

Health Policy Forums

How Pennsylvania's Budget Shapes Service Delivery

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This Health Policy Forum provided an overview of PA's state budget and its impact on health care service delivery and its populations. Kenneth Braithwaite of the Delaware Valley Health Care Council of HAP, and Laval Miller, Executive Director of the Pennsylvania Health Law Project, described the many challenges of balancing costs with serving those in need.

The speakers described the various programs in Pennsylvania's health care safety net which includes Medical Assistance for those with low incomes; the Children's Health Insurance Program (CHIP); and adultBasic Health Insurance.

Medical Assistance provides physical and behavioral health coverage for 2.1 million people in PA and services 450,000 people with disabilities and 300,000 seniors. It is characterized by a range of services which can be costly. Within the past two years the number of PA residents who are eligible for Medicaid increased significantly. The options for maintaining and expanding this program while containing costs pose difficult and limited options.

CHIP, which actually began in PA, has been a very popular, well supported program. It provides comprehensive coverage such as behavioral, drug, vision and dental. It is subsidized below 300% of the federal poverty level with at-cost premiums of \$221 per child per month. CHIP has experienced a significant increase in enrollment within the past 7 years.

As a program for the uninsured, adultBasic is a state-only program designed for adults who meet specific criteria. It is subsidized below 200% of the federal poverty level at \$36 [per person] per month. This program does not cover prescription drugs or behavioral health services. Due to the increasing demand for services and an increase in the number of uninsured people, the waiting list for this particular program has doubled within the past 2 years. The speakers also discussed issues of costs for caring for the uninsured and its effect on cost shifting, margins, and utilization within hospitals and health care systems. They describe the dynamics between insurers and providers and the disruption that ultimately ensues for the consumers.

Nowhere is this more evident than the staggering number (19) of obstetric (OB) facility closures in Southeastern PA since 1997. Unfortunately, OB services are often viewed as a community service due to the small amount of revenue they provide.

The speakers emphasized the concern over cuts to hospital Medical Assistance in the proposed 2010-2011 and budget the impact of a changing administration.

For information on the Pennsylvania Health Law Project visit: <http://www.phlp.org/>

For information on the Delaware Valley Healthcare Council of HAP visit: <http://www.dvhc.org/>