Via Email

November 14, 2025

The Honorable Josh Shapiro
Office of the Governor

Secretary Valerie Arkoosh
Department of Human Services

Devon Trolley, Executive Director
Pennsylvania Health Insurance Exchange Authority / Pennie

Re: Request to Meet Regarding Implementation of H.R. 1 Health/Medicaid Provisions

Dear Governor Shapiro, Secretary Arkoosh, and Ms. Trolley,

We are a coalition of organizations that work with Medicaid, CHIP and Pennie participants across Pennsylvania. Our organizations collectively represent the diverse range of Pennsylvanians who rely on these programs for health-sustaining care, from working families and children to older adults, people with disabilities, immigrants, and many others. Our clients, members, and constituents depend on Medicaid, CHIP and Pennie to access the health care they need to stay healthy, stabilize their families, contribute to the Commonwealth's economy, and live safely in their communities.

We write to request a meeting between representatives of our coalition and your offices about H.R. 1 as Pennsylvania develops its response to the unprecedented challenges it brings. As part of that meeting we would like to discuss formation of a working group, for example a subcommittee of the Income Maintenance Advisory Committee (IMAC), to support the Department of Human Services (DHS) and Pennie with implementation of the new eligibility and enrollment provisions of H.R. 1, as well as broader stakeholder

engagement on H.R. 1 changes to Medicaid financing and related decisions facing Pennsylvania.

We first want to thank this administration for standing up for Medicaid and the Affordable Care Act and identifying the harm of potential cuts as H.R. 1 was being debated in Congress. It is clear your administration understands the roles Medicaid and Pennie play in stabilizing health care systems and ensuring access to care for millions of Pennsylvanians. It is also clear that Pennsylvania's health care programs are at a crossroads. In the face of unprecedented cuts made by Congress, this administration will be forced to make very difficult decisions. These decisions will impact Pennsylvania's health care landscape for many years to come, shaping the future of health care access and health equity across the Commonwealth.

As advocates who work within these systems every day, we want to collaborate with the administration and other stakeholders to mitigate harm as changes roll out, maintain transparency in decision making, lift up participant voices as part of the decision-making process, and help ensure that participants' due process and other rights under state and federal law are protected. H.R. 1's many unfunded mandates have put states in an incredibly challenging position. However, we know that this administration has a track record of turning big challenges into big opportunities. We hope to work together to ensure that Medicaid, CHIP and Pennie continue to strengthen for years to come.

Many of us have been working within Pennsylvania's Medicaid, CHIP, and/or Marketplace programs for decades. We have direct relationships with the communities these healthcare programs serve and with the agencies that run them and with national organizations who bring together policy experts and state-level organizations to share ideas and best practices. We provide training and guidance to staff within the healthcare systems that serve Medicaid, CHIP, and Pennie participants. We have developed years of expertise and experience and are uniquely situated to provide feedback both before and after changes begin. And we have a track record of working collaboratively with DHS, Pennie and other stakeholders to provide critical input during major systems changes, and of helping participants navigate those changes.

We hope this letter can begin a fruitful conversation with the Governor's office as well as with PA DHS and Pennie.

<u>Implementation of H.R. 1's Eligibility and Enrollment Changes</u>

H.R. 1 adds new paperwork requirements for participants that will have a significant impact on access to Medicaid and Pennie. DHS and Pennie have the tools to leverage technology and data to reduce the paperwork burden on both participants and eligibility workers. Establishing a working group that convenes stakeholders and relevant departments/agencies is essential for Pennsylvania to develop innovative solutions to the challenges of H.R. 1 to minimize the worst harms of these new paperwork requirements. While engaging through existing formal channels such as the IMAC and MAAC is important, a dedicated working group, potentially as a subcommittee of the IMAC, is needed to allow for in-depth discussions about technical systems and solutions and ensure broad representation across relevant departments and stakeholder groups.

We believe part of this work will build on previous successes of this administration, including improving the use of verified electronic data sources to automate eligibility determinations, implementing policies to reduce unnecessary red tape and streamline enrollment processes, and ensuring that PA DHS and Pennie are working together to prevent Pennsylvanians from falling through the cracks.

There are several early decisions that the Department can make to maintain access in implementing the new work requirements, including adopting only a one-month look back for work, accepting self-attestation where permissible, using all short-term hardship exemptions, and requiring compliance checks only at application and renewal. Below are our other preliminary implementation ideas to start the conversation regarding eligibility and enrollment.

Initial Recommendations for Implementing Eligibility & Enrollment Requirements

1. **Ensure communication with participants and stakeholders is clear and effective.** Participants can only comply with new requirements if they understand them. Determining how, what, and when key changes are communicated will be essential to success. As such, we urge you to:
    - Ensure notices are clear, readable, and effective by focus-group testing them with Medicaid and Pennie participants before they are finalized.
    - Ensure adequate translated notices are sent when appropriate with translations reviewed to ensure accuracy.
    - Use multiple forms of communication to reach Medicaid and Pennie participants before changes go into effect including email, mail, text, how-to videos, FAQs, and outreach from key partners such as Medicaid MCOs.
    - Partner with community organizations and other stakeholders to ensure that DHS's and Pennie's messages about new rules can reach as many people as possible.

2. **Reduce unnecessary administrative burdens by streamlining processes, using technology safely and smartly, and aligning Medicaid, CHIP, Pennie and SNAP where possible.** PA DHS and Pennie should take advantage of available processes and rules under federal and state law to streamline its systems.

    Enhance *ex parte* processes to automate Medicaid eligibility determinations using verified data sources.
    - PA DHS made huge strides in September 2024 by changing its technology so that more Medicaid renewals could go through the *ex parte* process. This resulted in more cases being renewed using data sources, reducing the risk of eligible people having their Medicaid terminated because of paperwork delays and challenges. DHS can build on this success by revisiting available enhancements, including federal policies permitting streamlined renewals for certain participants with very low incomes (100% strategy) and better aligning SNAP and Medicaid renewals. Prioritizing these changes so that more renewals can successfully go through the *ex parte* process is more important than ever given that under H.R. 1 many

Medicaid recipients will have to complete the renewal process every six months instead of every twelve.

- H.R. 1 will not only require twice as many renewals for many Medicaid participants, it will also require many to prove new details about their health, family relationships, immigration status and frequency of work. To ensure that Pennsylvania's *ex parte* process continues to actually work to keep eligible people connected to Medicaid, PA DHS must integrate H.R. 1's new eligibility rules into the *ex parte* review process.

Prepare to implement new work requirements by streamlining verification of compliance and by designing exemptions that work for Pennsylvania.

- Proactively identify a robust set of data sources to verify compliance. Some ideas for data sources include getting more frequent data from PA Department of Labor and Industry on wages so that it is more reliable, accessing unemployment compensation data, accessing student data from the National Student Clearinghouse or other state level sources, and others.
- Implement consent-based verification safely and accessibly, but broadly enough to capture the many types of work Pennsylvanians do. For example, if already using consent-based verification, PA DHS should ensure it also uses features to capture self-employment income with tax deductions to reduce the paperwork burden that has emerged as a result in the growth of the "gig economy."
- Create a robust definition of Medical Frailty that can be used to exempt many recipients based on diagnosis codes and encounter data. In developing this definition, look for guidance from other states who already have them, use key source material like encounter data from MCOs, the ICD 10, and resources from national leaders. Work with MAAC stakeholders and trusted providers to ensure that all eligible for this exemption are included.
- Create systems that ensure that SNAP and Medicaid medical exemptions may work together. Nearly every SNAP participant is also a Medicaid recipient. There are ways to think strategically about how the rules for each program overlap and work together to reduce workload and administrative burden on participants. For example, Pennsylvania could potentially designate everyone who qualifies for a Medicaid exemption as unfit for work for SNAP purposes, reducing caseworker processing for SNAP and therefore opportunities for payment errors.

Explore other options under existing law for reducing unnecessary red tape, including accepting self-attestation where permissible, simplifying self-employment reporting requirements, and rationalizing income change reporting by only requiring participants to report income increases that approach the Medicaid income limit.

3. **Invest in County Assistance Office and Pennie staff, resources, and infrastructure now to prevent wrongful benefit denials and terminations.** The CAOs are suffering from staffing shortages and aging infrastructure. For example, in Philadelphia, just 58% of clerical staffing positions are filled and multiple offices have closed. Customer Service Center call wait times continue to grow and more than a quarter of calls go unanswered.

The lag between when a document is uploaded to COMPASS and when a caseworker can see and act on it can be a week or more – during which time caseworkers may terminate benefits for failure to submit the already-uploaded document. When the CAOs do not have enough staff or resources to get their work done on time and accurately, everyone who uses the CAOs is at increased risk of wrongful benefit termination, including children, older adults, and people with disabilities.

H.R. 1 brings a huge amount of new work to the CAOs. We strongly recommend DHS prioritize increasing CAO staffing and improving CAO resources so they can do the work necessary to protect Pennsylvanians' access to benefits programs.

Similarly, Pennie processes and procedures suffer from understaffing. Customers and assisters often have to wait for questions to be answered through "tickets" and have no clear remedy if there are delays in addressing problems. These problems include data matching issues that can delay or even derail enrollment if not addressed and processed in a timely fashion. While Pennie works on its transition to an in-house customer service center over the next few years, it should increase Get Insured staffing to better answer customer service calls, reduce waiting time, address tickets generated by assisters and brokers, resolve data matching issues, and assist consumers in accessing their accounts.

Broad stakeholder engagement on H.R. 1's Medicaid financing changes and related decisions facing Pennsylvania.

As Pennsylvania takes on the monumental task of responding to the impending loss of billions in federal Medicaid funding resulting from H.R. 1, we urge your administration to establish a transparent, inclusive process for discussing and evaluating its options that meaningfully engages consumers/consumer advocates, providers and other stakeholders.

Nearly one-quarter of Pennsylvanians are enrolled in Medicaid, representing a broad spectrum of people, from individuals living in deep poverty to middle-income working families, from pregnant people and babies to older adults and people living in disabilities. It will be vitally important to provide these individuals, and the social service, healthcare, legal aid, and community-based organizations that serve them, with information about the choices your administration is making and the opportunity to have their voices heard as Pennsylvania navigates new fiscal challenges.

Pennsylvania has made tremendous progress over the last decade in expanding health care access through adopting Medicaid expansion—which has cut the working age adult uninsured rate in half and provides critical financial support to safety net and rural hospitals—and improving community integration for those who rely on Medicaid for long term care—the rate of Pennsylvanians receiving long-term services and supports in the community instead of a nursing facility is at an all-time high of 78%. In addressing changes to Medicaid funding, it will be important to not lose ground on the progress made in these areas, which have transformed health care access in Pennsylvania for the better.

We recognize that responding to the new fiscal challenges requires considering both immediate pressures and long-term impacts, and guarding against shifting costs to other systems that cannot absorb them. We urge you to take a broad view of options, including identifying

opportunities for efficiencies and innovative approaches, as well as revenue-raising strategies. We appreciate the current reality as Pennsylvania works through the state budget process and understand there will be difficult conversations and decisions ahead.

We are ready to partner with you in this challenging process and believe that transparent dialogue will yield solutions that minimize harm to Pennsylvanians while maintaining the integrity of our health care system.

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We look forward to working with you through these challenging times. Please contact Erin Guay at eguay@phlp.org or (412) 434-4728 to schedule an initial meeting with representatives of our coalition.

Sincerely,

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Brian Gralnick, MSSP
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cc: Akbar Hossain, Secretary for Policy and Planning, Office of Governor Josh Shapiro
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