pennsylvania
DEPARTMENT OF HUMAN SERVICES

BRIDGES TO SUCCESS: KEYSTONES OF HEALTH FOR PENNSYLVANIA MEDICAID SECTION 1115 DEMONSTRATION

DRAFT APPLICATION

PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES

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1 Program description

1.1 Summary of the proposed demonstration

The Pennsylvania Department of Human Services (DHS) is pleased to submit its application for Bridges to Success: Keystones of Health for Pennsylvania (Keystones of Health), a Section 1115 Medicaid demonstration waiver for the January 1, 2025, to January 1, 2030, demonstration period. Keystones of Health will address Health-Related Social Needs (HRSN) and continuous eligibility among vulnerable populations. Pennsylvania is working to meet the HRSN of various populations using an integrated, whole-person approach. Pennsylvania already has an established network of support programs to address these needs, but they face limitations in terms of scale, consistency, administrative capacity, and impact. Additionally, existing programs often operate in silos across federal, state, and local entities, resulting in service gaps for individuals. Once approved, Keystones of Health will provide a defined set of HRSN services and continuous eligibility based on predetermined criteria to support populations at higher risk of poor health outcomes. Aligning with the purpose of Title XIX and Title XXI of the Social Security Act of providing medical and health-related services for specific populations, the programs within the scope of Keystones of Health will use the 1115 demonstration funding flexibility to expand the range of services to better reach and serve people in potentially challenging life situations. Its ultimate objective is to reduce health care costs by enhancing the overall health and well-being of the focus populations.

To inform development of this 1115 demonstration, DHS convened working groups which included relevant state government partners and other stakeholders to assist with identifying the social needs most appropriate to address through this initiative and target populations for HRSN services. This 1115 demonstration also supports several key priorities of Governor Shapiro's administration, including expanding access to health care for children and increasing HRSN services available to beneficiaries experiencing homelessness, particularly those with complex health and behavioral health needs. These priorities further affirm DHS' commitment to supporting improved health outcomes for participants with complex clinical needs and support whole-person care by identifying and addressing social drivers of health.

Under Keystones of Health, DHS will develop a set of services and benefits coordinated through case management in four focus areas:

1. **Reentry** - Improve transitions to the community for beneficiaries reentering society from correctional facilities. The available services, which will require a legislative amendment, will focus on improving transitions to community based health care and social services with a particular emphasis on those with significant health care needs such as serious mental illness and substance use disorder.

2. **Housing** – Add new Medicaid services to help beneficiaries without stable housing find and keep a place to live. Having stable housing makes it easier to find and use health care. These services will focus on beneficiaries with behavioral health issues and chronic conditions where health outcomes are greatly impacted by improved consistency of care and medication access.

3. **Food and Nutrition** – Provide food and nutrition services to specific Medicaid populations facing food insecurity, including pregnant beneficiaries and beneficiaries with diet-sensitive conditions. Services would include direct food support such as medically tailored meals or groceries with a goal of also connecting eligible beneficiaries to long-term food assistance, like the Supplemental Nutrition Assistance Program (SNAP).

4. **Multi-Year Continuous Coverage for Children Under 6 Years of Age** – Provide continuous Medicaid coverage for children from birth or older but under 6 years of age to reduce gaps in coverage that interrupt access to essential health care services, such as preventive care. This proposal provides eligibility from birth, or when a child first receives Medicaid, through the last day of the month in which they turn 6 years of age.

All HRSN services will be provided to beneficiaries with both a clinical need and social need for the support. Social needs will be identified via assessment. The HRSN assessment will be developed during implementation planning based on existing tools already in use. It will include questions to assess for a range of social needs and be conducted by Managed Care Organizations (MCOs), clinicians, and identified community partners to create multiple entry points for demonstration services. Beneficiaries in need of HRSN supports will be connected to clinically appropriate services for a specified period. These proposed services aim to address current infrastructure barriers and promote enhanced and equitable care. They are modeled on services already approved by the Centers for Medicare and Medicaid Services (CMS) in applications from other states. To facilitate the delivery and coordination of services, demonstration funding will be used to develop service delivery infrastructure. This infrastructure includes hiring and training specialized staff, establishing partnerships and contracts with community based organizations for service delivery, strengthening existing and implementing new referral and data systems, and developing performance measures. These infrastructure investments will help to enable the availability, accessibility, quality, and sustainability of HRSN services for eligible participants.

1.2 Rationale for the proposed demonstration

DHS has identified addressing HRSN as a key strategy to improve the health and wellbeing of its Medicaid participants, especially those who face multiple and complex challenges affecting their health outcomes. Research indicates that social determinants of health have a greater impact on county-level variation in health outcomes than clinical care, as much as 50 percent affected by social determinants of health (SDOH) compared to 20 percent for clinical care.[1] DHS recognizes that many of Pennsylvania's Medicaid participants experience social risk factors. Unmet social needs such as housing instability and homelessness, food insecurity, and lack of social supports create barriers to accessing and utilizing health

[1]Assistant Secretary for Planning and Evaluation Office of Health Policy, Whitman, A. De Lew, N. Chappel, A. Aysola, V. Zuckerman, R. Sommers, B. *Addressing Social Determinants of Health: Examples of Successful Evidence-Based Strategies and Current Federal Efforts*. (2022). https://aspe.hhs.gov/sites/default/files/documents/e2b650cd64cf84aae8ff0fae7474af82/SDOH-Evidence-Review.pdf

care services and can directly impact health and the cost of care.[2,3] By addressing these social needs through evidence-based interventions, DHS aims to improve health outcomes for Pennsylvanians facing the greatest barriers to accessing housing, food and health care.

Leaving correctional facilities also exposes individuals to a heightened risk of health challenges, including from existing mental health and substance use disorders that may be exacerbated by the instability experienced post-release. According to one study, two thirds of incarcerated individuals have a history of substance use disorder and are at 12 times the risk of death immediately following release, and at 3.5 times the risk for an extended period. [4] By providing additional supports before and after release, DHS aims to improve this transition and the outcomes of participating beneficiaries.

DHS also recognizes the critical importance of consistent health insurance coverage to promote continuity of care for young children and has previously enacted State policies that support continuous coverage options for children up to age four. Coverage gaps among children eligible for Medicaid and CHIP have been shown to reduce children's access to preventive and primary care, increase their unmet health care needs, and result in disruptions in continuity of health care services.[5] Gaps in coverage are particularly problematic for young children, given how significantly early life years impact lifelong growth and development. For example, early detection of, and timely intervention for, developmental delays, including screenings conducted during early childhood well visits, has been shown to positively impact health, language and communication skills, and overall cognitive development.[6] There is also considerable evidence that a strong foundation of coverage and continuity of care can help children be school-ready, ensure timely referrals for early intervention and prevention of chronic illnesses and developmental disorders, and potentially lower special education and child welfare costs.[7] The American Academy of Pediatrics reaffirms the importance of early screening and preventive care for children to address chronic health problems and support physical, mental, behavioral, and developmental health through adolescence into adulthood.[8] Consistent coverage and early access to preventive care not only lead to better social and health outcomes during adulthood, but they also demonstrate capacity to help address health disparities and social drivers of health that can have negative lifelong impacts for those with fewer social and economic resources.[9]

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[2] Taylor LA, Tan AX, Coyle CE, et al. Leveraging the social determinants of health: what works? *PLoS One*. 2016;11(8):e0160217. doi:10.1371/journal.pone.0160217

[3] Koh KA, Racine M, Gaeta JM, et al. Health care spending and use among people experiencing unstable housing in the era of accountable care organizations. *Health Aff (Millwood)*. 2020;39(2):214-223. doi: http://dx.doi.org/10.1377/hlthaff.2019.00687

[4] Binswanger IA, Stern MF, Deyo RA, Heagerty PJ, Cheadle A, Elmore JG, Koepsell TD. Release from prison--a high risk of death for former inmates. N Engl J Med. 2007 Jan 11;356(2):157-65. doi: 10.1056/NEJMsa064115.

[5] Sugar, Sarah, Christie Peters, Nancy De Lew, and Benjamin D. Sommers. "*Medicaid Churning and Continuity of Care: Evidence and Policy Considerations Before and After the COVID-19 Pandemic*." ASPE. (2021)

[6] Sugar et al. (2021). https://aspe.hhs.gov/sites/default/files/private/pdf/265366/medicaid-churning-ib.pdf

[7] Hawai'i Department of Human Services. *QUEST Integration Section 1115 Waiver Demonstration* Application. (2023). https://medquest.hawaii.gov/content/dam/formsanddocuments/med-quest/section-1115-demonstration-renewal-for-2024/1115_Demonstration_Application_Public_Comment_FINAL_10132023.pdf

[8] Hagan, Joseph F., Judith S. Shaw, and Paula M. Duncan. *Bright Futures Guidelines for Health Supervision of Infants, Children, and Adolescents*. 4th ed. American Academy of Pediatrics. (2017). https://doi.org/10.1542/9781610020237

[9] Taylor et al. (2020).

The proposed 1115 demonstration is based on leading practices and lessons learned from other states that have implemented or received approval for 1115 demonstrations that provide HRSN services to high-need populations. The approved HRSN services vary by state and population, but generally aim to address adverse social conditions though interventions such as housing and nutrition supports and increased case management. The proposed demonstration is expected to generate positive impacts on access to health care and social supports, and health-related outcomes for the included populations. The demonstration also aims to generate savings by reducing unnecessary or avoidable health care utilization and costs among these same populations though a proactive whole-person care approach.

DHS's 1115 demonstration application meets the criteria for approval by CMS. The program is consistent with the objectives of the Social Security Act by:

- Expanding support services to populations who face barriers to health care due to their social circumstances
- Improving coordination and integration of physical, behavioral, and social services for beneficiaries who have complex health and social needs
- Enhancing quality and efficiency of care delivery by addressing the root causes of poor health outcomes
- Promoting health equity and reducing health disparities by targeting services and supports to beneficiaries who experience higher rates of morbidity and mortality due to their social risk factors
- Supporting health development and well-being of children by ensuring continuous coverage through their developmental years

1.3 Current landscape for addressing HRSN in Pennsylvania & health system challenges

Pennsylvania has an established network of HRSN supports and related programs, though they vary in terms of scale, administration, and impact based upon current systems and resources. These programs are overseen and supported by various entities including DHS offices, other departments, counties, local governmental entities, and community partners. There are 67 counties in Pennsylvania with a range of population sizes, geographies, and tax bases leading to substantial differences in need and capacity. Many HRSN-related services in Pennsylvania are supported by multiple funding streams which can lead to planning and operational challenges. Individuals with unmet HRSN often face challenges accessing the services and supports for which they are eligible. Access to one service may not lead to access to other needed services because service providers often do not have the infrastructure necessary to support coordination and referrals. Medicaid participants receiving support for one HRSN will likely have other unmet HRSN, creating the need for coordination between providers across service categories.

Pennsylvania's managed care programs, collectively known as HealthChoices, provide physical and behavioral health care, as well as long-term services and supports (LTSS), through specialized MCOs. Each program is administered at a different geographic level and focuses on the provision of one type of care:

Physical HealthChoices: This is the mandatory managed care program for physical health services administered through five geographic zones. Through physical health MCOs, beneficiaries have access to medically necessary covered inpatient and outpatient physical health services.

Behavioral HealthChoices: This is the mandatory behavioral health managed care program for mental health and substance use disorder services provided to Medicaid beneficiaries in six geographic zones. Through counties or multi-county entities, referred to as Primary Contractors, care is coordinated with Behavioral Health MCOs. Each of the 24 primary contractors has a contract agreement with one of the five BH-MCOs.

Community HealthChoices: Under this program, MCOs provide LTSS to eligible older adults and people with physical disabilities. Beneficiaries who are dually eligible for Medicare and Medicaid are also enrolled in Community HealthChoices. It is administered through the same five geographic zones as Physical HealthChoices.

Case management and care coordination are tasks managed by the individual MCOs and supported by regional health information exchanges. MCOs offer HRSN supports through case management connections to existing programs and provide additional supports. Approaches vary between MCOs and include programs such as supporting mobile food pantries, providing education on tenancy and leases, and working with landlords to remove background check requirements for participants reentering from correctional settings.

1.4 Research hypotheses

DHS will test the following research hypotheses through the section 1115 demonstration:

1.4.1 General hypotheses

1. Addressing unmet HRSN within the Medicaid-eligible population will improve health outcomes and reduce the cost of care.
2. A focus on health equity improvements for specific populations that have experienced disproportionately poor health outcomes will result in improved health outcomes, increased access to care, and a reduction in the gap between outcomes for populations of focus and those that have historically experienced favorable health outcomes.
3. HRSN services designed to support individuals experiencing life transitions will result in a reduction in avoidable hospitalizations and medical utilization (e.g., lower emergency department (ED) use, lower avoidable ED visits) and an increase in recommended or preventive care.

1.4.2 Reentry hypotheses

4. Access to pre-release services will result in increased use of recommended and/or preventive care, resulting in positive impacts on health outcomes.
5. Implementation of pre-release services will result in increased collaboration between stakeholders, identification of medical needs and HRSN prior to release, gradual expansion of access to pre-release services for justice-involved individuals, and improved insights into healthcare delivery for this population.

1.4.3 Housing hypotheses

6. Expanded housing supports will reduce homelessness, homeless recidivism, and housing instability of individuals.
7. Improvements in housing stability will improve access to recommended and/or preventive care.

1.4.4 Food and nutrition hypotheses

8. Implementation of nutrition supports will result in increased collaboration between stakeholders, gradual expansion of access to nutrition services for participating individuals, and improved infrastructure for the provision of nutrition support services.
9. Nutrition support services will result in reductions in food insecurity and improved disease management for participating individuals.

1.4.5 Continuous coverage hypotheses

10. Continuous coverage will reduce churn and gaps in coverage for children enrolled in Medicaid, including for racial and ethnic minority populations that experience disproportionately high rates of churn.
11. Continuous coverage will reduce the quantity of redeterminations, resulting in lower administrative burden for eligibility workers and associated costs.
12. Continuous coverage will increase utilization of preventive care services including vaccinations and reduce potentially avoidable services, such as inpatient hospitalizations and non-emergency use of emergency departments.

1.5 Service areas

This demonstration will operate across Pennsylvania. Reentry supports will be available in all state correctional facilities. A subset of county jails will participate in the reentry program with roll out determined based on readiness and interest, rather than geographical location.

1.6 Demonstration timeframe

DHS requests a five-year approval of the demonstration, with an effective date of January 1, 2025, and end date of January 1, 2030. DHS also requests transitional authority in the first year to allow for planning and implementation activities.

DHS believes that a five-year approval is necessary and appropriate for Keystones of Health, as it will provide sufficient time to implement the program services, evaluate their impact and effectiveness, and make any adjustments or improvements based on the evaluation. Additionally, a five-year approval term will ensure continuity and stability of services to the program's service participants.

DHS anticipates implementing 1115 demonstration programs in a phased rollout, considering stakeholder and provider readiness to offer certain services. In the first year of Keystones of Health, DHS expects to make necessary infrastructure investments (e.g., IT systems) and provider capacity building to prepare to provide reentry, housing, and food and nutrition services, and to implement Continuous Eligibility and Coverage. For reentry services, DHS also expects to roll-out services in phases, leveraging a readiness assessment to determine cohorts. This phased approach is necessary because of differences in

technical readiness and capacity across correctional facilities in the Commonwealth. DHS will begin providing HRSN supports statewide during year two.

During this timeframe, DHS will comply with all reporting requirements established by CMS for Section 1115 demonstrations.

2 Demonstration eligibility

2.1 Changes to eligibility

All eligibility is defined under the State Plan other than those defined as expansion eligibility groups under the demonstration (Table 2-2). This demonstration affects all eligibility groups under the State Plan (Table 2-1) through the provision of additional services.

Eligibility Group	Federal Citations	Income Level (% of FPL)
Children aged 18 and under	42 CFR §435.118	Up to 341%
Pregnant women	42 CFR §435.116	Up to 215%
Parents and care takers of children under 21	42 CFR §435.116	Up to 133%
Adults ages 19-64	42 CFR §435.119	Up to 133%
Individuals who are aged (65 and older), blind, or disabled	42 CFR §435.121-435.138	Varies by program
Medical assistance for workers with disabilities	1902(a)(10)(A)(ii)(XVI) and 1905(v)(2)	Up to 250%
Individuals receiving long-term care or home and community based services	42 CFR §435.725, 435.733, 435.832	Up to 300%

Table 2-1: Existing Medicaid eligibility groups affected by the demonstration

2.2 Expansion populations

The demonstration will not restrict any existing eligibility, rather it will expand the eligibility of justice-involved individuals. This demonstration will provide coverage and limited benefits for incarcerated adults who are preparing for release and meet criteria for being high risk as defined in the table below. Eligibility will be determined through existing State Plan processes and eligibility criteria, and only include those who would be otherwise eligible if not incarcerated.

Eligibility Group	Program or Policy Change
Incarcerated individuals who are preparing for release and meet one or more of the following criteria for high risk: • Have one or more substance use disorders • Have serious mental illness • Eligible for Medicaid funded 1915(c) home and community based services administered by the Office of Long Term Living or Office of Developmental Programs upon release • With one or more chronic health conditions • Are pregnant or in the 12-month post-partum period	Coverage and limited benefits 90 calendar days prior to release
Individuals following release from correctional settings and meet one or more of the following criteria for high risk: • Have one or more substance use disorders • Have serious mental illness • Eligible for Medicaid funded 1915(c) home and community based services administered by the Office of Long Term Living or Office of Developmental Programs • With one or more chronic health conditions • Are pregnant or in the 12-month post-partum period	Continued reentry supports following release as described in Section 3.2.1

Table 2-2: Expansion eligibility groups requested under the demonstration

2.3 Continuous eligibility and enrollment

DHS seeks to provide continuous 12-month enrollment for beneficiaries following reentry from correctional settings, regardless of changes in circumstances that would otherwise cause a loss of eligibility. This continuous 12-month enrollment applies to beneficiaries identified in Table 2-2 following release.

This change will stabilize coverage, increase access to primary and preventive services, and preserve participants' continuity in access to ongoing care during a time of transition. The continuous eligibility period will begin on the release date and expire 12 months later at the end of the month.

DHS also requests the ability to provide continuous enrollment for children from birth through the end of the month in which their sixth birthday falls, regardless of when they first enroll in Medicaid, and regardless of changes in circumstances that would otherwise cause a loss of eligibility. This demonstration request will end churn among young Medicaid-enrolled children and better address their primary and preventive health care needs. Children must meet the existing eligibility criteria when they first enroll.

3 Demonstration benefits and cost sharing requirements

3.1 Section 3 application questions

INDICATE WHETHER THE BENEFITS PROVIDED UNDER THE DEMONSTRATION DIFFER FROM THOSE PROVIDED UNDER THE MEDICAID AND/OR CHIP STATE PLAN:

☒Yes

☐No (if no, please skip to questions 3 – 7)

INDICATE WHETHER THE COST SHARING REQUIREMENTS UNDER THE DEMONSTRATION DIFFER FROM THOSE PROVIDED UNDER THE MEDICAID AND/OR CHIP STATE PLAN

☒Yes

☐No (if no, please skip to questions 8 – 11)

IF CHANGES ARE PROPOSED, OR IF DIFFERENT BENEFIT PACKAGES WILL APPLY TO DIFFERENT ELIGIBILITY GROUPS AFFECTED BY THE DEMONSTRATION, PLEASE INCLUDE A CHART SPECIFYING THE BENEFIT PACKAGE THAT EACH ELIGIBILITY GROUP WILL RECEIVE UNDER THE DEMONSTRATION.

Participants are eligible for specific services based on identified clinical and social needs as described in the Changes to Benefit by Population section. All currently eligible groups will have access to housing supports and food and nutrition, based on their HRSN assessment. It is important to note that incarcerated beneficiaries are only eligible for the reentry pre-release services while incarcerated. Following release, these beneficiaries may access the full State Plan and other demonstration services based on eligibility.

Eligibility Group	Benefit Package
Children aged 18 and under	Food and Nutrition Supports Housing Supports
Pregnant women	Post-Release Reentry Supports Food and Nutrition Supports Housing Supports
Parents and care takers of children under 21	Post-Release Reentry Supports Food and Nutrition Supports Housing Supports
Adults ages 19-64	Post-Release Reentry Supports

Eligibility Group	Benefit Package
	Food and Nutrition Supports Housing Supports
Older people (ages 65 and older), people with disabilities, or people who are blind or visually impaired	Post-Release Reentry Supports Food and Nutrition Supports Housing Supports
Medical assistance for workers with disabilities	Post-Release Reentry Supports Food and Nutrition Supports Housing Supports
Individuals receiving long-term care or home and community based services	Post-Release Reentry Supports Food and Nutrition Supports Housing Supports
Incarcerated individuals who are preparing for release and meet one or more of the following criteria for high risk: • Have one or more substance use disorders • Have serious mental illness • Eligible for Medicaid funded 1915(c) home and community based services administered by the Office of Long Term Living or Office of Developmental Programs upon release • With one or more chronic health conditions • Are pregnant or in the 12-month post-partum period	Pre-Release Reentry Supports
Individuals following release from correctional settings and meet one or more of the following criteria for high risk: • Have one or more substance use disorders • Have serious mental illness • Eligible for Medicaid funded 1915(c) home and community based services administered by the Office of Long Term Living or Office of Developmental Programs • With one or more chronic health conditions • Are pregnant or in the 12-month post-partum period	Post-Release Reentry Supports Food and Nutrition Supports Housing Supports

Table 3-1: Benefit eligibility by eligibility group

DHS will not be implementing any coverage that would represent or require benchmark-equivalent coverage.

3.2 Changes to benefit packages

This section describes benefits provided through Keystones of Health that differ from the Medicaid State Plan.

3.2.1 Reentry

DHS proposes adding coverage of case management and other reentry services to individuals in state prisons and participating county jails 90 calendar days prior to release and following release where specified. This is in addition to existing state plan services available following release. Specific eligibility criteria are described in Section 3 Demonstration eligibility. Routine medical care and other services not specified in Table 3-2 provided by the facility would not be included in this benefit. When facilities already provide Medication Assisted Treatment (MAT), this service will become a waiver service.

Category	Service Descriptions
Reentry Supports (R)	Implementing robust reentry services can provide a steady foundation for successful integration back into society with uninterrupted access to critical health services and increased support to address essential HRSN. This will require long-term strategies that enable counties, jails, prisons, and community based health providers to build and maintain cooperative processes both pre- and post-release. Accordingly, these benefits include services aimed at improving post-release health outcomes for the incarcerated population though expanded case management and coordinated eligibility. These services could also contribute to reduced recidivism. These services include: 1) **Case management** - Case management will begin 90 days prior to release and continue for up to 12 months post-release. Case management will follow the CMS guidelines laid out in the April 2023 Letter on Reentry Strategies sent to Medicaid Directors. Specific activities under case management will include: • Comprehensive assessment and periodic reassessment of individual needs, to determine the need for any medical, educational, social, or other services; • Development (and periodic revision) of a specific care plan based on the information collected through the assessment; • Referral and related activities (such as scheduling appointments for the individual) to help the eligible individual obtain needed supportive and stabilizing services, including activities that help link the individual with medical, social, and educational providers or other

Category	Service Descriptions
	programs and services that are capable of providing needed services to address identified needs and achieve goals specified in the care plan; and • Monitoring and follow-up activities, including activities and communications that are necessary to ensure that the care plan is effectively implemented and adequately addresses the needs of the eligible individual, and which may be with the individual, family members, service providers, or other entities or individuals and conducted as frequently as necessary. 2) **Medication Assisted Treatment (MAT)** – For purposes of this demonstration opportunity, MAT includes medication in combination with counseling/behavioral therapies, as appropriate and individually determined, and will be available for all types of substance use disorders as clinically appropriate in the 90-day pre-release period. 3) **30-day supply of all prescription medications on release** - 30-day supply of all prescription medications provided to the individual immediately upon release from a correctional facility. 4) **Housing and tenancy supports for up to six months** – These services will encompass pre-tenancy and tenancy sustaining assistance including post transition housing, education and navigation, and coverage of one-time transition and moving costs. These may also include support for housing deposits, including application and inspection fees and fees for obtaining necessary identification. Up to six months of services total may be provided at any time during the 12 months following release.

Table 3-2: Service descriptions for reentry services

3.2.2 HRSN services

DHS proposes introducing a suite of HRSN services. These services are designed to stabilize disruptive transitions across different systems, health care settings, and life stages, as well as due to point-in-time events. The proposed services described below aim to address a range of factors that impact health, both medical and non-medical, by providing services to participants aimed at addressing HRSN.

Category	Service Descriptions
Housing Supports (H)	Access to safe, quality, affordable housing and the services necessary to maintain stable housing constitutes one of the most basic social determinants of health. Securing housing requires a package of supportive services that cover and facilitate the housing search, transition into stable housing, and maintenance of that situation, as each step in the process can constitute a significant barrier to housing stability. The following services are designed to work in conjunction with programs offered by state, local, and community organizations that provide training, education, and

Category	Service Descriptions
	navigational services: 1) **Pre-tenancy and transition navigation and case management, including connection to housing specialists** – This service provides beneficiaries with navigation and case management services including local housing specialists for pre-tenancy and transition services. This involves assisting beneficiaries with connections to local, state, and federal benefit programs, helping with benefit program applications, and covering application fees to find and maintain stable housing. 2) **One-time transition start-up services (moving costs, initial furnishings)** – This service will cover one-time transition and moving costs, such as, but not limited to, security deposits, first-month's rent, utility activation fees, movers, relocation expenses, pest control, and purchasing household goods and furniture. Additionally, it will provide deposits to secure housing, covering the application fees, inspection fees, and fees for obtaining necessary identification. 3) **Rental subsidies for up to six months** – Rental subsidies may include payment of rental assistance as well as temporary housing assistance for up to six months. 4) **Tenancy sustaining services** – These services will provide assistance and guidance to beneficiaries including tenant rights education and eviction mitigation support.
Food and Nutrition Supports (F)	Food assistance is intended to be provided to beneficiaries who are pregnant or have poorly controlled diet-sensitive health conditions, to support improved health and stability. These services include: 1) **Medically tailored meals and/or groceries** – Medically tailored meals (1-3 meals per day) will be delivered to adults with diet sensitive conditions for up to six months. When more appropriate, people may instead receive medically tailored groceries. 2) **Grocery delivery/food boxes** – Delivery of groceries and food boxes will be made available for up to six months for pregnant and postpartum beneficiaries and their households. 3) **Nutrition assistance navigation and application support** - This service will support beneficiaries receiving demonstration nutrition supports to understand, apply for, and access other state and federal benefit programs such as SNAP and WIC as well as to identify local food support options such as food banks. This service will be ongoing based on participant need.

Table 3-3: Service descriptions for housing supports services and food and nutrition supports services

3.3 Changes to benefits by population

Medicaid eligibility will be requisite for access to demonstration services. See 3.2 Expansion populations for details of expanded eligibility under the demonstration.

Medicaid beneficiaries will qualify for services outlined in this demonstration based upon their medical need for services and an identified social need. For reentry supports, incarceration qualifies as the social need. Additional screening during case management will connect the individual to the most appropriate services. For Food and Housing Supports, DHS will develop a new core HRSN assessment tool based on existing assessments in use within Pennsylvania.

3.3.1 Proposed populations by Reentry service

Population	Services
Incarcerated individuals who are preparing for release and have one or more substance use disorders	• Case management • Medication Assisted Treatment (MAT) • 30-day supply of all prescription medications on release • Housing and tenancy supports *Benefit does not include:* • *Routine medical care provided while in custody* • *Full State Plan benefit package while in custody*
Individuals following release from correctional settings who have one or more substance use disorders	• Case management • Housing and tenancy supports • Note: MAT will be provided under the State Plan, not the demonstration authority • Other HRSN supports as indicated in the following tables for beneficiaries with substance use disorders
Incarcerated individuals who are preparing for release and have serious mental illness	• Case management • 30-day supply of all prescription medications on release • Housing and tenancy supports *Benefit does not include:* • *Routine medical care provided while in custody* • *Full State Plan benefit package while in custody*
Individuals following release from correctional settings who have serious mental illness	• Case management • 30-day supply of all prescription medications on release • Housing and tenancy supports • Other HRSN supports as indicated in the following tables for beneficiaries with serious mental illness
Incarcerated individuals who are preparing for release and will be eligible for Medicaid funded 1915(c) home and community	• Case management • 30-day supply of all prescription medications on release • Housing and tenancy supports

Population	Services
based services administered by the Office of Long Term Living or Office of Developmental Programs upon release	*Benefit does not include:* • *Routine medical care provided while in custody* • *Full State Plan benefit package while in custody*
Individuals following release from correctional settings who are eligible for home and community based services	• Case management • 30-day supply of all prescription medications on release • Housing and tenancy supports
Incarcerated individuals who are preparing for release with one or more chronic health conditions	• Case management • 30-day supply of all prescription medications on release • Housing and tenancy supports *Benefit does not include:* • *Routine medical care provided while in custody* • *Full State Plan benefit package while in custody*
Individuals following release from correctional settings who have one or more chronic health conditions	• Case management • 30-day supply of all prescription medications on release • Housing and tenancy supports • Other HRSN supports as indicated in the following tables Table 3-5, Table 3-6 for beneficiaries with
Incarcerated individuals who are preparing for release who are pregnant or in the 12-month post-partum period	• Case management • 30-day supply of all prescription medications on release • Housing and tenancy supports *Benefit does not include:* • *Routine medical care provided while in custody* • *Full State Plan benefit package while in custody*
Individuals following release from correctional settings who are pregnant or in the 12-month post-partum period	• Case management • 30-day supply of all prescription medications on release • Housing and tenancy supports • Other HRSN supports as indicated in tables Table 3-5, Table 3-6 for pregnant and post-partum beneficiaries

Table 3-4: Proposed populations by reentry service

3.3.2 Proposed populations by Housing service

Population	Services
Individuals experiencing homelessness who also have serious mental illness or substance use disorder	• Pre-tenancy and transition navigation and case management, including connection to housing specialists • One-time transition start-up services (moving costs, initial furnishings)

Population	Services
	• Rental subsidies for up to six months • Tenancy sustaining services
Individuals experiencing homelessness who also have a chronic health condition	• Pre-tenancy and transition navigation and case management, including connection to housing specialists • One-time transition start-up services (moving costs, initial furnishings) • Rental subsidies for up to six months • Tenancy sustaining services
Individuals experiencing homelessness who are pregnant or in the post-partum period	• Pre-tenancy and transition navigation and case management, including connection to housing specialists • One-time transition start-up services (moving costs, initial furnishings) • Rental subsidies for up to six months • Tenancy sustaining services
Individuals transitioning from corrections facilities who are homeless or at risk of homelessness	• Pre-tenancy and transition navigation and case management, including connection to housing specialists • One-time transition start-up services (moving costs, initial furnishings) • Rental subsidies for up to six months • Tenancy sustaining services

Table 3-5: Proposed populations by housing service

3.3.3 Proposed populations by Food and Nutrition service

Population	Services
Individuals experiencing food insecurity or with a history of food insecurity who are pregnant or in the post-partum period (and their household)	• Grocery delivery/food boxes for pregnant beneficiaries for six months (includes their children under age 18 who reside in the same household) • Ongoing nutrition assistance navigation and application support
Individuals experiencing food insecurity or with a history of food insecurity who have a diet-sensitive condition	• Medically tailored meals and/or groceries for adults with diet sensitive conditions for six months • Ongoing nutrition assistance navigation and application support

Table 3-6: Proposed populations by food and nutrition service

INDICATE WHETHER LONG TERM SERVICES AND SUPPORTS WILL BE PROVIDED

☐Yes (if yes, please check the services that are being offered)

☒No

INDICATE WHETHER PREMIUM ASSISTANCE FOR EMPLOYER SPONSORED COVERAGE WILL BE AVAILABLE THROUGH THE DEMONSTRATION.

☒Yes (if yes, please address the question below)

☐No

DESCRIBE WHETHER THE STATE CURRENTLY OPERATES A PREMIUM ASSISTANCE PROGRAM AND UNDER WHICH AUTHORITY, AND WHETHER THE STATE IS MODIFYING ITS EXISTING PROGRAM OR CREATING A NEW PROGRAM.

DHS currently operates a premium assistance program in compliance with Section 1906 [42 U.S.C. 1396e]. It is the Health Insurance Premium Payment (HIPP) Program. HIPP Program participants who meet demonstration eligibility requirements, including clinical and social needs, as described in Section 3, will be eligible for the additional demonstration HRSN supports and post-release reentry supports. Supports will be delivered through no-risk pass through agreements with MCOs reimbursed on a fee-for-service (FFS) basis. This demonstration will not impact eligibility for or premium assistance in the HIPP Program.

INCLUDE THE MINIMUM EMPLOYER CONTRIBUTION AMOUNT

The demonstration will follow existing minimum employer contribution amounts in HIPP without change.

DESCRIBE WHETHER THE DEMONSTRATION WILL PROVIDE WRAP-AROUND BENEFITS AND COST- SHARING

The demonstration will provide demonstration services as described in Section 3. It will not include cost-sharing for any demonstration services. The demonstration will make no changes to other HIPP benefits and cost-sharing.

INDICATE HOW THE COST-EFFECTIVENESS TEST WILL BE MET

The demonstration service costs will not be included in existing cost-effectiveness test procedures in use for the HIPP Program.

IF DIFFERENT FROM THE STATE PLAN, PROVIDE THE PREMIUM AMOUNTS BY ELIGIBILITY GROUP AND INCOME LEVEL.

Under the demonstration, Medicaid beneficiaries with existing premiums will continue to be required to pay these premiums, as the demonstration will not impact these policies. Additionally, the demonstration will neither increase existing premiums nor introduce new premiums.

INCLUDE INFORMATION IF THE DEMONSTRATION WILL REQUIRE COPAYMENTS, COINSURANCE AND/OR DEDUCTIBLES THAT DIFFER FROM THE MEDICAID STATE PLAN:

Under the demonstration, DHS will not impose any new cost sharing requirements for services. DHS is also seeking to waive all existing cost-sharing requirements in the State Plan for incarcerated beneficiaries prior to release. This includes, but is not limited to:

- The sliding scale copayments based on the Medicaid Fee Schedule
- $3.00 for brand name and $1.00 for generic prescription and prescription drug refills

DHS is also seeking to waive copays on prescription medications in the 30-day supply of medications provided on release.

INDICATE IF THERE ARE ANY EXEMPTIONS FROM THE PROPOSED COST SHARING.

DHS is not proposing any cost sharing under this demonstration.

4 Delivery System and Payment Rates for Services

INDICATE WHETHER THE DELIVERY SYSTEM USED TO PROVIDE BENEFITS TO DEMONSTRATION PARTICIPANTS WILL DIFFER FROM THE MEDICAID AND/OR CHIP STATE PLAN:

- ☑ Yes
- ☐ No (if no, please skip questions 2 – 7 and the applicable payment rate questions)

4.1 Delivery System Impacts

The services provided under Keystones of Health will be in addition to the services provided through the Medicaid State Plan. DHS identified three service focus areas for Keystones of Health: 1) reentry services for incarcerated populations, 2) housing and tenancy supports, and 3) food and nutrition supports. The demonstration services will support overall health outcomes by directly targeting social determinants of health.

In addition to these services, the demonstration will provide 12 months of continuous eligibility for individuals that qualify for reentry services. The demonstration will also provide multi-year continuous coverage for children under 6 years of age. Providing continuous coverage will be more effective in improving health outcomes by reducing gaps in coverage and ensuring young children have access to necessary care, helping to shift from crisis-based health care to preventive and proactive care.

Most services will be provided through Pennsylvania's managed care program. As noted in the introduction, Pennsylvania's managed care programs, collectively known as HealthChoices, provide physical and behavioral health care, as well as LTSS, through specialized MCOs.

Physical HealthChoices: This is the mandatory managed care program for physical health services administered through five geographic zones. Through physical health MCOs, beneficiaries have access to medically necessary covered inpatient and outpatient physical health services.

Behavioral HealthChoices: This is the mandatory behavioral health managed care program for mental health and substance use disorder services provided to Medicaid beneficiaries in six geographic zones. Through counties or multi-county entities, referred to as Primary Contractors, care is coordinated with Behavioral Health MCOs. Each of the 24 primary contractors has a contract agreement with one of the five BH-MCOs.

Community HealthChoices: Under this program, MCOs provide LTSS to eligible older adults and people with physical disabilities. Beneficiaries who are dually eligible for Medicare and Medicaid are also

enrolled in Community HealthChoices. It is administered through the same five geographic zones as Physical HealthChoices.

4.1.1 Reentry Supports

DHS is requesting approval for reentry services to improve continuity of care for beneficiaries who are transitioning out of incarceration. 1115 demonstration services will be accessible to eligible populations statewide. Reentry services will be provided in Department of Corrections operated state prisons as well as some county jails identified through readiness criteria, which will be described in the implementation plan. Demonstration services will begin 90 days prior to release and continue up to 12 months following release. Reentry services include:

1) Case management
2) Medication Assisted Treatment (MAT)
3) 30-day supply of all prescription medications on release
4) Housing and tenancy support for up to six months at any point in the 12-month period

Populations include:

1) Incarcerated individuals who are preparing for release and have one or more substance use disorders
2) Individuals following release from correctional settings who have one or more substance use disorders
3) Incarcerated individuals who are preparing for release and have serious mental illness
4) Individuals following release from correctional settings who have serious mental illness
5) Incarcerated individuals who are preparing for release and will be eligible for Medicaid funded 1915(c) home and community based services administered by the Office of Long Term Living or Office of Developmental Programs upon release
6) Individuals following release from correctional settings who are eligible for home and community based services
7) Incarcerated individuals who are preparing for release with one or more chronic health conditions
8) Individuals following release from correctional settings who have one or more chronic health conditions
9) Incarcerated individuals who are preparing for release who are pregnant or in the 12-month post-partum period
10) Individuals following release from correctional settings who are pregnant or in the 12-month post-partum period

DHS's approach to serving justice-involved beneficiaries is very much aligned with federal priorities. In October 2018, Congress passed the SUPPORT Act, which creates a new opportunity for states to apply for an 1115 demonstration to provide Medicaid coverage pre-release. Consistent with the SUPPORT Act and subsequent CMS guidance, DHS is seeking authority to develop an innovative demonstration program that will promote justice-involved adults receiving needed coverage and health care services pre- and post-release into the community.

Evidence suggests that improving health outcomes for justice-involved individuals requires focused, high-touch care management to assess needs and strengths and connect individuals to the services they need when released into their communities.[10] Transitional services are needed to ensure the medical, behavioral, and HRSN are met. Community based physical and behavioral health services, including a 30-day supply of medication for use post-release into the community will contribute to improved health and longer-term treatment and medication adherence upon release from incarceration.

Reentry support will improve post-release health outcomes for the incarcerated population through expanded case management and coordinated eligibility. Implementing robust reentry services can provide a steady foundation for successful integration back into society with uninterrupted access to critical health services.

4.1.2 Housing Supports

DHS is requesting approval for housing services to aid in improving access to sustainable housing. Housing services will be accessible to eligible populations statewide. Housing services include:

1) Pre-tenancy and transition navigation and case management, including connection to housing specialists
2) One-time transition start-up services (moving costs, initial furnishings)
3) Rental subsidies for up to six months
4) Tenancy sustaining services

Populations include:

1) Individuals experiencing homelessness who also have serious mental illness or substance use disorder
2) Individuals experiencing homelessness who also have a chronic health condition
3) Individuals experiencing homelessness who are pregnant or in the 12-month post-partum period
4) Individuals transitioning from corrections facilities who are homeless or at risk of homelessness

Housing is a key social determinant of health, and being housed is associated with lower inpatient hospitalizations, fewer emergency department visits, and lower incarceration rates. For example, in a study in Oregon, Medicaid costs declined by 12% on average after people moved into affordable housing.[11] Without interventions to support stable housing, homelessness can trigger destabilizing transitional events and create higher costs for the health care system and poorer health outcomes for individuals.

Housing services are intended to provide necessary stability which improves the ability of individuals to manage their health conditions, especially conditions like diabetes or HIV, which require consistent

[10] Community Oriented Correctional Health Services. How Strengthening Health Care at Reentry Can Address Behavioral Health and Public Safety: Ohio's Reentry Program. (2020). https://cochs.org/files/medicaid/ohio-reentry.pdf
[11] State of Oregon. Oregon Medicaid Advisory Committee. Addressing the Social Determinants of Health in the Second Phase of Health System Transformation: Recommendations for Oregon's CCO Model. (2018). https://www.oregon.gov/oha/HPA/HP-MAC/Documents/MAC_AddressingSDOH_CCOmodel_Recommendations_FINAL.pdf

access to medication. Securing housing requires more than just locating a property with vacancy, it means providing a person with a package of supportive services to ensure stability, predictability, and health. These services are designed to work in conjunction with programs offered by state, local and community organizations.

4.1.3 Food and Nutrition Supports

DHS is requesting approval for food and nutrition services to aid in improving health outcomes, especially for people with diet-sensitive health conditions. Numerous studies have shown that access to healthy, safe, and affordable food has a positive impact on overall health and wellness of individuals. This is especially true when other factors are at play, for example, diet-sensitive health conditions and pregnancy. Healthy dietary patterns have also been shown to help people achieve and maintain good health and reduce the risk of chronic diseases and therefore their overall health.[12]

The demonstration services can bridge gaps in existing food-related services and better support participants by improving access to healthy foods. Food and nutrition services will be accessible to eligible populations statewide. Food and nutrition services include:

1) Medically tailored meals and/or groceries
2) Grocery delivery/food boxes
3) Nutrition assistance navigation and application support

Populations include:

1) Individuals experiencing food insecurity or with a history of food insecurity who are pregnant or in the post-partum period. (Food box and grocery delivery will include their children under 18 who reside in the same household)
2) Individuals experiencing food insecurity or with a history of food insecurity who have a diet-sensitive condition

4.1.4 Continuous coverage for children under 6 years of age

Multi-year continuous eligibility will reduce frequent enrollment and disenrollment in this vulnerable population and allow for more predictable access to care, which is an important driver of improved health. Further, children who stay covered longer will have better access to preventive and primary care services that can reduce the need for higher-cost treatments due to delayed care. Because many of these children remain eligible for coverage, eliminating churn reduces administrative burden for families and state staff on application reprocessing.

[12] USDA. Dietary Guidelines for Americans. (2020). https://www.dietaryguidelines.gov/sites/default/files/2020-12/Dietary_Guidelines_for_Americans_2020-2025.pdf

INDICATE THE DELIVERY SYSTEM THAT WILL BE USED IN THE DEMONSTRATION BY CHECKING ONE OR MORE OF THE FOLLOWING BOXES:

- [x] Managed care
  - [x] Managed Care Organization (MCO)
  - [x] Prepaid Inpatient Health Plans (PIHP)
  - [ ] Prepaid Ambulatory Health Plans (PAHP)
- [x] Fee-for-service (including Integrated Care Models)
- [ ] Primary Care Case Management (PCCM)
- [ ] Health Homes
- [ ] Other (please describe)

4.2 Delivery systems

Keystones of Health will provide reentry services to support transitions, as well as housing and food and nutrition services to address HRSN.

4.2.1 Reentry delivery system

Under Keystones of Health, DHS will continue to use MCOs to deliver services to eligible members with some reentry services provided through FFS. In Pennsylvania, newly enrolled Medicaid beneficiaries are automatically covered under FFS and remain so until enrolled with an MCO, if selected; a process which typically begins within 45 days of enrollment. Beneficiaries who were MCO-enrolled prior to incarceration and held for less than six months return to their original MCO post-release. With the process introduced by the demonstration, all incarcerated individuals eligible for Medicaid and meeting demonstration criteria will be covered under FFS for the full 90-day pre-release period, even if under normal circumstance MCO enrollment would happen sooner. The 30-day prescription supply provided on release will also be covered FFS. Following release, beneficiaries who were incarcerated for more than six months will receive coverage through the fee-for-service program until selecting an MCO and begin MCO enrollment within 45 days, aligning with the typical eligibility process in Pennsylvania.

For individuals who are reentering society from the justice system, specialized, justice-involved case management is crucial. This specialized case management involves collaboration between internal correctional facility case managers and community case managers as well as MCO care managers. Case management is critical to reentry supports as the mechanism for connecting participants to needed services and guiding them through processes to access resources in the transition to the community. Because it is so crucial, DHS will utilize specialized case management services with expertise in reentry services. The primary aim of this initiative is to bridge the gaps between different HealthChoices Programs and providers, ensuring a seamless transition and continuity of care for justice-involved beneficiaries.

Pre-release case management and limited FFS benefits will begin 90 days prior to release whenever possible within both state prisons and participating jails. Case managers will support beneficiaries to select appropriate MCOs to ensure a coordinated and effective approach to reentry services. Community case managers will play a pivotal role in post-release case management. They will facilitate warm handoffs to community providers ensuring that beneficiaries receive the necessary support and services as they reenter the community. This comprehensive strategy aims to enhance the reintegration of justice-involved beneficiaries into the community while optimizing their access to essential healthcare services.

4.2.2 HRSN supports delivery system

MCOs will be responsible for providing all covered HRSN services, unless otherwise noted.

Beneficiaries meeting the demonstration criteria for housing will utilize the previously established MCOs including Physical HealthChoices, Community HealthChoices and Behavioral HealthChoices. Additionally, DHS anticipates contracting with a third-party administrator to support connections between community based organizations and MCOs during the initial launch of these services.

Beneficiaries meeting the demonstration criteria for food and nutrition will utilize the previously established MCOs including Physical HealthChoices and Community HealthChoices.

4.2.3 Utilizing a managed care delivery system:

INDICATE WHETHER ENROLLMENT BE VOLUNTARY OR MANDATORY. IF MANDATORY, IS THE STATE PROPOSING TO EXEMPT AND/OR EXCLUDE POPULATIONS?

DHS will utilize its current managed care delivery system to provide services. Managed care enrollment is mandatory for most Medicaid populations. Beneficiaries receiving services in the fee-for-service (FFS) delivery system, including those who are in FFS as they transition to managed care, will also be able to access HRSN services. DHS will contract with MCOs on a non-risk basis to coordinate and pay for services provided to beneficiaries in FFS.

INDICATE WHETHER MANAGED CARE WILL BE STATEWIDE, OR WILL OPERATE IN SPECIFIC AREAS OF THE STATE

Managed care is statewide and covers all regions in Pennsylvania. Physical HealthChoices and Community HealthChoices are separated into five major zones: Southeast Zone, Southwest Zone, Lehigh/Capital Zone, and the Northwest/Northeast Zones. Behavioral HealthChoices is administered at the county level and has six major zones. DHS will continue to provide services through its existing managed care programs.

INDICATE WHETHER THERE WILL BE A PHASED-IN ROLLOUT OF MANAGED CARE (IF MANAGED CARE IS NOT CURRENTLY IN OPERATION OR IN SPECIFIC GEOGRAPHIC AREAS OF THE STATE.)

Managed care entities are currently in operation in all parts of the state; therefore, a phased-in rollout will not be required.

DESCRIBE HOW WILL THE STATE ASSURE CHOICE OF MCOS, ACCESS TO CARE AND PROVIDER NETWORK ADEQUACY.

DHS currently provides access to care and maintains provider network adequacy in coordination with MCOs as mandated by federal regulation. This ensures that Medicaid beneficiaries have the opportunity to select MCOs and/or providers that align with their healthcare needs and preferences.

To protect and monitor the quality of care, Pennsylvania's Medicaid program conducts rigorous oversight and evaluation of MCO networks as required by federal regulations. They do this through a comprehensive range of measures to ensure members have consistent and reliable access to healthcare services. This oversight includes assessments of network adequacy, provider availability, and the overall quality of care delivered through MCOs.

DESCRIBE HOW THE MANAGED CARE PROVIDERS WILL BE SELECTED/PROCURED.

DHS will follow its existing schedule for the re-procurement of its HealthChoices agreements.

INDICATE WHETHER ANY SERVICES WILL NOT BE INCLUDED UNDER THE PROPOSED DELIVERY SYSTEM AND THE RATIONALE FOR THE EXCLUSION.

Under Keystones of Health, all services not provided in correctional settings will be included under the managed care delivery system as described above. During implementation planning, DHS will identify how MCOs will provide demonstration services to beneficiaries who receive Medicaid services through fee for service. Demonstration services provided in a correctional setting will be delivered by the correctional health care providers, with the exception of case management and tenancy and housing support services.

IF THE DEMONSTRATION WILL PROVIDE PERSONAL CARE AND/OR LONG-TERM SERVICES AND SUPPORTS, PLEASE INDICATE WHETHER SELF-DIRECTION OPPORTUNITIES ARE AVAILABLE UNDER THE DEMONSTRATION. IF YES, PLEASE DESCRIBE THE OPPORTUNITIES THAT WILL BE AVAILABLE, AND ALSO PROVIDE ADDITIONAL INFORMATION WITH RESPECT TO THE PERSON-CENTERED SERVICES IN THE DEMONSTRATION AND ANY FINANCIAL MANAGEMENT SERVICES THAT WILL BE PROVIDED UNDER THE DEMONSTRATION.

☐ Yes
☑ No

IF FEE-FOR-SERVICE PAYMENT WILL BE MADE FOR ANY SERVICES, SPECIFY ANY DEVIATION FROM STATE PLAN PROVIDER PAYMENT RATES. IF THE SERVICES ARE NOT OTHERWISE COVERED UNDER THE STATE PLAN, PLEASE SPECIFY THE RATE METHODOLOGY.

For any fee-for-service payment rates, DHS intends to use State Plan provider payment rates. Any deviations from State Plan rate methodologies for State Plan-covered services or any rate methodologies developed for non-State Plan covered services will be included in the Implementation Protocols DHS submits to CMS.

IF PAYMENT IS BEING MADE THROUGH MANAGED CARE ENTITIES ON A CAPITATED BASIS, SPECIFY THE METHODOLOGY FOR SETTING CAPITATION RATES, AND ANY DEVIATIONS FROM THE PAYMENT AND CONTRACTING REQUIREMENTS UNDER 42 CFR PART 438.

All risk-based payments made through managed care will be compliant with the requirements under 42 CFR Part 438. Any non-risk payments made through managed care will be compliant with the requirements under 42 CFR 447.362.

IF QUALITY-BASED SUPPLEMENTAL PAYMENTS ARE BEING MADE TO ANY PROVIDERS OR CLASS OF PROVIDERS, PLEASE DESCRIBE THE METHODOLOGIES, INCLUDING THE QUALITY MARKERS THAT WILL BE MEASURED AND THE DATA THAT WILL BE COLLECTED.

The demonstration program will not include quality-based supplemental payments.

5 Implementation of demonstration

5.1 Implementation schedule

DHS will begin implementation of Keystones of Health upon CMS approval of the demonstration and proposed services. The following describes the proposed phases and timeframes for each program.

5.1.1 Continuous Enrollment for Children under 6 years of age

DHS will aim to implement continuous enrollment for children under 6 years of age starting approximately four months following approval. This implementation will require changes to the eligibility system, changes to eligibility policy, staff, and stakeholder training, and providing notice to existing beneficiaries of the change to their reporting requirements and their new re-determination dates.

5.1.2 Reentry Supports

DHS will begin implementation planning for reentry supports immediately upon CMS approval of the demonstration. The first year will focus on capacity building and planning, including a significant infrastructure investment, focusing on training personnel and aligning data and tracking systems across prisons, jails, counties, clinical and social service providers, and DHS. Simultaneously, DHS will conduct a readiness assessment and application process for county jails to identify participating facilities. DHS will also strengthen partnerships with state prisons to ensure a cohesive and comprehensive approach to the reentry support. DHS and the Department of Corrections (DOC) also will identify key providers responsible for delivering services, including identifying a case management vendor. This will be coupled with the development of a reentry needs assessment protocol, tailored to evaluate the individual requirements of the participants effectively. DHS will pursue system changes to support the implementation of the reentry program, including updates to the eligibility system and fee-for-service claims system.

In preparation for launch, DHS will confirm contracts with the case management vendor and other providers and make any necessary adjustments to MCO and Primary Contractor contracts. The reentry program and services will launch in year two including continuous eligibility for formerly incarcerated beneficiaries post-release. In year four, if the program demonstrates success, DHS will consider

expanding participation to additional county jails, thereby broadening the reach and impact of the reentry support.

5.1.3 Housing supports

DHS will begin implementation planning for housing supports immediately upon CMS approval of the demonstration. The process will begin with infrastructure investment, including connections to closed-loop referral entities and strengthening the Pennsylvania Continuums of Care Homeless Management Information Systems (HMIS). DHS will also identify and contract with a third-party administrator with experience in managing housing support programs to coordinate between MCOs and the community based organizations providing direct services. As needed, DHS will update MCO and Primary Contractor contracts.

Additionally, as part of implementation planning, DHS will develop a core HRSN assessment that will serve as the basis for determining eligibility for demonstration housing supports. Prior to the launch of the services in year two, DHS will provide training and resources, develop and disseminate necessary policies and procedures, and provide technical assistance to the third-party administrator, MCOs, and other service providers supporting the housing supports program.

5.1.4 Food and Nutrition Supports

DHS will begin implementation planning for food and nutrition supports following CMS approval of the demonstration. The process will begin with infrastructure investment, including connections to closed-loop referral entities and development of a core HRSN assessment that will serve as the basis for determining eligibility for demonstration food and nutrition supports. As needed, DHS will update MCO and Primary Contractor contracts. DHS will provide training and resources, develop and disseminate necessary policies and procedures, and provide technical assistance to the MCOs prior to launching services in year two.

5.2 Demonstration eligibility notification and enrollment

DHS will continue to use the current enrollment and eligibility procedures and systems in place for the Medicaid participants who are eligible for Keystones of Health services. Further, DHS will update its existing eligibility systems and procedures to reflect continuous coverage for children under 6 years of age, as described in this 1115 demonstration application.

To assess participants for the need and eligibility of the demonstration services, DHS will develop and use common statewide assessment tools. Individuals not eligible for demonstration services will be referred to their MCO to access existing HRSN supports as appropriate and necessary.

For individuals, DHS will coordinate with DOC and participating county jails to identify those who are expected to be released within 90 days and who also have a qualifying condition. Eligible beneficiaries will be enrolled in Medicaid and be assigned a case manager to begin coordinated care and transitional services. Individuals not eligible for demonstration services will be supported to reactivate eligibility promptly on release following existing processes.

DHS will follow the same notification processes in place for individuals who are eligible for Medicaid, but not eligible for demonstration services.

5.3 Contracting with MCOs and Primary Contractors

DHS will continue to use the contract and procurement procedures and policies in place to partner with Primary Contractors and the MCOs responsible for delivering the services and supports to Medicaid beneficiaries. The Implementation Plan will include information on necessary updates to HealthChoices agreements to deliver new services. The demonstration will not require any re-procurements of HealthChoices agreements including MCO contracts.

6 Demonstration financing and budget neutrality

1115 Waiver Estimates of Proposed Annual Enrollment and Annual Aggregate Expenditures and Financial Analysis of Proposed Initiatives.

A summary of annual and aggregate projected demonstration enrollment and expenditure data is provided in the tables below. Note that not all Medicaid expenditures are captured in these tables. For example, Commonwealth administrative expenditures and expenditures for populations or services excluded from the 1115 waiver are not included. The expenditure data for these estimates is limited to expenditures that will be considered as part of the 1115 waiver budget neutrality and projected new expenditures where data and estimates are currently available. Demonstration projections are approximations based on assumptions used for the purpose of the waiver planning. Demonstration estimates, including financing and budget neutrality assumptions, will continue to evolve throughout the course of the waiver application process and as new budget data becomes available. The impact of the ending of the PHE may impact these projections.

	DY1 CY 2025	DY2 CY 2026	DY3 CY 2027	DY4 CY 2028	DY5 CY 2029	Five Year Total
CE 0-6 Expenditures	$189M	$372.5M	$416.5M	$431.5M	$446.5M	$1,856M
Members Impacted	340,000	415,000	450,000	450,000	450,000	450,000 by DY 5
CE Reentry Expenditures	$0	$13.5M	$51M	$56.5M	$62.5M	$183.5M
Members Impacted	0	7,250	27,700	27,700	27,700	27,700 by DY 5
Reentry Services	$0	$47.9M	$142.8M	$144.7M	$146.7M	$482.1M
Members Impacted	0	7,250	27,750	27,750	27,750	90,500

	DY1 CY 2025	DY2 CY 2026	DY3 CY 2027	DY4 CY 2028	DY5 CY 2029	Five Year Total
HRSN Food and Nutrition Supports	$0	$45.1M	$72.8M	$60.4M	$42.2M	$220.5M
Members Impacted	0	15,100	23,900	19,500	13,700	72,200
HRSN Housing Supports	$0	$30.1M	$54M	$61.9M	$56.6M	$202.6M
Members Impacted	0	1,000	1,800	2,100	1,800	6,700
HRSN Food, Nutrition and Housing Supports Infrastructure Investments*	$12.8	$12.8M	$12.8M	$12.8M	$0	$51.2M
Reentry Supports Infrastructure Investments*	$18.1M	$18.1M	$18.1M	$18.1M	$0	$72.4M
Total Expenditures	$219.9M	$540.0M	$768.0M	$785.9M	$754.5M	$3068.3M

Table 6-1 Projected Expenditures and Enrollment for Demonstration Proposals
** Infrastructure support funding by year will be refined based on planning and implementation.*

This section will be completed with additional information following public comment.

7 List of proposed waivers and expenditure authorities

7.1 Waiver authorities

Under the authority of Section 1115(a)(1) of the Act, the following waivers shall enable Pennsylvania to implement this Section 1115 demonstration for five years following approval.

Waiver Authority	Use for Waiver
1902(a)(1) Statewideness	To enable the state to limit reentry services to state prisons and qualified county correctional facilities. To allow managed care plans or types of managed care plans only in certain geographic areas.

Waiver Authority	Use for Waiver
1902(a)(8) Reasonable Promptness	To allow the state to create service caps and the potential use of waiting lists for Housing and Food and Nutrition services.
1902(a)(10)(B) 1902(a)(17) Amount, Duration, and Scope and Comparability	To enable the state to provide a varying amount, duration, and scope of HRSN services to a subset of beneficiaries depending on need, which are not otherwise available to all beneficiaries in the same eligibility group. To the extent necessary to enable the state to limit housing services and supports under the demonstration to certain targeted groups of participants.
1902(a)(14) 1916 and 1916A Premiums and Cost Sharing	To enable the state to waive existing cost-sharing requirements in the State Plan for incarcerated beneficiaries prior to release. To enable the state to waive copays on prescription medications in the 30-day supply of medications provided on release.

Table 7-1: Pennsylvania waiver authorities for the demonstration

7.2 Expenditure authorities

The table below lists the expenditure authorities the Commonwealth is seeking to support the demonstration policies.

Policy	Use for Expenditure Authority
Expenditures related to the continuous enrollment of children	Provide continuous State Plan enrollment for children until the end of the month of their sixth birthday (under six years of age) without regard to whether their income or assets exceed eligibility limits as described in Section II.
Expenditures related to the continuous enrollment of individuals following incarceration	Provide continuous State Plan enrollment for formerly incarcerated beneficiaries for 12-months following release from the correctional setting without regard to whether their income exceeds eligibility limits as described in Section II.
Expenditures Related to Waiver Implementation	Expenditure authority to support demonstration implementation capacity at the community level, including payments to qualified entities for infrastructure and capacity building, as well as for interventions and services that will enable implementation of the demonstration benefits and complement the array of benefits and services authorized through the State Plan and other related authorities.
Expenditures Related to Reentry Supports	Expenditures for certain services rendered to incarcerated beneficiaries 90 calendar days prior to their release, including case management, as appropriate; and community based physical and behavioral health clinical consultation services provided via telehealth or, optionally, in-person as

Policy	Use for Expenditure Authority
	needed. In addition, services will include a 30-day supply of medication for use post-release into the community.
Expenditures Related to Food and Nutrition Services	Expenditures for food and nutrition services not otherwise covered provided to beneficiaries who meet the qualifying criteria as described in Changes to benefits by population in Section III.
Expenditures Related to Housing Services	Expenditures for housing services not otherwise covered provided to beneficiaries who meet the qualifying criteria as described in Changes to benefits by population in Section III.

Table 7-2: Pennsylvania expenditure authorities for the demonstration

8 Public notice and public comment process

This section will be completed following public comment.

9 Demonstration administration

This section will be completed following public comment.

10 Table of Figures