, is what we should be doing.

MAJORITY CHAIRMAN SAYLOR: I mean, nobody thinks they're old till they're 50 and then they start thinking about retirement.

SECRETARY MILLER: Nobody wants to think about getting old.

MAJORITY CHAIRMAN SAYLOR: It's a little late to start a savings at 50, but you should start. Anyway, Representative Jamie Santora.

REPRESENTATIVE SANTORA: Thank you, Mr. Chairman.

Madam Secretary, following up on Representative Boback's questioning about seniors. I've got to tell you, I'm glad that you've had the round tables. I'll stick with the theme that I don't blame you or your departments, both of you,
but when it comes to this, government sucks.

And I don't mean that in a -- it's just horrible what the seniors have to go through in order to raise their own grandchildren. And they are scared of the system.

I have had multiple meetings back home. It's the same thing from so many people. And it's -- where do you go?

How do I get that?

You mean there's health care available for my grandchild?

It needs to be put on one page, one place where seniors can go and get that information.

If this is one thing that we can do --

SECRETARY MILLER: We're working on it.

REPRESENTATIVE SANTORA: That needs to be done as fast as possible.

SECRETARY MILLER: Totally agree.

REPRESENTATIVE SANTORA: Because with this drug epidemic right now, there are so many seniors taking over the responsibility for their grandchildren and they just can't handle it and they do need assistance.

So on that, I'm going to switch a little.

Are you aware that the Federal government
owes the Commonwealth millions of dollars based on the fact that we are not in compliance of the Federal regulations called Title 4E?

And if we get in compliance, there could be upwards of $100 million coming our way. There was a task force created back in, I think it was 2013, Act 55, that made suggestions.

Where are we on those?

Do we support them?

I'm guessing we have somebody that needs to introduce themselves again and give a little information.

DEPUTY SECRETARY: Perhaps. My name is Cathy Utz, and I'm the Deputy Secretary for the Office of Children and Youth and families.

So I think that there are kind of two pieces in that. There was the right methodology task force, which you are referencing. And part of what we talked about in the rate methodology task force was how we could potentially look at the Federal funds. I would say that it's not hundreds of millions of dollars.

REPRESENTATIVE SANTORA: No, $100 million. I'm sorry.

DEPUTY SECRETARY UTZ: That's about
forty-eight million --

REPRESENTATIVE SANTORA: I corrected myself.

DEPUTY SECRETARY UTZ: It's about --

REPRESENTATIVE SANTORA: It could cap out at $100 million.

DEPUTY SECRETARY UTZ: It's approximately $48 million that we've lost over that period of time and it's only a partial deferral on rates that are charged by providers that are over $200. So even if we implemented the changes that were required through the rate methodology task force, we are not guaranteed from a separate perspective.

REPRESENTATIVE SANTORA: Do you support those?

DEPUTY SECRETARY UTZ: Yes, and we have said that. There was, I think, legislation that was introduced in the past that we were involved in and we were continuing to do a fiscal analysis of that in order to move forward.

But I think if you're talking about how we get off deferral, that's not just specific to the rate methodology task force. There was also an automatic rate adjustment factor that was built into those recommendations. So I think that that would
have to be part of a conversation with the General Assembly.

REPRESENTATIVE SANTORA: Have you done those calculations?

DEPUTY SECRETARY UTZ: We have to go back and I have to verify whether those are still the same cost calculations that we have done in the past.

REPRESENTATIVE SANTORA: Okay. If you could, provide that information --

DEPUTY SECRETARY UTZ: Yes.

REPRESENTATIVE SANTORA: -- to our Chairmen, and then they'll get it out to us.

DEPUTY SECRETARY UTZ: Certainly.

REPRESENTATIVE SANTORA: Great. And then, Dr. Levine, I'm probably going off gear, but on the opioid crisis, I mentioned it in many of the hearings to different groups and I will mention it to you.

I've got a proposal for the Narcan law to add a step and amend that to require folks to see a certified recovery specialist before they can walk away, after being administered Narcan. I'm hoping for as much support as possible. If there's a cost associated, figure it out because this -- put aside
the fact this epidemic is costing us money; it's costing us lives.

And if we can do one more step to potentially help them get to recovery, ultimately, it's something we should do. And I got -- I understood the intent of the Narcan law, but I really don't believe it was for folks to just be able to walk away and go overdose over and over again.

SECRETARY LEVINE: So we'd be very pleased to discuss any proposal with you. I do want to highlight the warm hand-off programs that we have developed. I mean our feeling is that Narcan is absolutely essential because it saves a life. And it's impossible to get into treatment and recovery if you're dead.

However, it is not sufficient, and we have to get people into treatment, as you were suggesting. So we developed, with the Department of Drug and Alcohol Programs, a warm hand-off clinical pathway. So that is a pathway for emergency departments to use.

This was done with also the Emergency Medical Association to get people into treatment. It involves that the emergency departments will be
calling the SCA, that they will send someone, as you were suggesting, to the emergency department to work with that patient and family, to get them into treatment.

REPRESENTATIVE SANTORA: The problem is we're not getting them to the emergency departments. The police are growing. They're doing it. They're saving a life and they're refusing to get in an ambulance, they are refusing.

We've got to add a step. We have to. We are not helping these people.

SECRETARY LEVINE: I think you're correct. I think that happens too often, but I do think that more and more are going to the emergency department. Actually, with money from the 21st Century, Federal Cures Grant, we are having six regional convenings. That includes EMS; it includes police; it includes the hospitals and emergency departments; it includes the SCA; it includes the coroners.

Really, all the stakeholders in the region to talk about exactly what you've been mentioning, how do we get people after they're resuscitated with Narcan into treatment?

And so those regional convenings will be
happening over the next two months.

REPRESENTATIVE SANTORA: I appreciate the meetings happening. We need action from those meetings. Chairman Saylor said it today, what was it, 13 more this week or in the last week?

It's just, I would like to know the statistics on how many of those people had been administered Narcan in the past.

SECRETARY LEVINE: Thank you.

MAJORITY CHAIRMAN SAYLOR: Thank you, Mr. Secretary.

REPRESENTATIVE EVERETT: Thank you, Mr. Chairman. I want to follow up on the discussion about the LEAN process improvement. Just by coincidence, one of my colleagues, who is not on the Committee asked that I ask a question about whether you're using LEAN improvement process, and sure enough, you are. His questions were a little more specific.

I understand you're using them in one area. His questions were, where are you using LEAN?

Or are you using other process improvement-type things?

I'm not -- by disclosure, I'm not selling -- I don't work for anybody who does LEAN process
improvement or anything.

But yeah, if you could just touch on -- I know you're using it there, but are you using it elsewhere or are you using other process improvement things as you try to do your mergers and try to improve your processes?

SECRETARY LEVINE: Sarah Boateng, my Executive Deputy Secretary, Department of Health will answer your question.

DEPUTY SECRETARY BOATENG: So at the Department of Health, we have a quality improvement and performance management team. So they monitor performance metrics for the Department and report those monthly to executives so we can monitor how we're responding to various priorities.

We also have a number of Department of Health staff who are trained LEAN ninjas, which is a LEAN term.

REPRESENTATIVE EVERETT: I understand that.

DEPUTY SECRETARY BOATENG: And so they work with the various bureaus and deputates that we have at the Department to improve processes. So as Dr. Levine mentioned, we've been doing this work in the Vital Records. We've also done LEAN performance
improvement process with our pure grant process plan applications and are really looking for all opportunities in the Department.

The intention of LEAN is to cut out any of the fat and really create an efficient process. And certainly, over time, processes can bellow and grow, and why we're doing this becomes lost. So we're really digging into the why we're doing it. If we don't have to do it anymore, cut it out.

REPRESENTATIVE EVERETT: That sounds great. I think constant process improvement. As soon as you're done, loop back and start over again. That's what keeps things going. Go ahead.

SECRETARY MILLER: It is. Just to let you know, from DHS's perspective, we have a similar process, kind of an ongoing quality improvement initiative that we call People Stat. So we're constantly reviewing data in each of our program areas to see how things are going and see where we have opportunities to improve outcomes.

So that's part of our process. We also are being introduced to LEAN. The entire cabinet was introduced to us at a recent cabinet meeting and we were told that if our agencies hadn't already been rolling out this initiative that we were going
to be involved in it, so I know we're going to be
getting folks trained in that, as well.

REPRESENTATIVE EVERETT: That's great.

My colleague will be happy to hear that.

Just follow up on where Representative
Santora just was on the Narcan and getting folks
into treatment and how to do that. You know, I
serve on the Board for Center for Rural
Pennsylvania, I forget how many hearings we had a
couple years ago. You know, one of the things we
heard, is that until somebody wants treatment, it's
very difficult to make them stay in treatment.

We've had people come in and testify to
us over and over and over again that they were
forced to go do rehab either by the court system, a
divorce, their parents or whatever and until they
were ready, they would just get right out of rehab,
be right back, find their old friends and go right
back to it.

And we all hear stories about people, you
know, some days in the emergency room or that people
are Narcaned multiple times in a day and have no
desire to seek treatment. So like Representative
Santora, I'm looking at another angle from maybe the
Judiciary to take these people and maybe find a way
that we can offer them sort of alternatives to
either maybe spend a couple nights in jail or
consult with a specialist about going into treatment
or something, because it just, you know, what we're
doing now, it's better.

Narcan is great. It saves lots of lives,
but we need the hand offs to get these people into
treatment. Happy to work with you on ideas of how
we can convince people maybe to participate and do
those things.

I know you know how probably difficult
that is from your experiences with talking to people
about it. Any ideas you might have, I'd be happy to
hear them or we can work on it, you know, down the
road.

SECRETARY LEVINE: We'd be pleased to
work on that. Now, there is money in the 21st
Century Cures Grant for drug courts. And so the
Wolf Administration is strongly supportive of an
expansion of drug courts.

That's being coordinated by PCCCD to
expand drug courts, so that people do have, as you
said, incentives to get into treatment.

REPRESENTATIVE EVERETT: Right. It seems
to me that when somebody overdoses, they've
obviously broken the law. And I don't understand
why we don't have a little leverage over those
individuals right at that point to try to get them,
you know, to at least hear from people that might be
able to help them.

Yeah, look forward to working on that.

SECRETARY LEVINE: Thank you.

REPRESENTATIVE EVERETT: Red light is on.

Thank you very much.

Thank you, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Thank you.

I wanted to recognize that we've been
joined by the Speaker of the House, Mike Turzai.
He's here to observe, as well.

With that, we move to our next
questioner, which is Representative Marguerite
Quinn.

REPRESENTATIVE QUINN: Thank you.

Nice to see you, Mr. Speaker.

And thank you very much for being here.

I know it's been a long day.

I'm going to jump around to a couple of
questions, so bear with me. The first one I'm going
to ask, it's kind of a blanket question with regard
to the -- I'll call them health lines, hemophilia,
lupus, sickle cell, et cetera, et cetera, epilepsy.

It seems to me, in my -- this is the 12th budget that I'm going to be voting on, but these line items are always, for lack of a better word, just ping-ponged back and forth. And these agencies -- not agencies, but these organizations represent real people with real needs. And last year at this time when I was uptight about these, not cuts, zeroed out. I mean, there's no weaning for these organizations.

I was uptight about it and someone said to me, you know, that money goes to pamphlets and stuff. So as the organizations started coming back into my office, I would say, how are these dollars spent, and how are you going to make them up in the community?

So I'd like you to comment to see if there's, you know, minus 100 percent dot, dot, dot, all the way down the line, but then I don't see them picked up again in the budget. I'm not saying this is unique to the present administration, to cut them, but it's really -- it stinks for these people.

You know, I'll look at renal dialysis. If you need that stuff, you can't not have it. I get surprised that we're -- if the goal is to get
them off the General Fund, then to be able to say
you're going to have a 10 percent cut here, the
following year another 10, and wean them, but this
back and forth.

Doctor, I'll let you --

SECRETARY LEVINE: So you are correct.

These are very serious conditions and very important
funding mechanisms. We are pleased to work with you
as the budget process unfolds on those initiatives
and those priorities.

REPRESENTATIVE QUINN: And as you work
with me, are you additionally pledging to work with
the administration, to have them realize, from you
as the Chief Physician for the State, the
importance?

I mean, until I had a loved one with
epilepsy, I didn't realize that epilepsy support
services, actually, go into a home in a neighborhood
or in a school to help those people around that
person know how to react in a seizure.

SECRETARY LEVINE: You are correct again
about the severity of the conditions and the
seriousness. And again, we pledge to work with you
and the administration and to work out funding when
possible.
REPRESENTATIVE QUINN: Please continue to be a voice for these people.

SECRETARY LEVINE: Thank you. Of course.

REPRESENTATIVE QUINN: They do not deserve -- they're families and individuals -- to just be in this ping pong match.

SECRETARY LEVINE: Of course.

REPRESENTATIVE QUINN: It was mentioned that your IT has already been unified. That's terrific.

I've been asking throughout this budget process about the risk of cyber security and some of the precautions that are being taken.

Have you -- and I'm not even sure who to look to, Secretary, you haven't been there all that long, but have you had breaches?

We've heard of breaches in other states.

Are there things that -- what are you aware of that you're catching because I'm not seeing a major investment here in IT with regard to cyber security?

And my gosh, if any one of these items that we're talking about, TANF, any of this stuff, we're in trouble.

SECRETARY LEVINE: I think that,
actually, that question would be best put to
Sharon Minnich, the Secretary of Office of
Administration.

REPRESENTATIVE QUINN: I did.

SECRETARY LEVINE: Because that's where
the cyber security lies.

REPRESENTATIVE QUINN: Well, it lies
there, but I also -- these are systems and programs
that are administered under you. So I'm just not
confident that when we just kick it all to one
branch or one office that we're protecting all of
these programs here. So I will follow up with that.

And Doctor, while we're chatting here, I
looked at this and I see a number of GO-TIME
savings. And one of the things, I'm curious as to
what we're doing and are we realizing any savings
through the use of telemedicine?

Many of the subjects, be it opioid,
mental health, I've seen some figures from other
states, where the chronic care, diseases, such as
diabetes, are being really addressed very well,
efficiently and having results through telemedicine.

SECRETARY LEVINE: So I'll speak for the
Department of Health. You might want to, in terms
of Medicaid, I mean, from the Department of Health,
since November of 2016, the Department of Health has convened a Telehealth Advisory Committee. It has subcommittees in terms of behavioral health, financing behavioral health, IT infrastructure, reimbursement, et cetera. We're working on quality initiatives.

I don't think we have generated savings from that Committee. I think it's working with stakeholders right now. I don't know if from Medicaid -- one of you?

DEPUTY SECRETARY ALLEN: Yeah, I wouldn't say that we have seen savings, necessarily, but we certainly encourage the use of telemedicine when at all possible. I think we have had a policy in place for several years that has allowed for consultations to be done through telemedicine, both on the Medicaid side through physical health, as well as on the behavioral health side for consultations.

So we're looking at other opportunities along with the Department of Health to expand the reach of telemedicine.

REPRESENTATIVE QUINN: While savings are good, my primary focus is of quality care to the patients, but I do believe this is something that going forward, we can find some real dollar savings
without jeopardizing the quality of care.

Thank you.

MAJORITY CHAIRMAN SAYLOR: Representative Ortitay.

REPRESENTATIVE ORTITAY: Thank you, Mr. Chairman.

I want to talk a little bit about Medicaid expansion. This year's cost alone, I think the increase was $50 million.

Do you have the projected costs out for the next three, four, five years and know what the annual increase is going to be, courtesy of what the Federal government is making us pick up.

DIRECTOR SWAILS: I don't have that with me, no.

REPRESENTATIVE ORTITAY: Could you guys get that info for us.

DIRECTOR SWAILS: Sure.

REPRESENTATIVE ORTITAY: I know we do annual budgets around here, but it's nice to know, like five years out, what it looks like and how much money we're going to need to come up with.

Secretary Miller, I may not have done a good enough job earlier today quoting you, so I'm going to read from your testimony a little bit, so
hopefully I get it right.

On page 6 of your written testimony, you talk about a $4.5 million initiative to enhance coordination of social supports and services for opioid epidemic.

There's $4 million to expand evidence-based home visiting in areas hit hardest by the epidemic.

Do you guys know which areas are hardest hit and how?

And are you tracking that information?

SECRETARY MILLER: So in talking with Suzann, I think we do. I think in our work with Department of Health, we know the areas hardest hit, so we'll be working with the home visiting providers in those areas to get applications on expanding.

REPRESENTATIVE ORTITAY: Okay. So you guys are tracking those numbers of where the overdoses are and all the treatments?

SECRETARY LEVINE: So that is an important point about tracking overdoses and data. So that highlights actually the importance of the Disaster Declaration that the Governor declared and the Command Center Group that we have formed at the Department of Health and at PEMA.
So this is really all the Health and Human Services agencies, including PEMA, including law enforcement. So we have Pennsylvania State Police, PCCCD, Department of Corrections there.

So one of the tasks is to collect better data. We're already collecting better data about neonatal abstinence syndrome. We're coordinating data in terms of overdoses as well as - fatal overdoses as well as non-fatal overdoses, as well as Naloxone usage by police and EMS.

So one of the purposes is to better collect the data, and then use that data to inform policy.

REPRESENTATIVE ORTITAY: Is there any way that we could see any of that information?

SECRETARY LEVINE: Yes.

REPRESENTATIVE ORTITAY: Okay.

SECRETARY LEVINE: So actually, we'll be putting up, in the next two weeks, a data dashboard on the Governor's website.

Sarah, do you want to briefly talk about the dashboard?

DEPUTY SECRETARY BOATENG: Sure. So we've had a lot of inquiries about making the opioid data available so that community officials, local
officials can understand the impact on their community. And so, under the Governor's Disaster Declaration, we've been coordinating all of that data and are going to be putting forward a public-facing dashboard that provides a lot of this information. It provides it down to the county level. You can click on your county. You can see how your county compares to other counties.

PDMP, opioid distribution rates, NAS data Medicaid rates, so all of that will be available by the end of the month.

REPRESENTATIVE ORTITAY: Okay. Thank you.

With $4.5 half million going out, I just want to make sure -- I would like to know where it's going. I mean, we all have areas that are hard hit and, you know, of course, we all hope the money comes to our districts, but it would just be nice to see what areas across the State are, in fact, the hardest hit. I'm sure you guys have all seen the report that we're one of -- of all the States around us, we actually are seeing an increase in overdose deaths. I think that was up to July.

I don't know how accurate that report was, but the extra $4.5 million, I'm sure, would go
a long way for that.

On another topic a little bit related, do you know about how many MA clients are currently receiving treatment for substance abuse disorders?

SECRETARY MILLER: The data I have, I think, is from '16-'17 that we had 236,000 individuals with an SUD diagnosis.

That's who was actually receiving treatment.

REPRESENTATIVE ORTITAY: And that was as of, you said '16?

SECRETARY MILLER: I think that was '16-'17 data.

REPRESENTATIVE ORTITAY: Okay. All right. And one last question that I have.

Do you know how many people are currently on extended TANF?

I know I'm jumping around here.

SECRETARY MILLER: About 9600.

REPRESENTATIVE ORTITAY: Okay. Is there a maximum amount of time they're allowed to be on it? I know there are certain exceptions of why they are allowed to be extended, but I --

SECRETARY MILLER: I don't think there's a maximum.
REPRESENTATIVE ORTITAY: All right.

Thank you.

Thank you, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Representative Hahn.

REPRESENTATIVE HAHN: Thank you, Mr. Chairman.

It's been a long day, so I'm not sure if I missed this or not, but I had a question about the County Assistance Offices. I know in the '17-'18 budget, there was an estimated cost savings, I believe, of almost $17 or $18 million because of savings that would be included to modernize the County Assistance Offices.

That was to -- the increased use of the web-based application and the processing centers, so that the cases, I think, could be shifted from areas if they had to be. So the last year's budget indicated the savings were the first step and the modernization process -- I didn't see any mention of that in this year's budget number.

So are you still on the modernization plan?

Is that still going forward?

What's happening with that?
SECRETARY MILLER: Lisa can kick me if I misstate this. I think the areas where we were expecting savings were related to moving, developing some processing centers and moving work to those centers, and we did not move work to those centers with that initiative. So I think that's why you don't see it reflected in the current materials.

REPRESENTATIVE HAHN: Why not?

SECRETARY MILLER: We had further conversations with a lot of our CAO staff who had significant concerns about that. And I don't think, initially, we had a good dialogue with them about how this was going to roll out, what it was going to mean. So we said, let's take a step back and let's focus on those pieces of this initiative that are related to improving customer service and work together to figure out how we can continue to improve customer service going forward.

REPRESENTATIVE HAHN: So when you're saying a processing center -- so Northampton County has the Human Services Office. People can go in. And then, were you going to take applications coming in there and moving them to another processing center?

SECRETARY MILLER: So the back office
functions would have been done in a different processing center.

REPRESENTATIVE HAHN: Okay. But you're on hold with that.

And the workers in that office actually thought that would be better to just say there?

You know, I think they do a great job when my staff calls. The county people work with us and do a great job, but I think they're backlogged from all of the different things that come in because we always have the LIHEAP applications and everything that goes through those centers.

So I'm just curious on what we can do to get that case load evened out for them, so that they can get them handled in an efficient manner.

SECRETARY MILLER: Well, I think this was where we kind of said to them, let's work together. I think that was an initiative that sort of felt to them like we announced it, hadn't really had conversations about it, so we kind of said, okay.

Let's put that on hold and talk about how we can improve our customer service and how we can streamline our processes, operate more efficiently and really be more customer friendly. Now we're trying to sort of work collaboratively and come up
with ideas as to how to do that.

REPRESENTATIVE HAHN: Can people go online now and do the application and submit it?
SECURITY MILLER: Yes.

REPRESENTATIVE HAHN: And then it gets to the correct county?
SECURITY MILLER: Yes.

REPRESENTATIVE HAHN: And then they go from there.
And then, does the county contact them for more information?

And I guess following up on Representative Quinn, how safe is that information that's going into the counties?

SECURITY MILLER: So the application goes to the County Assistance Offices and then they follow up with that individual and get it --

REPRESENTATIVE HAHN: It doesn't come to the State; it goes right to the County Assistance Office.

SECURITY MILLER: Well, the County Assistance Offices are part of the State.

REPRESENTATIVE HAHN: No, I know, but I'm always afraid information is going to come to Harrisburg and then we're going to forward it to the
I mean, it's an application that somebody in Northampton County is actually submitting to Northampton County, correct?

SECRETARY MILLER: Yes.

REPRESENTATIVE HAHN: Correct. Okay. And the information, then, is safe going over the site?

SECRETARY MILLER: Yes.

REPRESENTATIVE HAHN: All right. Thank you.

MAJORITY CHAIRMAN SAYLOR: Okay. To wrap up our second round is Representative Helm.

REPRESENTATIVE HELM: Thank you, Mr. Chairman.

I would like to talk about post partum depression, which is a serious condition that affects about 21,000 Pennsylvania families every year. And we also know that the early intervention program is an effective channel for addressing the health needs of not only at-risk infants, but that it can also be a vital resource to help connect mothers experiencing post partum depression to the mental health care they need.

Hopefully you are familiar with HB 200,
which would do exactly that by automatically qualifying infants whose mothers are at risk for depression, for early intervention screening and tracking.

And if you are familiar with the bill, do you support it?

And can you give us an estimate of how much implementation would cost?

SECRETARY MILLER: We do support it. And if my memory serves me, I want to say $900,000 was our estimate. We'll have to get back to you on the estimate.

REPRESENTATIVE HELM: All right.

SECRETARY MILLER: But we do support that.

REPRESENTATIVE HELM: All right. That was my only question. Get back to me.

Thank you.

SECRETARY MILLER: You're welcome.

DIRECTOR SWAILS: Representative Helm, if we could respond to your earlier question that we didn't have the answer to on the State hospitals. You had asked why the census was going up in '18-'19.

REPRESENTATIVE HELM: I did ask that
question.

DIRECTOR SWAILS: Even though we were closing Norristown -- we closed the civil side on that, but, you know, turned that into a forensic unit. And the reason it's going up is we expect to have more forensic beds there.

REPRESENTATIVE HELM: All right.

DIRECTOR SWAILS: For overall census.

REPRESENTATIVE HELM: Thank you.

MAJORITY CHAIRMAN SAYLOR: With the last questions, Representative Quinn and Representative Kampf each have one more question.

Representative Quinn.

REPRESENTATIVE QUINN: Thank you very much.

I'm going to draw your attention, please, to the Governor's budget, where it assumes an additional $130 million in the hospital assessment. We've been advised that this number is more than 100 percent of the net gain in the hospital funding. How does the State justify a 60 percent increase in this?

I mean, I don't really see our community hospitals being able to absorb this.

It's just catching us as to where it's
coming from.

DEPUTY SECRETARY ALLEN: So the hospital assessment legislation, as you know, expires at the end of June this year. So we have been working with our partners at HAP to look at what are the options available to move the assessment forward for the future and certainly looking at what hospitals currently receive through the assessment, and also, what opportunities we have going forward in the future.

So that is an ongoing dialogue, and we commit to continuing that dialogue.

REPRESENTATIVE QUINN: But what's being proposed is actually moving backwards in terms of their net. It just seems that -- it seems like the dialogue stopped and they weren't there. I saw your red light.

DEPUTY SECRETARY ALLEN: Would you like me to respond?

MAJORITY CHAIRMAN SAYLOR: You can answer the question.

DEPUTY SECRETARY ALLEN: Okay.

So I think in terms of the amount that the Department has included in the budget, yes, it assumes $130 million in revenues for the
Commonwealth, but we're also looking at what are the revenues that are available to the hospitals and being able to look at it from the perspective of the full year and not necessarily just starting in July. So I think that's an ongoing dialogue that we're going to continue to have with the community around what will that look like going forward for the hospitals.

REPRESENTATIVE QUINN: Thank you.
I would like to be involved in those dialogues and the information back and forth.
Thanks.

DEPUTY SECRETARY ALLEN: Sure.

REPRESENTATIVE KAMPF: Secretary Miller, back to the County Assistance Offices, the McKinsey Report, which the Governor used, I think at least a million dollars of taxpayer money, pointed out to Florida and some other states had done some significant efficiency work. Tens, maybe even hundreds of millions of dollars were saved.

Did I hear you say that you talked to some people in the County Assistance Offices and they didn't want to do that so you stopped going forward on that front?

SECRETARY MILLER: So I think the
initiative, the proposed savings was -- I want to say, was it $7 million -- which we just, I think had to absorb somewhere, but it was $7 million and part of that initiative was related to. And I think there were other pieces of the initiative, again, around customer service, but the piece relates to developing two processing centers that we didn't move forward on. That's correct.

REPRESENTATIVE KAMPF: With respect to the recommendations in the McKinsey Report that the taxpayer paid for on the County Assistance, have we realized any savings?

SECRETARY MILLER: I think we'll have to get back to you on that.

REPRESENTATIVE KAMPF: Please.

MAJORITY CHAIRMAN SAYLOR: All right. For the last question from members, before the Chairman asks a question, Representative Boback.

REPRESENTATIVE BOBACK: Thank you, Mr. Chairman.

I would like to shift our gears to caseworkers in our counties. I'm concerned because I know there's increased reporting, mandated reporting now that I'm glad that we go through, but
that does take a lot of time for our caseworkers.

And the problem with the opioids, I know a lot of schools are looking for the assistance for referrals for caseworkers.

So my question is, who determines the number of caseworkers required in a county?

How is that paid for?

Can a county request more?

Or is it on them to hire more caseworkers?

Can you, as departments, require a county to hire more caseworkers?

SECRETARY MILLER: So I'm going to let Cathy take this one.

DEPUTY SECRETARY UTZ: Good afternoon again. Cathy Utz, Deputy Secretary for the Office of Children and Youth and families.

And so each year, the county Children & Youth agencies submit to us what's called the needs-based plan and budget. So they identify the number of staff they need, based on the services that they're deliver for each of the children and families that they're serving.

So as they see increases in the number of reports that they're receiving, they make a request,
but it's the county who is responsible for determining the number of staff that they need. If we identify and recognize that they may be struggling in meeting the time frames that we have for completion of investigation, we would engage in a conversation with the county Children & Youth agency administrator to talk to them about the potential need for additional staff, but it really comes back to the county commissioners, who are -- they're county employees, unlike the County Assistance Offices, where they're State employees.

In county Children & Youth agencies, they're county employees. So the counties are responsible for determining the number of staff they need, as well as then reimbursing the salary and wages or setting salary and wages. We reimburse a percent -- it's 80 percent -- of the cost of salaries and benefits is reimbursed by the Commonwealth.

REPRESENTATIVE BOBACK: Thank you very much.

DEPUTY SECRETARY UTZ: You're welcome.

REPRESENTATIVE BOBACK: Thank you, Mr. Chairman.

MAJORITY CHAIRMAN SAYLOR: Madam
Secretary, I just want to ask this. I have some concerns as I looked at the budget for DHS over the coming past and the present, the upcoming year, and the budget in '19-'20, as well.

In the year of '17-'18, the State budget part, General Fund, was $12,300,000. This current fiscal year proposal is $12,563,000. But in '19-'20, after next year's elections, or this year's elections, it jumps by a billion dollars.

Can you explain to me why a billion dollar jump when there's only a $200 million jump from last year to this current budget that we're in the process of looking at?

SECRETARY MILLER: Can you tell us where you got the '19-'20 information?


SECRETARY MILLER: Okay.

MAJORITY CHAIRMAN SAYLOR: Because it lists next year's expenditures for '19-'20 to be $13,515,000 and some-odd change. And it's page E 22-16.

DIRECTOR SWAILS: I can talk generally about it. We have mandated costs as we move forward. There are some one-time savings this year,
as we discussed earlier. So we will have to make those costs up in '19-'20.

MAJORITY CHAIRMAN SAYLOR: And the real concern I have is, that's after an election. And I came here right after the 1991 budget debacle when there was a $3 billion tax increase and a billion dollars just in one department from one year to the next spells a lot of trouble for us in the General Assembly.

So that's why I'm real concerned that just in one year, we're going to have a billion dollar increase in a department. So I think we need to figure out how we're going to pay for that because I don't know too many people, even though it's after an election, that are going to be wanting to vote for a tax increase just for this one department for a billion dollar increase.

So we have to find savings to cover that. Now, again, we don't want to sacrifice our most needy, but a billion dollar increase in one year means that maybe we need to be doing something different in this year's budget, so we don't end up with a billion dollar difference from one year to the next. That is a huge increase in the Department's budget, and I have real concerns.
I look forward to continuing discussions on that particular issue as we move forward in this budget process this year.

SECRETARY MILLER: Sure.

MAJORITY CHAIRMAN SAYLOR: Representative Markosek.

MINORITY CHAIRMAN MARKOSEK: Yes.

Thanks, Chairman.

I think Jen touched a little bit on the Chairman's concern. There are some one-time funding mechanisms that will go away after this budget, and I think everybody on the Committee knows that.

And I think there are also some additional mandates we will have, as well. So I think, you know, whether that equals, you know, that full billion dollars or not, I think those are things that we have to consider when we're looking at something like that, of why there is a jump next year.

But I want to thank you all for appearing today. It was a long day for you, but I thin you did a good job. You have a big, tough job. There's no question about it.

You know, hopefully all of us here will
be helpful to you in trying to get things done. I know earlier this morning we talked about doing some innovative things that caught my ear. And I think we need to be very helpful to you when you're looking at better ways to serve the people of Pennsylvania.

We don't necessarily have to do it the same way all the time. Thinking outside of the box, et cetera, is a good thing. And we're here to help, so I want to thank you again.

MAJORITY CHAIRMAN SAYLOR: Again, Secretary Levine and Secretary Miller, I appreciate you taking time out of your busy schedules today to be here. Again, I'm going to continue to stress that billion dollars is not acceptable to my Caucus. I don't believe I can speak for my members in saying that a billion dollar increase from one year to the next.

And I understand the one-time funding, but we have to figure that out to work because we cannot come back here after an election. Our own credibility is on the line. When you tell the taxpayers right after an election, we're doing a billion dollar increase in one department, that's not something they like to hear right after an
They feel that we deceived them. A lot of people are going to be out there running on a lot of issues, let's be honest, both sides of the aisle. To come back here after an election and have a huge tax increase for a billion dollar increase in a budget, we just have to look at how we manage these dollars and where we can find cost savings and cuts that don't sacrifice the services to our seniors and to our people of special needs.

So I will ask the Department to, as we work through this process, to come back here with recommendations. I get the one-time funding that's there, and I know where they are, but it doesn't change the fact that a billion dollars in one year is going to be a lot to swallow for the taxpayers of Pennsylvania.

SECRETARY MILLER: We look forward to working on it.

MAJORITY CHAIRMAN SAYLOR: Again, thank you very much.

This Committee will reconvene tomorrow morning at 10:00 a.m. We are on schedule to be starting with the State Police. No matter what the weather conditions are, we will be here at
10:00 a.m.

Thank you.

SECRETARY MILLER: Thank you.

SECRETARY LEVINE: Thank you.

(Whereupon, the hearing adjourned.)
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.

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Tiffany L. Mast, Court Reporter/Notary