



Office of Long-Term Living (OLTL) Updates

2026 Rehabilitation and Community Providers Association Fall Conference

October 1, 2026

Presenter: Juliet Marsala, Deputy Secretary



Pennsylvania
Department of Human Services

Agenda

- OLTL Updates
 - Procurement Updates
 - Provider Revalidation
 - State of the Workforce Survey
 - Fraud, Waste and Abuse
 - Value Based Purchasing Showcase
 - Capitation Rate Development



▶ OLTL Procurement Updates

- Community HealthChoices (CHC) Request for Applications (RFA)
 - On June 1, 2026, a Request for Information (RFI) was released on [PA – eMarketplace](#) seeking information to assist the Department of Human Services (DHS) with suggested input and information concerning the current CHC agreement for the anticipated re-procurement of the CHC Managed Care Organizations (MCOs).
 - The public comment period for the RFI closed on July 15, 2026.
 - After evaluating each comment, OLTL intends to publish a high-level summary of the comments received in a process similar to what has been done in the past.
 - The CHC program will continue to operate under the current CHC-MCOs and agreements until further notice.
 - All questions regarding the RFI should be directed to Procurement at RA-PWRFICOMMENTS@PA.GOV .



➤ Provider Revalidation

- On August 21, 2026, DHS released [Medical Assistance \(MA\) Bulletin 99-26-06](#) advising all providers categorized as high-risk who revalidated prior to July 1, 2025, and select providers categorized as high-risk who revalidated on or after July 1, 2025, that they are required to revalidate again no later than December 31, 2026.
 - Providers identified as high-risk must revalidate their MA enrollment prior to December 31, 2026, to continue their enrollment in the MA Program. Providers who must revalidate prior to the December 31, 2026, deadline will receive individual communication from the Department to their enrolled email address on their provider file.
- Providers who fail to complete revalidation by the due date specified in the revalidation notices will have their high-risk provider service location closed in PROMISe.
- The next revalidation date for providers identified as high-risk will be December 2028.

State of the Workforce Survey

- Under the Home and Community-Based Services (HCBS) Payment Adequacy & Reporting of the Access Rule—states are required to strengthen oversight of Medicaid HCBS programs, including **direct care worker (DCW) compensation**.
- Beginning in 2028, States must **report annually** on the percentage of payments for certain home and community-based services that are spent on **compensation for DCWs**.
- This applies to homemaker, home health aide, habilitation, and personal care services, even if the states uses different names for these services.
 - ***Applies to 1915(c) waiver and other HCBS authorities where services are covered by Medicaid.***
 - ***Applies to both fee-for-service and managed care delivery models.***

➤ State of the Workforce Survey – 2

- **OLTL Affected Services include:**
 - Adult Daily Living
 - Employment Skills Development
 - Personal Assistance Services
 - Residential Habilitation
 - Respite
 - Structured Day Habilitation
 - Home Health Aide Services-CHC Only
 - Home Health-Nursing



➤ State of the Workforce Survey – 3

- ***Another highlight pertaining to the Access Rule, looks at the definition of a DCW and its broader use compared to how it's currently defined by the OLTL.***
- ***Under the federal definition for purpose of the rule, DCW*** means any of the following individuals who may be employed by a Medicaid provider, State agency, a third party contracted with a Medicaid provider, or delivering services under a self-directed services delivery model:
 - A registered nurse, licensed practical nurse, nurse practitioner, or clinical nurse specialist who provides nursing services to Medicaid participants receiving HCBS
 - A licensed or certified nursing assistant who provides such services under the supervision of a registered nurse, licensed practical nurse, nurse practitioner, or clinical nurse specialist;
 - A direct support professional;
 - A personal care attendant;
 - A home health aide; or
 - Other individuals who are paid to provide services to address activities of daily living or instrumental activities of daily living, behavioral supports, employment supports, or other services to promote community integration directly to Medicaid participants receiving HCBS.

➤ State of the Workforce Survey – 4

- OLTL intends to use the National Core Indicators (NCI) [State of the Workforce Survey](#) (SoTW). This survey collects data every year, offering a detailed snapshot of workforce conditions at the state level. OLTL encourages providers to look at the published reports on the SoTW survey data: [NCI State of the Workforce Surveys \(IDD & AD\) - National Core Indicators® - Human Services Research Institute](#).
- The survey is completed by providers and captures key workforce indicators, including information on:
 - Turnover ratios and vacancy rates;
 - Wages, benefits, and compensation;
 - Recruitment and retention; and
 - Demographics and training.
- We are in the beginning stages of this effort and of course will continue to review information and ask for provider feedback along the way.

➤ Fraud, Waste and Abuse: What is Program Integrity?



- “Program Integrity” refers to all the collective strategies used to combat fraud waste and abuse.
- These strategies are important for ensuring that our state and federal funds that go to the Medicaid program – including all our taxpayer dollars – are used for appropriately.

Program Integrity is an
Enterprise Solution

Every Program Area Plays A Part

➤ Fraud, Waste and Abuse: Core Program Integrity Responsibilities

- Provider Enrollment and Screening
- Policy, Regulations, Bulletins, Billing Guidelines
- Claims Review and Auditing
- Managed Care Oversight
- Compliance Monitoring
- Education and Outreach
- Overpayment Recovery – Administrative Sanctions – Corrective Action Plans
- Investigations (Medicaid Fraud Control Unit and Offices of the State Inspector General)



➤ Fraud, Waste and Abuse: Results of Bureau of Program Integrity Reviews

- Protects participants in the delivery of healthcare services.
- Ensure MA recipients/participants receive quality medically necessary services and that MA recipients do not abuse their use of the MA services.
- Validate medical services were rendered by a licensed, certified or trained individual.
- Apply administrative sanctions when appropriate.
- Recover MA dollars to help fund future services.
- Refer cases to the appropriate enforcement agencies.



➤ Fraud, Waste and Abuse: How You Can Help

Report fraud, waste and abuse:

- MA Hotline: 1-844-DHS-TIPS
(1-844-347-8477)
- Email: omaptips@pa.gov



➤ Value-Based Purchasing (VBP) Innovation Showcase

- OLTL held the Pennsylvania VBP Innovation Showcase on August 12, 2026, in Harrisburg, Pennsylvania.
 - The event was an opportunity for providers to pitch their most innovative ideas for VBP models that would support older adults, individuals with disabilities, and individuals who are dually-eligible for Medicare and Medicaid.
 - VBP ties payment to health care outcomes and quality of care goals, helping us innovate and find new solutions to improve care and support for Pennsylvanians in our Medicaid program.
- Throughout the day, a panel of subject matter experts representing the Managed Long-Term Services and Supports Association (MLTSSA), CHC-MCOs, and OLTL engaged in discussion with the 12 providers selected to pitch their ideas.
 - The proposals ranged from food as medicine and homecare solutions, to transportation and Limited English Proficiency services, all designed to support the needs of Pennsylvanians.
- OLTL would like to thank each provider who submitted their application for consideration, the National MLTSSA and the CHC-MCOs as well as the robust audience who attended and made the day a success.



Capitation Rate Development: Actuarial Rate-Setting Key Terms



RISK

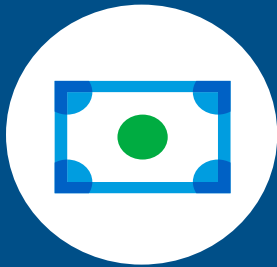
- The **expected value** of the future cost of the managed care program being priced or rated.
- Risk involves the **uncertainty** of future events.
- Actual results may differ from the assumptions used in the rate development process.



RISK CONTRACT

- Contractor/MCO **assumes risk for the populations**, utilization, and cost of services covered under the contract and incurs loss if the cost of furnishing the services exceeds the payments under the contract.
- Physical Health and CHC contract directly with MCOs. Behavioral Health contracts with county/joinders that subcontract with MCOs.

Capitation Rate Development: Actuarial Rate-Setting Key Terms (cont.)



CAPITATED PAYMENT OR PER MEMBER PER MONTH (PMPM) RATE

- A **prospective, average payment** a state makes periodically to a contractor **on behalf of each member** enrolled in the program with contractor regardless of service use.
 - Payment rate typically does not change during the rating period (CMS approval).



RATING PERIOD

- The **future time period** for which the rates will be effective.
- Commonly **12 calendar months** (i.e., calendar year, state fiscal year).
 - Shorter or longer rating periods can be used with certain adjustments.

➤ Capitation Rate Development: What is Actuarial Capitation Rate Setting?

Actuarial rate setting: The process of determining the amount a state can pay to a MCO for each member enrolled in the program, regardless of whether the member receives any services.



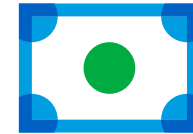
PROGRAM DESIGN

Directly influences and impacts the development of capitation rates



MCOs

“At risk” for actual cost and utilization of members



PAYMENTS

Typically made monthly, commonly referred to as a PMPM capitation rate

Capitation Rate Development: What is Actuarial Capitation Rate Setting?

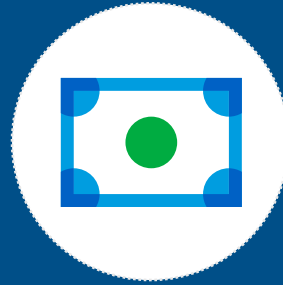
EXAMPLE

MCO has
10,000
members



and

If
PMPM
is \$125



equals

MCO will receive a \$125 PMPM
payment rate **for each member**
as long as the members remain
with the MCO for the applicable
rating period

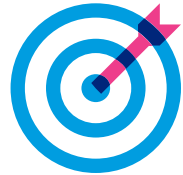


Estimated Payment =
 $\$125 * 10,000 * 12 \text{ months}$

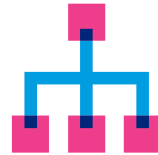
Capitation Rate Development: Actuarial Capitation Rate Setting Goals



**Match
Payment
to Risk**



**Support
Commonwealth
Goals**



**Minimize
Administrative
Complexity**

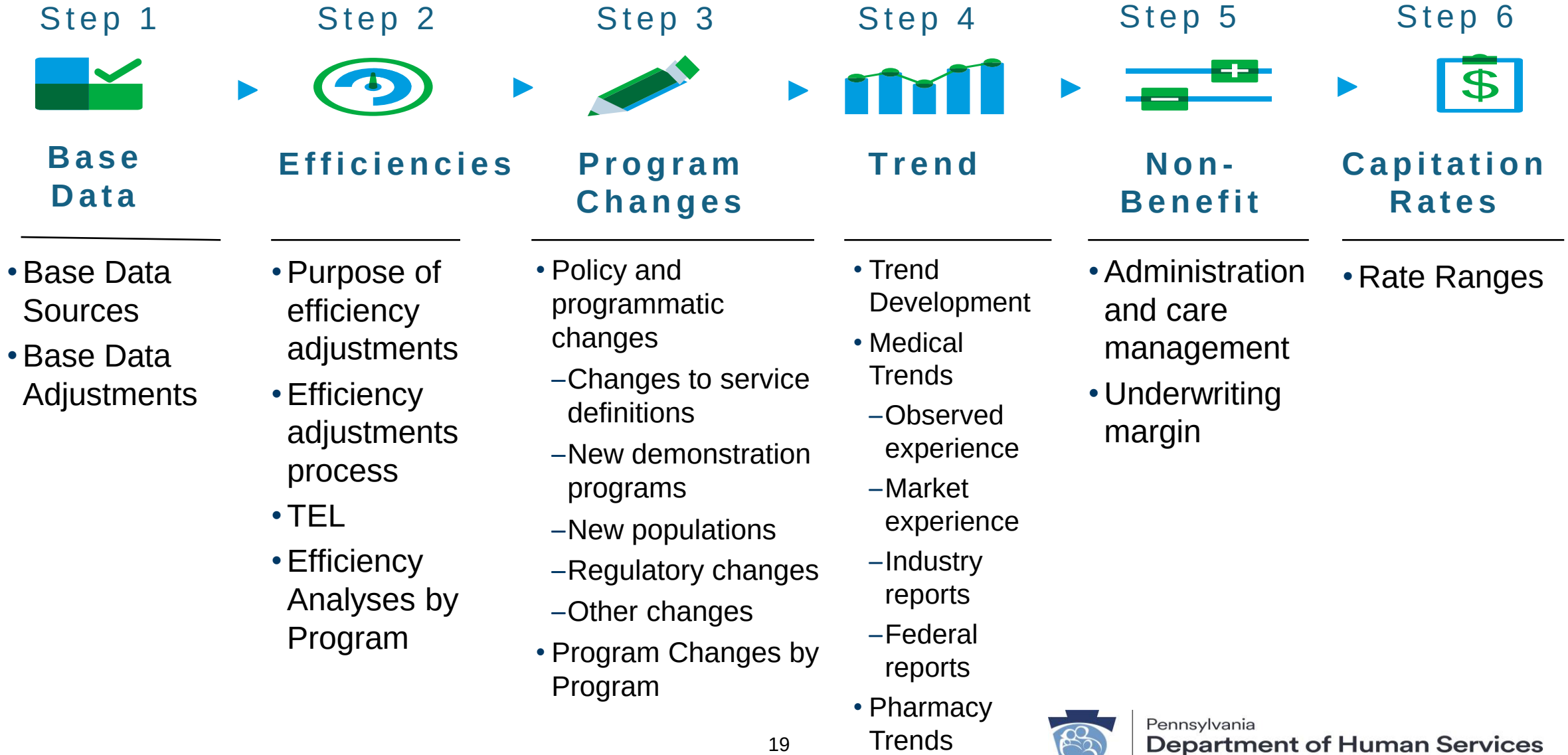


**Comply with
CMS
Requirements**



**Comply with
Actuarial
Standards of
Practice**

Capitation Rate Development: What is Actuarial Capitation Rate Setting?



Questions/Public Comments

