

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
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E30.37, H80

APPROPRIATION:
Medical Assistance - Workers with Disabilities

I. SUMMARY FINANCIAL DATA

	<u>2014-2015</u> Actual	<u>2015-2016</u> Available	<u>2016-2017</u> Budgeted
State Funds Total	\$162,173	\$143,684	\$127,243
State Sources Itemized			
<i>MA-Workers With Disabilities (General Fund)</i>	\$115,450	\$52,205 ¹	\$34,482
<i>MA-Workers With Disabilities (Tobacco Settlement Fund)</i>	\$46,723	\$91,479	\$92,761
Federal Funds Total	\$182,717	\$209,625	\$136,950
Federal Sources Itemized			
<i>MA-Workers With Disabilities (General Fund)</i>	\$131,366	\$110,661	\$37,111
<i>MA-Workers With Disabilities (Tobacco Settlement Fund)</i>	\$51,351	\$98,964	\$99,839
Total	\$344,890	\$353,309	\$264,193

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds Total	(\$10,186)
State Sources Itemized	
<i>MA-Workers With Disabilities (General Fund)</i>	(\$10,186)
Federal Funds Total	\$0
Federal Sources Itemized	
<i>MA-Workers With Disabilities (General Fund)</i>	\$0
Total	(\$10,186)

¹ Includes a recommended appropriation reduction of \$10.186 million. Act 10-A provided \$62.391 million for this program in Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
Medical Assistance - Workers with Disabilities

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$162,173	\$127,925	\$127,243	(\$682)	-0.53%
Federal Funds	\$182,717	\$138,380	\$136,950	(\$1,430)	-1.03%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$344,890	\$266,305	\$264,193	(\$2,112)	-0.79%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$15,759	\$0	(\$15,759)	-100.00%
Federal Funds	\$0	\$71,245	\$0	(\$71,245)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$87,004	\$0	(\$87,004)	-100.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$162,173	\$143,684	\$127,243	(\$16,441)	-11.44%
Federal Funds	\$182,717	\$209,625	\$136,950	(\$72,675)	-34.67%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$344,890	\$353,309	\$264,193	(\$89,116)	-25.22%

APPROPRIATION:
Medical Assistance - Workers with Disabilities

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

Estimated expenditures are based on projected enrollees in the Medical Assistance for Workers with Disabilities (MAWD) program, average Medical Assistance payments per enrollee and estimated co-payments. The MAWD program is funded with both the Tobacco Settlement Fund and the General Fund.

Legislative Citations:

35 P.S. § 5701.303 et seq. (General Fund)
35 P.S. § 5701.101 et seq. (Tobacco Settlement Fund)

Disbursement Criteria:

The provider of service must be enrolled in the Medical Assistance program and the service must be a covered Medical Assistance benefit. The recipient of the service must be deemed eligible to receive Medical Assistance benefits under the MAWD Program.

Individuals deemed eligible under the criteria specified in Act 77 may buy into the Medicaid program by paying a monthly premium based on five percent of their monthly income after allowable deductions.

Provider payments are initially made from the Medical Assistance Program. Periodically, expenditures are identified for services rendered to recipients of the MAWD program, and expenditures are then transferred from the Medical Assistance Program to the Tobacco Settlement Fund - Medical Services for Workers with Disabilities appropriation.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Medical Assistance - Workers with Disabilities

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GENERAL FUND				
GRANT & SUBSIDY				
1. Impact of a projected decrease of 548 average monthly enrollees in the Medical Assistance for Workers with Disabilities (MAWD) program in Fiscal Year 2016-2017:	(\$2,364)	(\$2,557)	\$0	(\$4,921)
2. Impact of decreased premium payments for the 548 less average monthly enrollees in the MAWD program in Fiscal Year 2016-2017:	\$292	\$315	\$0	\$607
3. Provides for a projected increase of \$5.96 in the Medical Assistance Program monthly service cost per enrollee in Fiscal Year 2016-2017:	\$1,058	\$1,144	\$0	\$2,202
4. Impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016). Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$332	(\$332)	\$0	\$0
5. Increase in the Fiscal Year 2016-2017 Tobacco Settlement Fund State and Federal amounts:	(\$1,282)	(\$875)	\$0	(\$2,157)
Subtotal Grant & Subsidy	<u>(\$1,964)</u>	<u>(\$2,305)</u>	<u>\$0</u>	<u>(\$4,269)</u>
UNCOMMITTED				
1. Impact of excess State and Federal appropriation authority in Fiscal Year 2015-2016:	(\$15,759)	(\$71,245)	\$0	(\$87,004)
Subtotal Uncommitted	<u>(\$15,759)</u>	<u>(\$71,245)</u>	<u>\$0</u>	<u>(\$87,004)</u>
TOTAL GENERAL FUND	<u>(\$17,723)</u>	<u>(\$73,550)</u>	<u>\$0</u>	<u>(\$91,273)</u>
TOBACCO SETTLEMENT FUND				
GRANT & SUBSIDY				
1. Increase in the Fiscal Year 2016-2017 Tobacco Settlement Fund State and Federal amounts:	\$1,282	\$875	\$0	\$2,157
Subtotal Grant & Subsidy	<u>\$1,282</u>	<u>\$875</u>	<u>\$0</u>	<u>\$2,157</u>
TOTAL TOBACCO SETTLEMENT FUND	<u>\$1,282</u>	<u>\$875</u>	<u>\$0</u>	<u>\$2,157</u>
TOTAL	<u>(\$16,441)</u>	<u>(\$72,675)</u>	<u>\$0</u>	<u>(\$89,116)</u>

**MEDICAL ASSISTANCE - WORKERS WITH DISABILITIES
FISCAL YEAR 2016-2017 GOVERNOR'S EXECUTIVE BUDGET
FISCAL YEAR 2015-2016**

	Total	Federal	State	Enrollees	Cost Per Enrollee
Jul-15	\$25,317,352	\$13,104,930	\$12,212,421	33,663	\$752.08
Aug-15	\$24,806,761	\$12,854,939	\$11,951,822	32,705	\$758.50
Sep-15	\$23,601,900	\$12,265,659	\$11,336,241	32,011	\$737.31
Oct-15	\$23,515,309	\$12,228,869	\$11,286,440	31,390	\$749.13
Nov-15	\$23,004,917	\$11,952,683	\$11,052,234	30,797	\$746.99
Dec-15	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Jan-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Feb-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Mar-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Apr-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
May-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Jun-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Premiums	\$281,280,654 (\$14,975,503)	\$146,181,080 (\$7,781,125)	\$135,119,575 (\$7,194,378)	31,345	\$8,973.58
Total Requirements	\$266,305,151	\$138,379,955	\$127,925,197		
FY 2015-16 Tobacco Funds	\$190,443,000	\$98,964,000	\$91,479,000		
Uncommitted	\$87,003,848	\$71,245,045	\$15,758,803		
FY 2015-16 General Fund Requirement		\$110,661,000	\$52,205,000		
Act 10-A of 2015		\$110,661,000	\$62,391,000		
Surplus/(Deficit)		\$0	\$10,186,000		

**MEDICAL ASSISTANCE - WORKERS WITH DISABILITIES
FISCAL YEAR 2016-2017 GOVERNOR'S EXECUTIVE BUDGET
FISCAL YEAR 2016-2017**

	Total	Federal	State	Enrollees	Cost Per Enrollee
Jul-16	\$23,028,220	\$11,976,977	\$11,051,243	30,797	\$747.74
Aug-16	\$23,062,417	\$11,994,763	\$11,067,654	30,797	\$748.85
Sep-16	\$23,095,858	\$12,012,155	\$11,083,702	30,797	\$749.94
Oct-16	\$23,129,347	\$11,976,376	\$11,152,971	30,797	\$751.03
Nov-16	\$23,162,884	\$11,993,741	\$11,169,143	30,797	\$752.11
Dec-16	\$23,196,470	\$12,011,132	\$11,185,338	30,797	\$753.21
Jan-17	\$23,230,105	\$12,028,548	\$11,201,557	30,797	\$754.30
Feb-17	\$23,263,789	\$12,045,990	\$11,217,799	30,797	\$755.39
Mar-17	\$23,297,521	\$12,063,457	\$11,234,065	30,797	\$756.49
Apr-17	\$23,331,303	\$12,080,949	\$11,250,354	30,797	\$757.58
May-17	\$23,365,133	\$12,098,466	\$11,266,667	30,797	\$758.68
Jun-17	\$23,399,013	\$12,116,009	\$11,283,004	30,797	\$759.78
Premiums	\$278,562,059 (\$14,369,045)	\$144,398,563 (\$7,448,554)	\$134,163,496 (\$6,920,491)	30,797	\$9,045.10
Total Requirements	\$264,193,014	\$136,950,009	\$127,243,004		
FY 2016-17 Tobacco Funds	\$192,600,052	\$99,839,052	\$92,761,000		
FY 2016-17 General Fund Requirement		\$37,110,957	\$34,482,004		

MEDICAL ASSISTANCE - WORKERS WITH DISABILITIES

PROGRAM STATEMENT

The Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170) gave states the option of providing Medicaid benefits to workers with disabilities who have higher income and resources than current Medicaid standards. Pennsylvania exercised this option through the passage of Act 77 of 2001, also known as the Tobacco Settlement Act. This Act provided the State share of funds necessary to implement Medical Assistance for Workers with Disabilities (MAWD) in Pennsylvania.

The MAWD program consists of two eligibility groups, Workers with a Disability and Workers with a Medically Improved Disability. Individuals in both groups receive the Pennsylvania ACCESS card and receive full Categorically Needy Medicaid benefits. Individuals are enrolled in the HealthChoices program, except for those who also receive Medicare. Medicare/Medicaid covered individuals obtain Medicaid services through the Fee-for-Service Program and most prescriptions are covered by the Medicare Prescription Drug Plan. An individual must have been a member of the Workers with a Disability Group in order to qualify as a Worker with a Medically Improved Disability.

To qualify for the Worker with a Disability Group, a person must be at least age 16, but less than age 65, be disabled according to the Social Security Administration's (SSA) or Department's Disability Review criteria, be employed and receiving compensation (no minimum monthly hours or earnings required), with countable monthly income (after allowable deductions) below 250 percent of the Federal Poverty Income Guidelines and have countable resources equal to or less than \$10,000.

To qualify for the Worker with a Medically Improved Disability Group, in addition to having been a member of the previous group, a person must be employed at least 40 hours per month and earning at least the minimum wage, have a medically improved disability that no longer qualifies under SSA's or the Department's Disability Review criteria, and meet the same age resource and income requirements of the Worker with a Disability Group.