



January 04, 2022

Honorable Frank Farry
18 East Wing
PO Box 202142
Harrisburg, PA 17120-2142

Dear Representative Farry:

I wanted to formally thank you for the recent Human Services informational meeting regarding the rate setting process in several areas of healthcare, including behavioral health (BH HealthChoices), intellectual and developmental disabilities, and physical disabilities and aging (Community HealthChoices). These are critical areas for our members and those they serve, and we need continued transparency and open communication among stakeholders to ensure that the rates in these areas are adequate and the processes sound. This is especially so given all that has happened in the almost two years living with COVID and the impact it has had on the delivery of services and the workforce.

There is one specific area, however, that I would like to clarify. Periodically there has been proposed legislation in PA that would end the existing Medical Assistance BH “carve-out” and replace it with a “carve-in” to the physical health (PH) plans. Theoretically we understand the intent of such measures – e.g., looking at whole person care, possible administrative savings. When we have discussions about the need to improve areas in BH HealthChoices, however, this apparently is mistaken as RCPA supporting an end to the program.

We want to make it clear. We represent hundreds of providers delivering thousands of services as part of the public safety net in PA. **We DO NOT support a change in the model; rather, we support the continuation of the BH carve-out model in place.**

We do so for several reasons, most importantly because the model has been extremely successful since the mid-90s:

- Increasing access to care and consumer/ family choice;
- Increasing the range and scope of services available through re-investment and the provision of supplemental services; and
- Controlling cost against the trend, thereby providing significant savings in the Commonwealth.

Programs can always be improved upon and should evolve. For example, many integration (PH and BH) projects are in place throughout the Commonwealth. In addition, we look forward to working with the BH Programs (County Oversight and BH-MCOs) to move toward value-based purchasing models in the future, which would change the model of provider reimbursement and incentivize a focus on quality and outcomes versus billable units.

We also look forward to working with your office and the committee in the future to continue to look at all these matters. Again, concerns about transparency and communication exist – and you heard that from the providers who spoke passionately at the meeting. Another reason we support the BH “carve-out,” however, is that there are provisions and expectations for providers to be able to bring forward questions and concerns about rates to Counties and their contract BH-MCOs. We are confident the current structure can be effective in addressing providers’ issues around rates. RCPA stands ready to assist in the collaboration between providers and the Counties/BH-MCOs when issues regarding the rate processes arise.

Our intent moving forward is to work on improving the existing program and helping it evolve by effectively utilizing the mechanisms currently in place while exploring ways to make it better. We in no way advocate simply throwing out the current BH “carve-out” program on the hopes that pulling the plug on success will somehow make it more successful.

In January, RCPA is holding a public webinar and panel discussion to look at program models including that in other states. I will forward you that information should you or your staff like to join.

Again, thank you for all your support and action in this area. Most importantly, we appreciate your clear commitment to improving the system and helping those in need.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Edley", with a long horizontal flourish extending to the right.

Richard S. Edley, PhD
President and CEO

cc: Erin Raub, Executive Director
PA House Human Services Committee