

March 11, 2026 Long-Term Services and Supports (LTSS) Subcommittee Meeting Follow-Up Items

- 1. Related to the letter from the Congressional House Energy and Commerce Committee**, Mia Haney stated in the chat that on March 3, 2026, Governor Shapiro and Secretary Arkoosh received a letter from the Congressional House Energy and Commerce Committee requesting information on Pennsylvania's Medicaid Program Integrity efforts. Pennsylvania was one of 10 states to receive that letter. Mia asked if Pennsylvania responded to the letter by the March 17, 2026 deadline and asked how the Department of Human Services (DHS) is thinking about program integrity given this additional scrutiny. Mia also asked if, given the national scrutiny on program integrity in Medicaid by the Centers for Medicare & Medicaid Services (CMS) and the House Energy and Commerce Committee, if there will be workgroups or further initiatives to discuss/improve program integrity measures across Pennsylvania.

Juliet Marsala, Deputy Secretary of the Office of Long-Term Living (OLTL), replied that DHS has responded to the letter from the Congressional House Energy and Commerce Committee. Fighting public assistance fraud is a cornerstone of Shapiro's Administration's work to deliver critical benefits to eligible Pennsylvanians and we are unwavering in our commitment to upholding the highest standards. At the Pennsylvania DHS, OLTL has been successful in identifying and eliminating fraud, waste, and abuse while bringing to justice those who misuse these vital public resources. Pennsylvania is a national leader in this space, and OLTL is proud of their work to protect their public assistance programs and the taxpayer resources that make this possible. At this time there are no plans for any workgroups. Identifying and eliminating fraud, waste, and abuse is the responsibility of all Pennsylvanians and OLTL encourages anyone who suspects fraud, waste, and abuse of our public assistance programs to call the Fraud Tip Hotline at 1-844-DHS-TIPS (1-844-347-8477) or visit <https://www.pa.gov/agencies/dhs/report-fraud> to submit reports online.

- 2. Related to participant concerns regarding transportation**, Jennie Waltman expressed concerns specific to her situation, which OLTL will follow up on with the Community HealthChoices (CHC) Managed Care Organizations (MCOs).

Randy Nolen, OLTL Director of the Bureau of Coordinated and Integrated Services, responded he has reached out to the CHC-MCO and will respond to this individual directly.

- 3. Related to participant concerns regarding service coordination,** Jennie Waltman expressed concerns specific to her situation, which OLTL will follow up on with the CHC-MCO.

Randy Nolen, OLTL Director of the Bureau of Coordinated and Integrated Services, responded he has reached out to the CHC-MCO and will respond to this individual directly.

- 4. Related to participant concerns regarding housing,** Jennie Waltman expressed concerns specific to her situation, which OLTL will follow up on with the CHC-MCO.

Randy Nolen, OLTL Director of the Bureau of Coordinated and Integrated Services, responded he has reached out to the CHC-MCO and will respond to this individual directly.

- 5. Related to Personal Assistance Services (PAS) Reductions,** Bill Hertzog stated that AmeriHealth Caritas (AHC) has historically been the worst pertaining to PAS reductions. He stated that prior OLTL PAS Reduction Review Projects concluded that AHC had not met program standards regarding reductions. Bill asked if AHC has now corrected some of those issues.

Randy Nolen, OLTL Director of the Bureau of Coordinated and Integrated Services, responded that OLTL continues to work with AHC to refine their internal process on reductions of services including changes to their notices to ensure that they are person-centered and more in-depth in explaining the reason for the reduction.

- 6. Related to the Participant-Directed Model Direct Care Workers (DCW) pay rates increase,** Bill Hertzog stated in chat that given the MCO rate discrepancy there will potentially be an exodus from AHC and UPMC to PA Health & Wellness (PHW). He asked if participants can be given some instructions on the most efficient way to change their MCO without causing interruptions and many other issues.

Randy Nolen, OLTL Director of the Bureau of Coordinated and Integrated Services, responded that the most efficient way for a Participant to change MCOs is by calling the Independent Enrollment Broker (877-550-4227) or go to www.enrollchc.com. Service Coordinators (SC) will assist Participants in facilitating a seamless transition between MCOs. The Participant will then have to meet with their new MCO SC to work through the transition details.

- 7. Related to participants changing MCOs**, Bill Hertzog asked in the chat if a participant must undergo a reassessment of their services if they decide to switch to a different MCO.

Randy Nolen, OLTL Director of the Bureau of Coordinated and Integrated Services, responded that the new MCO can and will probably do a new assessment when a Participant switches plans. The CHC Agreements states that CHC-MCOs may conduct a reassessment prior to the one-year mark of the last assessment for Participants who are transitioning to them from another CHC-MCO.

- 8. Related to PAS Reductions**, Suzanne Ott asked in the chat if there are going to be more estimate reductions this year for any of the MCOs.

Randy Nolen, OLTL Director of the Bureau of Coordinated and Integrated Services, responded that there are no estimated numbers in regard to the number of reductions in services that may occur. It is difficult to estimate this since the care planning process in person-centered depends on the Participants' needs at the time of assessment.

- 9. Related to PAS Reductions**, Carlos Liceaga asked in the chat if all the attendees today will be invited to have PAS Reductions separate meeting or if it will be for participants only.

Randy Nolen, OLTL Director of the Bureau of Coordinated and Integrated Services, responded that Participants can have anybody that they want as part of their Person-Centered Planning Team (PCPT) for assistance with their care plan.

- 10. Related to PAS Reductions**, Brenda Dare stated in the chat that there is an important statistic missing from the presentation slides regarding reductions.

Brenda requested to know what the average amount of reductions is. She stated that a 5% reduction is much more manageable than a 25% reduction. Brenda would like to know how much people are actually losing and what follow-up there is being done to make sure that people don't experience adverse outcomes after reductions.

Randy Nolen, OLTL Director of the Bureau of Coordinated and Integrated Services, responded that OLTL will discuss this with the MCOs to evaluate getting this statistic.

11. Related to the Assisted Living Residents (ALR) In Lieu of Services (ILOS), Kathy Cubit asked in the Comments box if Damaris Alvarado could please describe or highlight what is included in the Operations Report 41 (OPS 41) report so the subcommittee could have a better understanding of what or how OLTL is monitoring AL ILOS.

Damaris Alvarado, OLTL Division Director of Communications Management, responded that the data collected on the OPS 41 is used in several ways to support OLTL's oversight of the CHC program, as follows:

- **Managed Care Program Annual Report (MCPAR) – Annual Federal report required under 42 CFR § 438.66(e). This report is submitted to CMS no later than 180 days from the end of the contract year and provides information on the oversight of CHC.**
- **Waiver Assurance Monitoring Report– Supplemental CHC report used by OLTL leadership to support OLTL's on-going monitoring activities and ensure compliance with 42 CFR § 438.66.**

The OPS 41 report template captures the following information:

- **Participant's demographics and program information**
- **Primary Target Category related to the ALR admission**
- **Confirmation that the Attestation for ALR Admission Choice was completed**
- **Whether the entry to the ALR was initial or a re-entry**
- **Provider identification information**
- **Patient Pay amount**
- **Date of Arrival at the ALR**
- **Type of admission (nursing home transition, or diversion from NH admission)**

- Discharge Date and reason

The data is reported quarterly, and it is analyzed for accuracy and to identify and follow up on concerns, as well as to identify areas of improvement to the report template and process.

- 12. Related to ALR ILOS**, Kathy Cubit asked in the Comments box if OLTL's initial approval of AL providers and its ongoing monitoring include: ensuring compliance with the HCBS settings rule; consultation with the Bureau of Human Services and Licensing about licensing status/complaints, change in ownership etc.; and consultation with the Long-Term Care Ombudsman.

Damaris Alvarado, OLTL Division Director of Communications Management, responded that Assisted Living (AL) Providers are not subject to the HCBS Settings Rule. However, when the CHC-MCOs submitted their AL ILOS proposals to OLTL, they considered the Settings Rule requirements.

As mentioned during the presentation on March 11, 2026, and since the Bureau of Human Services Licensing is part of OLTL, they keep all parties involved in the AL ILOS initiative apprised of all matters related to the approved AL ILOS providers.

- 13. Related to ALR ILOS**, Pamela Silver asked in chat what guardrails OLTL is putting in place to prevent high PAS users from being pressured into accepting AL.

Damaris Alvarado, OLTL Division Director of Communications Management, responded that Participant Choice is an integral part of all programs and options administered by OLTL, including AL ILOS. OLTL requires CHC-MCOs to ensure that if it is determined that the AL ILOS option is appropriate for a Participant, it is the preferred choice of the Participant, and that the choice (Accept or Decline) is documented by completing and retaining in the Participant's records an Attestation for ALR Admission Choice.

- 14. Related to the Medical Assistance Day One (MDO1) Incentive State Plan Amendment**, Diane Roth asked in the chat what will change to the MDO1 payment policy is coded in the amendments and CMS. Deputy Secretary Juliet Marsala stated during the LTSS meeting that the changes are standard

regarding what is submitted to CMS, but that she deferred to the finance team to provide a response.

Dan Sharar, OLTL Director of the Bureau of Finance, responded that there are no substantive changes to the Medical Assistance Day-One Incentive (MDOI) payment for State Fiscal Year (SFY) 2025-26. Qualifying criteria, payment calculations, and the amount of state funding (\$21 million) are the same as 2024-25. The total payment (\$47.8 million) is projected to be slightly higher than last year's (\$46.8 million) because the Federal Medical Assistance Percentage (FMAP) rate increased from 55.09% to 56.06%.

The MDOI payment was reauthorized for SFY 2025-26 through Act 45 of 2025, which amended the Fiscal Code at 72 P.S. §1809.1930(11)(vii). Because the MDOI must be reauthorized each fiscal year, DHS must also publish a public notice and obtain CMS approval for a State Plan Amendment even if there are minimal or no changes. DHS issued the public notice January 28, 2026, at [56 Pa.B. 686](#). OLTL submitted SPA 26-0005 to CMS March 5, 2026; CMS typically has up to 90 days to respond.

15. Related to the Participant-Directed Model Direct DCW pay rates

increase, Ali Kronley asked during the LTSS Subcommittee meeting if it is possible for the CHC-MCOs to explain both the process of the rate increases and the assumptions that were used to set those rates as the implementation process rolls out.

AHC/ Keystone First (KF) responded that each MCO has different baseline experience for self-directed payments based on historic claims (utilization levels, percent of Common Law Employers (CLEs) already paying at/below the current max rate, overtime mix, etc.) As such, absent of a mandated max pay rate being set by the State to which MCOs must adhere, there will naturally be variances in assumptions across MCOs and the subsequent max pay rates. Additionally, some MCOs may have independently elected to invest "above and beyond" the allocated budget appropriation amounts using funds from their standard per member per month (PMPM) capitation payment from OLTL to increase the max pay rate. The following methodology was used by AHC/KF in developing the new fee schedule:

1. AHC/KF established a baseline of SFY 2025-26 self-directed services utilization based on historic AHC/KF claims data.
2. AHC/KF applied utilization and unit cost assumption(s) to the 2025-26 SFY baseline. This included withholding for various taxes

like Social Security, State Unemployment Tax Act, Federal Unemployment Tax Act, Medicare, and Workman's comp. These were considered along with a unit cost percent increase assumption to then align with the rate increase from OLTL as part of the special budget appropriation.

3. AHC/KF calculated the difference between the baseline data (Step 1) and the utilization/unit cost assumptions (Step 2) to ensure net impact aligned with funding provided by the State.

AHC/KF are fully committed to strengthening the direct care workforce and delivering the full benefit of the State's investment; and continue to monitor on an ongoing basis these assumptions and alignment to the additional funding provided.

PHW responded that their rate increase was based upon the state's rate increase retroactive to January 1, 2026. Their process was to collaborate with Tempus to ensure a robust communication plan including website updates, mailing information, and guidance including rate forms with a self-addressed stamped envelope, updated rate calculator, max rate information sheets and forms posted to Tempus' website for the common law employer to make employer decisions concerning rate. Their assumptions are that the participant common law employer's responsibility is to engage with their direct care worker and to complete and return the signed form(s) if they would like to increase their direct care worker's rate. PHW's responsibility is to honor their wishes within the boundaries of the established maximum rate for their region and to provide a satisfying customer experience.

UPMC CHC determined its maximum participant-directed PAS rates through completion of a comprehensive utilization analysis for each CHC Zone.

- 16. Related to the ALR ILOS**, Amy Lowenstein asked in the chat how the MCOs are making people aware of this option. She asked if this is in handbooks or on websites and is the ALR option communicated to all participants by their SC or if the SC/MCO chooses whom will be informed about it.

AHC/KF stated that the Health Plan developed an orientation for the entire Health plan on AL ILOS. Training for SCs and Utilization Management staff was developed on the process for assessing and authorizing AL ILOS. Finally, the Participant Handbook was updated to incorporate information on AL ILOS. Additionally, if a Participant is living in the community and is "at-risk" for nursing home placement, SCs will educate Participants on the AL ILOS option. Participants living

in a nursing facility and have expressed a desire to return to the community are also educated and counseled on the AL ILOS option.

PHW responded that they include ALR information in the Participant Handbook. Additionally, SCs have been educated on the ILOS for discussions with Participants.

UPMC responded that all Participants are made aware of the AL ILOS through a description of the service within the Participant Handbook. As required under the CHC Agreement, the description within the handbook details the protections available to Participants who choose to receive ILOS, including a description of the process to determine eligibility for the service, the voluntary nature of ILOS, and the right to file an appeal with regards to the denial or receipt of an ILOS. For Participants for whom the ALR ILOS is determined to be medically appropriate, Service Coordination staff provide additional education to both the Participant and their Person-Centered Planning Team regarding the Participant's option to utilize the service.

17. Related to ALR ILOS, Brenda Dare asked in chat what the average cost share is for individuals and she asked who choose this option.

AHC/KF responded that the Health Plan does not have any Participants accessing this service option and have no knowledge of average cost share for this option.

PHW responded that cost share varies from participant to participant and is determined by the County Assistance Office (CAO) in the same manner as it is for Nursing Facilities. For PHW, the average cost share for current participants is \$1,991 per month.

UPMC responded that this determination is made by the CAO, not the MCO, and may vary by Participant.

18. Related to ALR ILOS, Pamela Silver asked in chat what guardrails the MCOs putting in place to prevent high PAS users from being pressured into accepting AL.

AHC/KF responded that the SCs receive training on AL ILOS as a voluntary option. As part of service coordination, SCs educate Participants that they may choose to accept or decline AL ILOS without

impact to their PAS eligibility. PAS authorizations are based on assessed need and Participants retain the right to question, appeal, or grieve service authorization decisions.

PHW responded that when the SC is working with a Participant during the assessment process, all options are presented to Participants. If a Participant chooses to relocate to an ALR, their choice is documented on the Freedom of Choice Form and is noted in PHW electronic medical record.

UPMC responded that the ALR ILOS is a voluntary service presented to Participants who meet the applicable necessity criteria as an optional alternative to state plan services/settings. Participants are provided with information regarding the ILOS to facilitate their ability to make an informed decision about their care and treatment options; they cannot be compelled to accept the ILOS in place of a state plan service. Whether a Participant ultimately exercises their option to utilize the ALR ILOS is a decision made by the Participant and their PCPT.

- 19. Related to ALR ILOS,** Pamela Silver asked in chat what is in place to stop MCOs from simply not authorizing high amounts of PAS and forcing participants to either muddle through at home or accept Independent Living.

AHC/KF responded that SCs educate Participants that AL ILOS is a voluntary option and that Participants may accept or decline without impact to their eligibility for PAS. PAS authorization decisions are made based on assessed needs and Participants retain appeal rights for any service authorization or reduction decisions.

PHW responded that they would not intentionally withhold needed services from a Participant that would make them unsafe in their environment. In the event that PAS services are denied by PHW, the Participant would have the right to grieve the decision. Additionally, the choice to reside in an ALR is the Participant's choice.

UPMC responded that service authorizations, including those for PAS, are determined solely through assessment of Participant need. As noted previously, the ALR ILOS is a voluntary service. Participants cannot be compelled or required to use ILOS as a substitute for a state plan service.