

Pennsylvania Makes Strides in Medicaid Innovation

September 25, 2015

Recently, the Department of Human Services (DHS) took two major steps in our effort to spur innovation and better care in Medicaid:

- DHS released a request for proposals (RFP) for physical health services provided through HealthChoices, Pennsylvania’s mandatory Medicaid managed care program since 1997; and
- In partnership with the Pennsylvania Department of Aging, released a more detailed concept paper outlining the vision for Community HealthChoices (CHC), Governor Tom Wolf’s managed long-term services and supports program to support older individuals and adults with physical disabilities.

HealthChoices RFP:

When awarded, the contracts will require the managed care organizations (MCOs) to increase the amount of money they spend on contracts that reward value, care coordination, and better health outcomes rather than simply paying for services as they are provided. If you pay for services, you will get services. If you pay for outcomes, you will get outcomes. The result will be a system that focuses more on the patient as a whole and provides higher quality care to those in the Medicaid system.

To drive PA’s Medicaid system towards these better outcomes, the new contracts will set targets for all contracted MCOs to increase the percentage of value-based or outcome-based contracts they have with hospitals, doctors, and other providers to 30% of medical funds they receive from DHS within three years. The contracts will also include better integration of the physical and behavioral health systems and approaches like telemedicine to help serve areas of the state that do not have easy access to doctors.

When fully implemented, these changes will mark the most significant changes to Medicaid in PA since the Department first moved to mandatory managed care 18 years ago. We must continue to innovate and move forward if we are going to provide the high-quality health care that all Pennsylvanians deserve.

-SEC TED DALLAS

Community HealthChoices:

The Community HealthChoices plan is an integrated system of physical health and long-term services and supports (LTSS) which focuses on improving health outcomes and allowing individuals to live safe and healthy lives with as much independence as possible.



CHC is a significant shift from the commonwealth’s current, fractured approach to providing these services and will enhance care for seniors and persons with disabilities through better coordination of care. The result will be that more Pennsylvanians will be served in the community instead of in nursing homes or other facilities.

CHC will support individuals dually eligible for Medicare and Medicaid, older adults and adults with physical disabilities in the most integrated settings

possible. CHC will serve an estimated 450,000 individuals, including 130,000 older persons and adults with physical disabilities who are currently receiving LTSS in the community and in nursing facilities.