COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES

March 23, 2022

The Honorable Stan Saylor
Chairman
Appropriations Committee
House of Representatives
Harrisburg, Pennsylvania 17120

The Honorable Matthew Bradford
Chairman
Appropriations Committee
House of Representatives
Harrisburg, Pennsylvania 17120

Via electronic mail only

Dear Chairmen Saylor and Bradford:

Thank you for the opportunity to provide information on Governor Tom Wolf's proposed Fiscal Year (FY) 2022-23 budget for the Department of Human Services (DHS). As promised, I am providing additional information to answer outstanding questions at the conclusion of the hearing.

Representative Owlett requested the number of DHS employees fully vaccinated before the implementation of COVID-19 vaccine incentive program as compared to the number vaccinated after the program's inception. DHS does not know the vaccine status of the majority of our employees prior to the announcement of the incentive program, so it cannot make this comparison. It was mentioned during the hearing that the Department of Corrections (DOC) was able to provide this information; however, DOC vaccinated their own staff and included that information in their internal medical records database. Outside of our 24-hour residential facilities, DHS did not offer the vaccination directly to staff, so it does not have records of who was vaccinated when.

Representative Owlett also asked how DHS' proposed Personal Care Home (PCH) supplement rate increase ($912.50) compares to other states. It is important to recognize that the licensure requirements for each state are different for long-term care settings such as personal care homes and assisted living facilities. Additionally, some states cover assisted living services in their Medicaid State Plan, which is not an existing option in Pennsylvania. DHS does not have the information on the Medicaid payments made by other states for assisted living services. Therefore, it is not possible to do a direct comparison of facilities and the supplemental rates. Below is a sample of bordering states:

- In Delaware the state supplement is $140 per month if they are in certified adult residential care facilities, which include assisted living. However, Medicaid can pay part of the cost of assisted living care for those who qualify.

- In New York the state supplement is $435 per month in New York City, Westchester, Rockland, Nassau and Suffolk counties and $405 for the rest of the state.
- The New Jersey total state and federal payment is $1051.05 per month for a person living in licensed residential health care facility, including an assisted living facility. Medicaid does reimburse for assisted living services in New Jersey.
- Maryland has varying state supplemental rates depending on level of care provided in the residential setting and the range is from $66 to $660 per month. For assisted living facilities, the state supplement is $184. Assisted living services are a Medicaid home and community-based waiver service in this state.
- Ohio provides $506 or $606 in state supplement funding depending on type of facility per month. Ohio has a Medicaid Assisted Living waiver, but adult group homes are not Medicaid eligible, and the state supplement assists with cost for SSI residents.

Finally, Representative Owlett asked for the date of initial meeting of the Opioid Abuse Impact Task Force. This meeting will take place on March 28 at 1:00 pm in room 114A of the CoPA HUB, Suite 150, 2525 N. 7th Street, Harrisburg, PA; a virtual option will also be made available. We would welcome the Representative's participation.

Chairman Saylor requested the list of 19 counties that are providing incomplete encounter data reports or no data reports at all on persons receiving county base-funded mental health (MH) services. Please note that the issue of counties not fully reporting mental health encounter data is solely related to county-based funded (non-Medical Assistance) services. For further clarification:

- There are three required report types for the county-based funded MH base services:
    - Financial Report - submitted quarterly
    - Consolidated Community Reporting Initiative – Performance Outcome Management System - aggregated self-report of persons served, units delivered, and dollars spent by cost center, submitted annually
    - Encounter data – this is similar to data we receive on the Medical Assistance side and is validated client level data that informs us of the types of service delivered, cost, person's diagnosis, date of service, etc. and allows for trend analysis of service utilization.

The first two reports (Financial and CCRI POMS) are currently submitted by all counties. However, the counties that are not consistently reporting encounter data are:

- Have not submit any data:
    - Colombia/Montour/Snyder/Union, McKean, and Northumberland
- Have submitted some, but not all, data. In some cases, a county may miss periods of time submitting data or the data set they submit is not complete of all services delivered:
    - Bucks, Bedford/Somerset, Cambria, Cameron/Elk, Chester, Clarion, Crawford, Delaware, Dauphin, Franklin/Fulton, Greene, Huntingdon/Mifflin/Juniata, Lycoming/Clinton, Mercer, Potter, and Venango

It is important to note that even for counties that submit all required encounter data, there may be data integrity issues. Although there has been significant resistance to our efforts to collect this data in the past, we have seen improvement over the past year. For example, statewide submitted encounters went up 9.8% from 892,240 to 980,084 and statewide accepted encounters went up 12.5% from 819,916 to 922,089.

The Chairman further suggested that DHS withhold funding from noncompliant counties; however, DHS lacks statutory authority to enforce encounter data reporting requirements but welcomes a discussion on this issue. We would appreciate the General Assembly's support in our efforts to strengthen expectations and accountability on counties without jeopardizing access to life-saving mental health services. We believe the pathway to achieve this includes both the increased state investment proposed in the Governor's Budget and clear reporting requirements established in statute.

Representatives Krueger and Greiner requested updated cost projections for the Department of Health's (DOH) proposed nursing home regulations. DHS has worked with DOH in understanding the cost implications of the proposed regulations that would increase the staffing requirements for nursing facilities. Using actual nursing services' hourly costs and the number of additional hours needed to obtain the proposed 4.1 hours at each nursing facility, the Governor's proposed budget includes $91.25 million in state funding to assist facilities in getting a head start in meeting the increased staffing requirements. DHS continues to work collaboratively with DOH on this process and will share updated fiscal information when it is available.

Representative Zimmerman requested the specific act that changed the funding mechanism for child welfare payments: Act 92 of 2015 (which amended the Human Services Code), Section 709.3.

Representative Kinkead asked when the last audit and risk assessment for Real Alternatives took place. Real Alternatives was last audited in 2017 by the Auditor General and in 2016 by DHS Bureau of Financial Operations. DHS attempted to monitor Real Alternatives during FY 20-21, but the monitoring was not completed due to not receiving all the needed documents. DHS is still attempting to secure these documents to complete the monitoring. DHS conducts risk assessments on Real Alternatives every year. The risk assessment for FY 2021-22 was completed in December 2021. DHS does not conduct risk assessments on Real Alternative's subgrantees/providers; it is the responsibility of Real Alternatives to monitor its subgrantees/providers.

Representative Sanchez requested data illustrating the return on investment for programs like the Supplemental Nutrition Assistance Program (SNAP). There are numerous studies that demonstrate how SNAP benefits improve health outcomes for participants. The Medicaid Research Center at the University of Pittsburgh looked at Pennsylvania Medical Assistance and SNAP data to study the impact of SNAP benefits on health outcomes. The study found that when an increase in a SNAP benefit occurred, we saw the following outcomes:

- Reductions in the trend of 30-day readmission for enrollees with a nutrition sensitive chronic condition;
- Reductions in the trend for emergency room visits and inpatient visits for recipients of Medical Assistance through a disability; and,
- Reductions in the trend for emergency room visits among enrollees with behavioral health conditions.

In 2017, Benefits Data Trust, Johns Hopkins School of Nursing, and the Maryland Department of Human Services published a peer-reviewed study looking at how SNAP enrollment impacted care utilization and costs for 54,000 seniors who were dually eligible for Medicaid and Medicare. They found that SNAP participation reduced the likelihood of nursing home admission by 23 percent and hospitalization by 14 percent in the year after enrollment. Beyond the positive health outcomes SNAP brings, it also has important economic factors. The United States Department of Agriculture (USDA) published a study on the influence of SNAP redemptions on the economy and county-level employment in the time leading up to, during, and after the Great Recession. This study found that SNAP redemptions could have a greater economic stimulus impact than many other forms of government spending per dollar spent, especially during a recession, because they are paid directly to low-income individuals. For instance, the grocery subsidies deliver food directly to tables along with a financial return into rural supermarkets and small businesses in those communities. These studies are just a few examples of the positive impact SNAP has on people directly as well as businesses and our economy broadly.

Representative Schweyer requested information on the Low-Income Home Energy Assistance Program (LIHEAP) and how many times in the past allocations from the federal government have delayed the opening of the program. The LIHEAP allocation received from the federal government each year is always spent in its entirety within the required timeframes under the LIHEAP regulations; DHS does not return unspent LIHEAP funds to the federal government. Federal rules permit up to a 10 percent carryover amount from the year's allocation to be carried into the next season. This amount is used to:

- Print and mail LIHEAP applications to previous year's recipients to apply for LIHEAP before the official opening of the LIHEAP season.
- Hire energy assistance workers to process these LIHEAP preseason applications and to train them for the program year.
- Ensure a standard opening date from year to year so DHS is not dependent on when federal funds are received to begin the season activities.

In general, preparation and processing of pre-season applications accounts for about six to eight weeks prior to the opening of the season. Pre-season approvals result in fewer LIHEAP Crisis requests when the season officially opens as many of the approved households are able to secure deliveries or prevent shutoffs before the weather turns cold. This practice also allows DHS time prior to the official season opens to process applications and avoid processing backlogs. Without the availability of carryover funds, any budget impasse at the federal level

would further delay the opening of the program. While we recognize in recent years the federal government has been able to either pass a budget or a continuing resolution and fund federal programs, there have been years where DHS did not receive the federal disbursement of LIHEAP funds prior to the November 1 start of the LIHEAP season. There has been at least one instance where DHS did not receive funds until late December. Absent these carryover funds, DHS would need to delay the program opening to 6-8 weeks after the receipt of federal funding to onboard energy assistance workers and for systems updates.

In 2012, the Legislative Budget and Finance Committee published a report on the administration of the LIHEAP grant and crisis program pursuant to Senate Resolution 2011-165. That report supported DHS' practice of carrying forward funds to the next fiscal year and included as a recommendation that "The Department of Public Welfare should plan to reserve the 10 percent of LIHEAP funding permitted by the federal LIHEAP program." At the time, the report found that DHS manages the program efficiently and the program has only improved since the publishing of that report.

Since 2017-18, DHS has carried 5.21 percent on average into each subsequent LIHEAP season.

LIHEAP Season	Federal LIHEAP Amount Received (excludes pandemic related funds)	Date Received	Amount Carried Forward from Previous Year	LIHEAP Open Date
2021-2022**	$206,529,292	11/01/2021	$3,355,271	10/18/2021
2020-2021***	$200,579,438	11/05/2020	$9,596,365	11/02/2020
2019-2020	$200,417,032	11/01/2019	$14,843,723	11/01/2019
2018-2019	$206,487,864	10/26/2018	$11,508,215	11/01/2018
2017-2018	$214,780,545	10/20/2017	$14,340,492	11/01/2017

**This LIHEAP season was supplemented by an additional $297 million provided as a part of the American Rescue Plan Act. These funds were received on May 5, 2021 and must be used or obligated by 09/30/2022. These funds are temporary, and DHS does not anticipate receiving a similarly large award outside of the standard $200 to $215 million it typically receives for LIHEAP again. Using these funds, DHS issued supplements prior to the start of the season to ensure that known LIHEAP households from the previous season had heat as the LIHEAP season began. DHS also modified the season length to open in October 2021 and extend into May 2022. In addition, the Cash benefit minimum was raised from $200 to $500, the Cash benefit maximum was raised from $1000 to $1500, and the Crisis benefit maximum was raised from $600 to $1200.

***This LIHEAP season was supplemented by an additional $34.9 million provided as a part of the CARES Act. These funds were received on May 8, 2020 and had to be used or obligated by September 30, 2021. DHS used these funds to operate a short Summer Crisis Program and increase the Crisis benefit maximum for the 2020-2021 LIHEAP season from $600 to $800.

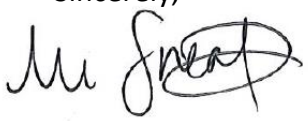
While funding is currently projected to be approximately $50 million at the end of the current LIHEAP season on May 6, 2022, DHS expects the average dollar amount of Crisis payments to increase dramatically due to the rising cost of home heating fuels, resulting in a decrease in the amount of funding remaining at the end of the season. In addition, DHS is in

regular conversation with the LIHEAP advisory group, which is comprised of stakeholders including utilities, the petroleum association, the Pennsylvania Utility Law Project, the Pennsylvania Utility Commission, and consumers who provide recommendations to DHS about how to direct funds when there are projected remaining funds.

Finally, a portion of LIHEAP funds provided to DHS are disbursed to the Department of Community and Economic Development (DCED) for administration of their weatherization program. DCED also uses carryover funds to start their program each year. Since LIHEAP funding is passed through to DCED, any restrictions regarding carryover funds would impact their program as well.

If you need any further information or have additional questions, please contact Ms. Kristin Crawford, Director, Office of Legislative Affairs, at kricrawfor@pa.gov.

Sincerely,



Meg Snead
Acting Secretary of Human Services