

2022-23 Appropriations Hearing Testimony
Department of Human Services
Acting Secretary Meg Snead

Chairman Saylor, Chairman Bradford, and members of the House Appropriations Committee, thank you for the opportunity to discuss Governor Tom Wolf's proposed fiscal year 2022-23 budget for the Pennsylvania Department of Human Services (DHS). I am proud to discuss with you today DHS' ongoing work to provide programs and services that enable our fellow Pennsylvanians to lead safe, healthy, and enriching lives.

DHS is a resource and lifeline for all Pennsylvanians. This agency exists to support people of all ages across the commonwealth with critical services to support health, independence, and wellbeing. DHS serves more than three million people directly through our programs and impacts countless others through provider oversight and licensing responsibilities. Most Pennsylvanians will interact with DHS at some point during their lives, be it through quality certification of early childhood education, obtaining clearances necessary to volunteer at an organization working with children, or through long-term services for older Pennsylvanians. At any point, a significant life change or an unexpected event may require a person to turn to the supports and resources that DHS provides. Given our broad reach and oversight, it is imperative that this agency be responsive and adaptive to Pennsylvania's changing needs and circumstances.

I am proud to say that for two years, the almost 15,000 public servants who work for DHS in every county of the commonwealth have demonstrated the responsiveness and resilience necessary to steer and execute our response to the COVID-19 pandemic. The ongoing public health emergency has created challenges and a demand on this agency that we have not previously experienced, and through it all, we have remained steadfast in our focus and commitment to DHS' mission and responsibilities. We built entirely new programs designed to support Pennsylvanians' most essential needs through a time of historic unemployment and economic instability. In partnership with the General Assembly and the federal government, we have efficiently given significant financial support to our essential providers and workforce who are on the front lines of this pandemic, continuing life-sustaining and life-enriching services for vulnerable Pennsylvanians. We established a support network for congregate and long-term care facilities to provide remote and in-person rapid response assistance as they grappled with the most acute impact of the pandemic. We maintained operations within our state-run facilities through the ongoing public health crisis. We executed vaccine outreach and deployment programs to ease barriers to this life-saving resource for our most vulnerable and medically compromised Pennsylvanians.

Not only have we built new programs and helped deploy resources to providers and partners efficiently and effectively, DHS did this while becoming more efficient at our core functions. We have decreased time spent processing Medical Assistance (MA) and Supplemental Nutrition Assistance Program (SNAP) applications – down from 12 and 6.6 days, respectively, in 2019 to 11.3 and 5.7 days in 2021. Keep in mind, while we are processing faster, we have also experienced a growth in Medicaid by 587,000 and a growth in SNAP by 127,000. In 2019, ChildLine clearances took an average of 5.8 days to issue. In 2021, that was down to 1.5 days – a 74 percent decrease in time. From 2019 to 2021, our customer service call center has seen an increase of nearly 2,500 calls a month but we have maintained a nearly 94 percent monthly answer rate, the same as pre-pandemic.

The pandemic has been more challenging than any of us could have expected at this time two years ago, but I am humbled and proud of what this department has been able to establish and accomplish through it all *in addition to* the work we were doing and continue to do every day. In some settings, many of the examples I list would be accomplished through new programs, new staff, and additional resources. That was not always possible in the last two years, and we must recognize the tireless dedication and effort of the public servants who make our successes and accomplishments possible. I am in awe of them every day, and it is an honor to sit before you to represent their work.

Human services are an investment in health, wellbeing, essential needs, and individual dignity for all of us. There are many lessons to learn from what we have endured for the last two years, but one that I hope we do not overlook is the absolute necessity of these human service systems. Child care allowed our essential workers to continue to show up for the people they care for and serve. Direct care ensured that our vulnerable loved ones could continue to receive the support and care they need. Public assistance was a lifeline to people whose lives were disrupted by economic insecurity that they did not anticipate and could not control. These systems were resilient because we as a government and society recognized their value and helped them through this difficult time. We cannot lose sight of that as this threat subsides, and we must continue funding this system in a manner that allows it to be resilient and responsive no matter what. We will all need the caring infrastructure someday, whether through a child care center, a long-term care facility, or services received in our homes. As I am sure you heard from your constituents or experienced in your own families, these essential services were greatly strained by the pandemic. We must continue to invest in this infrastructure so that when our friends, family members, neighbors, or when any one of us here today need this assistance, it is there for us.

Governor Wolf's proposed 2022-2023 budget is a reasonable investment in the health and wellbeing of our essential human services as they continue to rebuild from two years of great challenge and instability, and I am pleased today to be able to highlight the necessity of this continued support.

Investing in our Kids

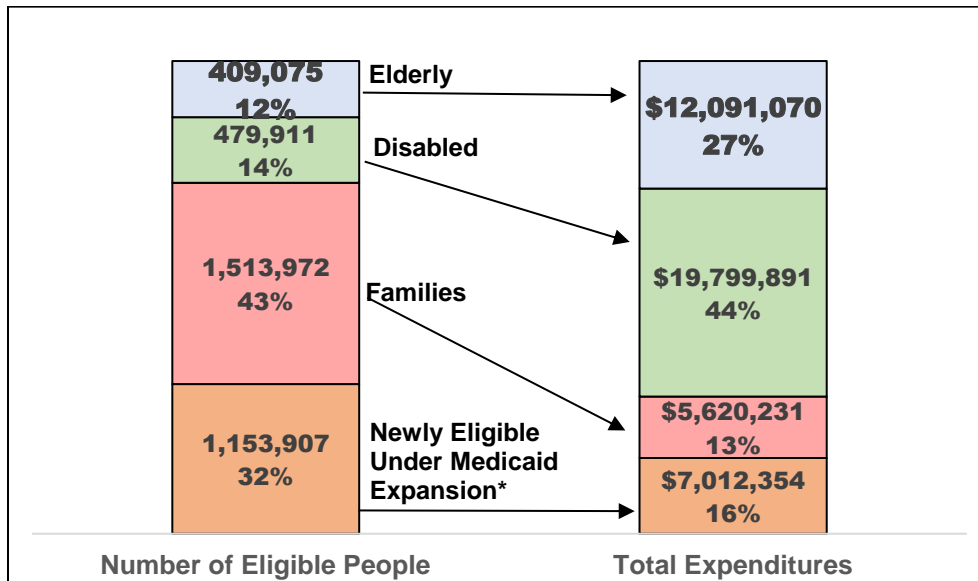
As a working mom, I see first-hand every day how accessible, quality early learning and child care programs benefit my daughter's life and my husband's and our ability to do our jobs. Without access to safe, reliable child care, I, like many other parents, would not be able to do what I do – a sentiment I think any working parent can understand. If you do not have child care, you cannot work, and if the cost of child care exceeds pay and wages, parents will be kept out of the workforce. We cannot continue on a path to lasting economic recovery from this crisis without a reliable, accessible child care and early learning industry.

Through the pandemic, we have issued more than \$1.6 billion in federal funding as direct relief to child care providers and child care workers who have maintained this essential infrastructure. This support has kept doors open, but we know that many providers are still operating on reduced capacity and are experiencing staffing challenges. Some of this funding has gone towards increasing base rates paid to child care providers who participate in Child Care Works (CCW), Pennsylvania's subsidized child care program that helps working families with lower incomes access and afford quality child care. Reimbursement rates for subsidized child care are set against the market rate for care in their region. The

federal government recommends that reimbursement rates be set at the 75th percentile compared to the private pay market rate. Before the pandemic, Pennsylvania’s rates lagged at just the 25th percentile. Through federal investments and the support of the General Assembly, we have been able to increase CCW reimbursement rates to the 60th percentile, which is much closer to the federal recommendation. This investment helps providers that serve families with lower incomes increase their operating margins, allowing them to invest in quality by retaining experienced and qualified staff and to enhance programming in their center to move up the quality rating system. The 2022-2023 proposed budget sustains these investments, allowing us to continue to support this vital industry that is so essential to both Pennsylvania’s economic recovery and our children’s futures.

Supporting Access to Life-Sustaining Services & Care for Vulnerable Pennsylvanians

Since taking office, Governor Wolf has made it a priority to invest in services and care that uphold the inherent dignity of all people. Expanding access to home and community-based services and investing in quality care across our service systems is foundational to this work. While older Pennsylvanians and persons with disabilities are 25 percent of the MA population, they account for 71 percent of the MA expenditures.



Medical Assistance appropriations include Medical Assistance - Capitation, Medical Assistance - Fee-for-Service, Payment to Federal Government - Medicare Drug Program, Medical Assistance - Workers with Disabilities, Medical Assistance - Transportation, Medical Assistance - Long-Term Living, Medical Assistance - Community HealthChoices, Long-Term Care Managed Care, Intellectual Disabilities - Intermediate Care Facilities, Intellectual Disabilities - Community Waiver Program, and Autism Intervention and Services. Note that the sum of percentages above will show as 101 percent due to rounding.

DHS is responsible for care and services through Medical Assistance to, among others, three of Pennsylvania’s most vulnerable populations: seniors, adults with physical disabilities, and adults with intellectual disabilities and autism. Services for these Pennsylvanians represent the largest areas of our budget, but it’s important to look at the people and ongoing work and to serve these individuals in a way that recognizes their individual circumstance and care preferences and honors their dignity.

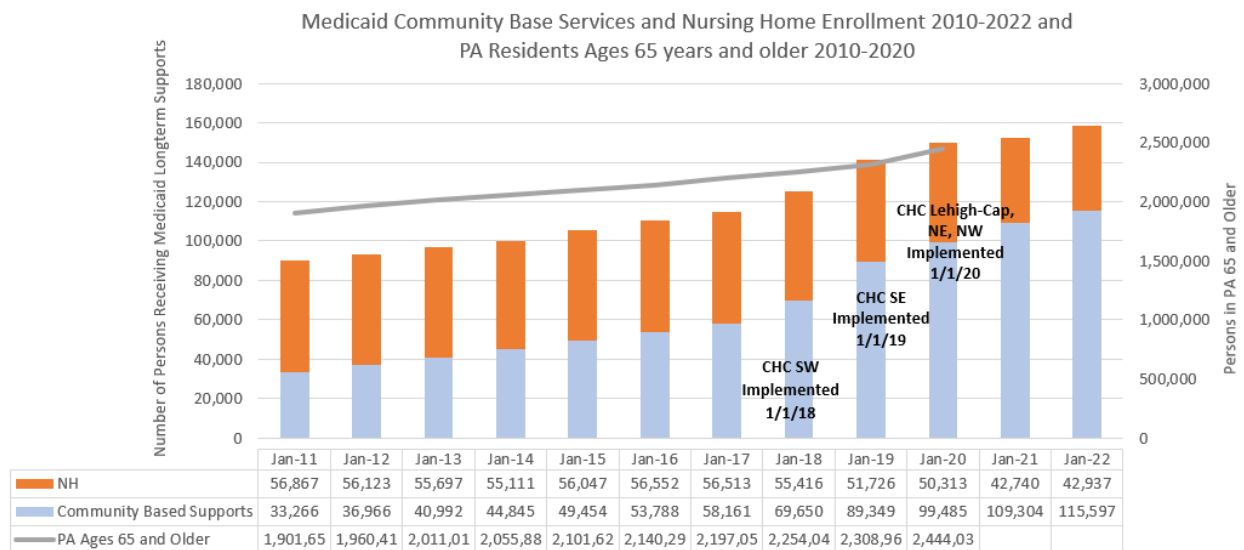
These systems play an incredibly important role not only in the lives of people they serve, but also their families. The direct care and support offered by people working in essential fields like home care, child

care, direct support for people with disabilities, and facility-based services and care make up the fabric of our social safety net that gives many of us the freedom to do our jobs and provide for our families.

Home and Community-Based Services for Seniors

As has been discussed in DHS’ previous budget hearings, Pennsylvania is an aging state. Growth in our senior population outpaces growth in working-age Pennsylvanians. According to the Independent Fiscal Office (IFO), the annual cost of providing programs and supports for older Pennsylvanians is growing more than twice as fast as revenue sources that uphold these systems. The IFO noted that in 2017, Pennsylvania experienced an erosion of our tax base while changing demographics caused a growth in demand for the programs and services for seniors that are administered by DHS and the Department of Aging.¹

In 2018, DHS established Community HealthChoices (CHC), a managed long-term services and supports program for people dually eligible for Medicare and Medical Assistance and adults with physical disabilities who require a nursing home level of care. CHC was built to improve quality and coordination of care for people who require long-term services and supports, facilitate more opportunities to live safely in participants’ homes rather than long-term care facilities, and create efficiencies and budget predictability that could help manage costs for this growing population. We want our seniors to be able to age in place when it is safe and appropriate, and CHC was designed to help them continue to do so while receiving services they need to live safe and healthy lives. CHC was fully implemented in Pennsylvania in January 2020, helping increase the percentage of Medicaid-eligible seniors and people with physical disabilities who are receiving services in their home rather than a nursing facility from 47 percent in January 2015 to 73 percent in January 2022. The population eligible for these services will continue to grow, but I am optimistic that the progress we are seeing from the first years of CHC implementation will help us continue to see a slowed cost growth compared to population increases.



¹ Implications of Aging for the PA Economy – Pennsylvania Independent Fiscal Office
http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/Pennsylvania_Aging_Presentation.pdf

Home and Community-Based Services for People with Intellectual Disabilities and Autism

Since 2015, Governor Wolf has invested significantly in expanding access to home and community-based services for people with intellectual disabilities and autism. We have decreased the number of people on waiting lists by 11 percent and expanded the number of Pennsylvanians with intellectual disabilities and autism served by our Office of Developmental Programs (ODP) by 20 percent. While expanding the eligible population to include autism for home and community-based services, the wait time on the list has significantly decreased from 4.1 years to 2.3 years, over the last five years. This great progress is possible because of the support and partnership of the General Assembly as well as increased efficiencies that allow us to continue supports to people graduating from high school through normal waiver turnover without waiting, and we must continue this work.

Like other service sectors, COVID-19 has greatly challenged our intellectual disability and autism service system. Having an intellectual disability is a significant co-morbidity for complications of COVID-19, so providers had to alter operations to keep the people they serve safe. This has been portrayed by some in media as an elimination of services, but that is not an accurate description. For most individuals, services have been reduced, not eliminated. We are working with providers to continue returning to pre-pandemic operations, but staffing challenges, like all essential fields, are proving difficult. To help providers recruit and retain qualified staff, DHS used enhanced funding available for home and community-based services made possible by the American Rescue Plan Act to begin to update rates for providers overseen by our ODP prior to the regulatory required date. ODP does not set wages paid by providers, but revised rates assume a base wage of approximately \$15 per hour for direct service professionals with a high school diploma, with increases based on education level. This investment is sustained through the Governor's proposed 2022-2023 budget. In January and February 2022, ODP also provided supplemental payments of \$155 million to support providers with staff recruitment and retention efforts.

A robust, resilient home and community-based services system for people with intellectual disabilities and autism gives these communities greater authority and opportunity to live independently like their families and peers. ODP and its service system is guided by the principles of Everyday Lives, which strives to provide the same life-enriching opportunities to the intellectual disabilities and autism communities that each of us enjoy. Historically, this system of care was an institutional model, but today, many individuals and families prefer to wait for services in the community than to go into an institution. Our goal is to continue our work in expanding access to home and community-based services and build on the progress we have made on behalf of Pennsylvania's intellectual disability and autism communities. By investing in this system, we are helping providers continue on a path to recovery after an extremely turbulent two years, and we give more Pennsylvanians with intellectual disabilities and autism the support to live among their family and peers with the individual opportunities and agency they deserve.

Supporting Quality in Long-Term Care Facilities

While our goal as an agency and an administration is to help Pennsylvanians live in their homes and communities whenever safe and appropriate, facility-based long-term care may be a preferred option for some individuals. DHS is charged with licensing oversight of the personal care and assisted living levels of long-term care, and as the State Medicaid agency, we work closely with the Department of Health (DOH) to promote quality within skilled nursing facilities that they oversee. As we collectively consider

the lessons of COVID-19, support and quality within our long-term care infrastructure is something we are keenly focused on.

Last summer, DOH issued proposed regulations for skilled nursing facilities that invest in quality of life and care for patients and increase daily care requirements from 2.7 hours to 4.1 hours per day, which is closer aligned with federal recommendations. Understanding how critical staffing is to improve the quality-of-care nursing facilities provide, the President announced in the State of the Union address that CMS intends to propose minimum standards for staffing that nursing facilities must meet. We are supportive of the DOH proposed regulation which will provide more individual care time to nursing home residents each day. DHS' budget includes \$91.25 million in state funding as part of the capitated rates in January 2023 to support nursing facilities as they scale up staffing in advance of the regulation implementation in July 2023.

Personal care homes are also an important part of our long-term care system. Although they are not a medical model of care, the congregate setting and age of people residing in these facilities created great challenges through the most difficult months of the pandemic. Some personal care homes serve individuals who receive Supplemental Security Income (also known as SSI). These homes receive a supplemental payment because residents have a very low income and limited ability to pay for care. This often leaves facilities that serve this population operating with limited resources. The supplement has not increased since 2006, and a proposed \$50 million investment in state funding will allow these long-term care providers to invest in their staff, facilities' physical plant and infection control to support better care and safety at these homes.

Promoting Good Health & Wellbeing for All Pennsylvanians **Maternal-Child Health**

One of my personal priorities as Acting Secretary is to expand the support that we are able to provide for mothers and children who are covered by DHS' programs. Four in ten births nationwide are paid for through Medicaid, meaning that we have a significant opportunity to make a positive impact on the lives of both parents and children before a child is born. When we invest in supports for parents and children in their youngest years, we have an opportunity to make an impact that can continue to benefit the child throughout their lives, potentially influencing their educational and professional trajectory and their long-term health and wellbeing. By doing so, we can offset potential programmatic and social costs of poor health and economic instability for the entire family both now and in the future.

I am very proud of the work we have done over the past several years to help pregnant people and their families from prenatal to postpartum and beyond. While pregnancy and postpartum is often a happy time for many families, it's also a time of great change and can be stressful for a variety of reasons. This stress can have serious consequences. In 2020, the Centers for Disease Control and Prevention released the first maternal mortality rates for the United States in about a decade. This data found more than 650 instances of maternal mortality in 2018 or 17.4 deaths per 100,000 births, putting the United States last in a comparison among ten similarly wealthy nations. In 2019, this grew to 750 instances and 20 deaths per 100,000. In 2020, the Pennsylvania Department of Health released a report analyzing more than 450 pregnancy-associated deaths that occurred from 2013 through 2018. According to the report, annual rates of pregnancy-associated deaths grew by more than 21 percent from 2013 to 2018, and maternal mortality

was higher among Black women and women whose births were covered through Medicaid. This is unacceptable, and we must do more to avoid the loss of mothers' lives – and the lifelong trauma and instability that can come when children lose parents so young. By embedding greater supports, we can help set the entire family up for the healthy, enriching, and productive lives they deserve.

Vital to this effort is the Medicaid postpartum extension, made possible by the American Rescue Plan Act, and which takes effect April 1, 2022. Last year, I joined leadership from the Women's Health Caucus, the Maternity Care Coalition, and the Pennsylvania Health Access Network to announce Pennsylvania's intent to extend the postpartum coverage period for mothers eligible for Medicaid who are pregnant. When a mother is covered through Medicaid and are pregnant, coverage typically ends 60 days after giving birth. However, Pennsylvania's review of pregnancy-associated deaths found that nearly 60 percent of these deaths came between 42 days and one year after giving birth – largely outside that 60-day timeframe. We know that the physical and mental health impacts of pregnancy and birth do not disappear after 60 days, and mothers need continuity in their health care. This historic investment in the health and well-being of new mothers and their babies will allow thousands of birthing parents to continue to access physical and behavioral health care necessary to keep themselves healthy and their families on a path to good health and wellbeing.

Since 2018, in partnership with the Jewish Healthcare Foundation, DHS has participated in the Moving on Maternal Depression (MOMD) initiative. The goal of this work is to bring together policy makers and non-profits to share experiences and form best practices to identify and increase use of treatment for perinatal depression, understand potential gaps and disparities, and establish a framework to better support parents and children affected by perinatal depression. Currently, 16 hospitals in Pennsylvania participate in the enhanced screening process using this framework. The proposed 2022-2023 budget seeks to expand our supports for families affected by postpartum depression by adding a tracking category in Early Intervention for children whose parents experience postpartum depression, which will help ensure that children's needs are being monitored and met as well.

Enhancing Our Behavioral Health Infrastructure

In addition to parents and their children, we must ensure that counties have the resources they need so that everyone has access to mental health treatment. The COVID-19 pandemic has created a prolonged period of grief, trauma, and instability the likes of which we have not collectively experienced. While we know from providers that demand has increased, we do not have a true sense of the scale or long-term implications. We must support and reinforce our behavioral health infrastructure, including the many providers who may be dealing with their own burnout, anxiety, and grief. For so many Pennsylvanians, it is a question of if, not when, they will need mental and behavioral health support, and failing to fund these vital health resources now is borrowing against our own futures.

We are seeking to invest \$36.6 million to enhance funding for mental health supports operated at the county level. This funding is intended to help counties build capacity and break down barriers to mental health treatment. For years we have been talking about ways to ensure capacity so people who need mental health services know that help is available and accessible. We have an opportunity now to do just that and provide a much-needed investment in behavioral health providers who play such an important role in our health care system.

Supporting Access to Fresh Food & Good Nutrition

Beyond expanding access to behavioral health care, helping people meet essential needs is also an investment in good health. The Supplemental Nutrition Assistance Program – also known as SNAP and formerly known as food stamps – is the single most important anti-hunger program our nation has. Many of us in this room probably do not worry about where our next meal is coming from, but tens of thousands of our fellow Pennsylvanians cannot say the same.

SNAP complements our charitable food network by decreasing the burden on food banks and pantries. For every meal provided by a Feeding America food bank, SNAP provides nine. SNAP enables people to purchase fresh, healthy food and those purchases support local grocers, farmers, food producers, and small businesses. As our economy is recovering from the ongoing effects of the COVID-19 pandemic, we can all agree that programs like SNAP that support children, families, and local businesses are a win for everyone.

In recognition of the potential impact of SNAP on Pennsylvanians' health, we are seeking to invest \$14.3 million to increase the minimum SNAP benefit for two vulnerable populations: seniors and people with disabilities. This investment would help bring the minimum monthly benefit from \$20 each month to \$35 each month, helping approximately 85,000 SNAP recipients have a little more room in their budget to keep food on the table. Inadequate nutrition and food insecurity lead to an increased risk of chronic disease, higher chances of hospitalization, increased health care costs, and overall poorer health, and this investment can promote better health for vulnerable Pennsylvanians.

As we go through this budget season, I hope our conversation and work can maintain a shared understanding: the work and support DHS and our partners provide are essential. The need we are responsible for meeting as an agency will always exist in some capacity, but the level of need and support that we are able to provide is shaped by the investments we are willing to make in essential care and services for Pennsylvanians today. Prior to the pandemic, we knew challenges existed within our service system. Wages for many essential fields serving children, people with disabilities, seniors, and people with mental health needs hovered around \$10-\$12 an hour for positions that require increased training and education. These pay rates required skilled caregivers to use public assistance and/or regularly work overtime or multiple jobs to support themselves and their families. Before COVID-19, we heard stories of people leaving caring industry jobs for lower stress, sometimes higher pay corporate retail or food services positions.

Today, these challenges are exacerbated by two years of working through a public health crisis and the emotional strain it has caused. Over the course of the COVID-19 pandemic, these dedicated, caring professionals have continued this work, often risking their own health and wellbeing to keep the people they care for safe. Without people to do this work, more parents and guardians would have to stay home and out of the workforce themselves, and thousands of people would have fewer opportunities to learn, grow, and live independently as they deserve. All work has value, and we must recognize the inherent obligation we, as a society, have in caring for others. This industry is a catalyst for all other sectors of our economy, and we are responsible for setting a sustainable path forward for these essential services and the

people who do this work every day. The challenge we face at this critical juncture of Pennsylvania's recovery is what path we will take forward. I know there is great concern about how current spending impacts Pennsylvania's future, but these investments in the essential care and services for our most vulnerable Pennsylvanians are critical to ensuring there is a resilient safety net for our grandparents, children, neighbors, friends, and each of us when we need it.

If we do not fund this care today, it may not be there in the future for us and for those we care about. When we invest in these services and the people who provide them, we can weather challenges together and prepare to take on what lies ahead. When we invest in people today and their health and wellbeing now, we help give them what they need to live healthy, productive, self-sufficient lives. DHS has demonstrated this resilience through the public health emergency because the people we serve need us to. This is why DHS exists as an agency, and we must stay united in our goal to provide for the health, wellbeing, and inherent dignity of the Pennsylvanians we currently serve and those who will need us one day. I look forward to working with each of you in pursuit of this goal on behalf of each citizen of the Commonwealth of Pennsylvania.