

Confirmation Hearing Testimony

Teresa Miller, Acting Secretary

Department of Human Services

Chairwoman Baker, Chairwoman Schwank, members of the committee, thank you for the opportunity to be here today. It has been my privilege to serve as Pennsylvania's Insurance Commissioner for the last few years and I am honored to have been nominated by Governor Wolf to serve as the Secretary of the Department of Human Services (DHS).

Over the last several months, I have been asked repeatedly why an insurance regulator is interested in leading the Department of Human Services. Let me provide a little more information about my background that might help explain why I want to take on this opportunity. Prior to serving as a state and federal insurance regulator, I represented clients on issues such as mental health parity and access to drug and alcohol treatment services in the state of Oregon. I represented a number of human services organizations, including social workers, the Alliance of Children's Programs, drug and alcohol program directors, the Arc of Oregon and other advocates focused on serving vulnerable and underserved populations.

It is amazing to me that so many of the issues I was working on more than 20 years ago are issues we are still facing today. Back in the early 2000s, I was lobbying for funding for services for people with developmental disabilities. We had a waiting list of people with intellectual and developmental disabilities who were in need of services. We were working to close state-run institutions and transition those individuals into the community – just as we are doing today in Pennsylvania.

Back then, we were advocating for mental health parity legislation. Later, as a state and federal insurance regulator, one of my top priorities was ensuring consumers received the benefit of mental health parity laws and had access to drug and alcohol treatment. I also spent a significant amount of time in my role as Pennsylvania's Insurance Commissioner and in prior roles ensuring that everyone has access to affordable, quality health care.

I focused considerable energy on the current challenges of the long-term care insurance markets. During 2017, I served as the chair of the National Association of Insurance Commissioners (NAIC) Senior Issues Task Force. At my request, the NAIC created the Long-Term Care (LTC) Innovation Task Force focused on increasing long-term care funding options for consumers, including increasing the number of affordable asset protection options.

Recognizing the significant impact long-term care costs are having on Medicaid budgets across the country, I looked for innovative ways to allow the private market to play a more meaningful role in financing the long-term care needs of citizens.

At DHS, I now work on this issue from the Medicaid perspective. As Pennsylvania rolls out Community HealthChoices, we are focused on serving more individuals in community-based settings, where the vast majority of people prefer to live.

We must continue to take a fresh look at how we deliver our services and constantly ask ourselves whether we can improve the experience of those we serve and the providers with whom we partner.

Let me give you a concrete example of what this means to me. When I became the Insurance Commissioner in 2015, I learned that the Children's Health Insurance Program (CHIP) was housed in the Insurance Department in Pennsylvania. Other states generally housed CHIP in the Medicaid agency to increase coordination, avoid duplication, and leverage resources. The federal government continues to align CHIP closer and closer with Medicaid. Knowing this, I was concerned we were not serving the CHIP kids and families as well as we could by continuing to house the program in the Insurance Department.

Although it was a heavy lift at the time and many speculated this wouldn't be successful, I believed we could improve the program and better serve CHIP families by moving it to the agency administering Medicaid. I worked closely with stakeholders, legislators, and within the administration to gather support and a successful plan for the transition. Two years later, several data points suggest this move has indeed improved the program.

CHIP enrollment has increased from about 151,000 in December 2015, to 180,000 at the end of 2017. We have seen the average application processing time decrease from 40 days in December 2015 to just one day now. We anticipate \$3.5 million in savings upon full IT systems consolidation, expected to be complete in 2019. Thousands of children move between CHIP and Medicaid due to changes in family income, so having the two programs in the same department allows DHS to continually improve coordination of care.

I get up every day focused on how we can make sure our government works for everyone who needs the services we provide. I am working to make sure we are using taxpayer dollars as efficiently and effectively as possible and to reimagine government from our customer's perspective, to make their interactions with us as positive as possible.

Hopefully this helps explain why I am excited to lead DHS. Now let me share some of my specific priorities and areas of focus.

One of my highest priorities is stemming the devastating impact of the opioid crisis on Pennsylvania's residents, families, and communities. More than 4,600 people died of drug overdoses in Pennsylvania last year, and many more struggle with substance use disorders. In my

time at DHS, I've visited with young mothers in treatment and grandparents who lost a child and are now raising their grandchildren. Their stories are with me every day as we work to make sure they, and individuals and families like them, get the support they need.

In the face of this crisis, DHS and our sister agencies are attaining a new level of coordination as we address this epidemic on all fronts. We are working together to step up our prevention efforts, implement evidence-based prescribing practices, ensure coverage for all levels of substance use disorder treatment, and increase the availability of treatment.

But, we are still in a crisis. I am committed to doing all I can to build upon the work that has been done to date and to continue collaborating with other state agencies to bring down the rate of addiction and overdoses. We need to move towards a health care system and society in which addiction is not stigmatized and all individuals with a substance use disorder receive the support and treatment they need.

DHS is also coordinating closely with our sister agencies on efforts around health innovation. We are leading the way on value-based payments, moving away from fee-for-service and towards alternative payment arrangements based on quality and outcomes. Just like every other payer in the health care system, we need to focus on how we can bend the cost curve. Our value-based payment targets for the Medicaid managed care organizations are designed to help us do that. We are also working closely with the Department of Health on its initiative to rework payments to rural hospitals to increase financial stability and incentivize prevention and disease management to keep people out of hospitals.

I am particularly excited about the role DHS plays in addressing social determinants of health. Having access to quality health care only gets you so far if you do not have food, a safe home, or transportation to get to the doctor and work. We have been doing some innovative work at DHS to coordinate with partners inside and outside of government on food security, housing and employment issues, and we are looking forward to broadening that work. For instance, DHS was awarded a federal grant to pilot a new approach that will allow individuals to access a wide array of services at one location and remove the barriers that too often exist across physical and behavioral health systems. The Community Care Behavioral Health Clinics will provide adults and children with serious mental illnesses and substance use disorders an opportunity for increased service coordination and individualized care that has the potential to greatly improve the quality of life for those served and their loved ones.

DHS will continue to focus on serving more people in the community. One of our top priorities is ensuring a successful rollout of Community HealthChoices. For adults dually eligible for Medicaid and Medicare and individuals receiving long-term supports through Medicaid, Community HealthChoices coordinates health care coverage to improve their health care experience. More people will be served in communities rather than in facilities, providing them the opportunity to work, spend more time with their families, and experience an overall better quality of life.

I have observed from a number of stakeholders the anxiety that comes with change, like moving to managed care for long-term services and supports through Community HealthChoices. In Pennsylvania, we have a long history with managed care and are confident Community HealthChoices will result in both more people being served in the community and better coordination of care at a reduced cost to the taxpayer. But we also recognize that there will be bumps. To ensure that we are responsive and resolve any issues quickly, we have asked stakeholders to partner with us and provide us with critical feedback as we move forward.

We are also focused on serving more children in the community while continuing to ensure their safety because we know family settings provide the best option to raise children. This body passed bipartisan sweeping changes to Pennsylvania's child protection laws. And as the system adjusts, we need to provide support to counties, families and providers. The opioid epidemic has been devastating to this system, as parent's drug use is now the top reason for a child being removed from their home. We recognize that we must take a coordinated and collaborative cross system approach to these cases. Child welfare caseworkers are not experts in substance use disorders and treatment. We are working internally and across state agencies to provide the resources and support to these families.

DHS continues to increase employment opportunities for individuals with disabilities. In alignment with Governor Wolf's 2016 Employment First executive order, we have made competitive integrated employment for people with disabilities a priority. I have been pleased to work with several of your colleagues, including Senator Mensch, on legislative proposals that seek the same goal. We revised our Medicaid waivers to target services to community settings rather than facilities, which helps improve individuals' potential for employment and increase engagement in their communities. Community HealthChoices will offer enhanced employment services to most recipients, and managed care organizations will be held responsible for meeting goals related to increasing employment opportunities. We have made available extensive education through boot camps, webinars, and individualized technical assistance to ensure providers are ready to offer employment services to individuals with disabilities.

We also continue to monitor compliance with employment requirements, and offer employment supports to the non-disabled adult populations we serve through the Temporary Assistance for Needy Families, the Supplemental Nutritional Assistance Program and our childcare subsidy program. In 2017, we established a Bureau of Employment Programs in order to develop new approaches and better manage DHS' efforts to help public assistance recipients prepare for, secure, and retain employment.

A key to employment is making sure that parents have affordable access to high-quality child care. As a parent of a toddler, I can tell you that this is a top priority for most parents. At DHS, we have not only worked with the legislature to reduce the child care waiting list so parents can get to work, but we are also focused on improving quality. The Keystone STARS program

continues to work with child care providers to increase staff qualifications, implement best practices, and improve child outcomes.

We also remain committed to continuously improving customer service. Recognizing the majority of the citizenry use mobile devices on a daily basis, we created a mobile app for child support payments (leading to recoveries of more than \$1 million a month); COMPASS, our online application for benefits, is now mobile-friendly; and we are exploring further options to efficiently provide benefits to the people we serve. We also implemented operational process improvements and an online provider enrollment portal enabling us to reduce the timeframe to enroll providers in the Medicaid program from more than 120 days in 2015 to fewer than 30 calendar days today.

Finally, we continue to take program integrity very seriously. We know that we have a responsibility to make sure taxpayer dollars are going where they are meant to go – to serving older Pennsylvanians, low-income individuals in need of healthcare, children, and individuals with disabilities. For fiscal year 2016-17, we achieved \$690 million in program integrity cost avoidance and recoveries, which represents a 6.5 percent increase over the previous year. On the cost avoidance front, we have a number of systems in place focused on making sure we stop inappropriate payments before they are made. For example, we ensure that when Medicaid recipients have other types of insurance, that insurance is billed before Medicaid, ensuring that Medicaid is truly the payer of last resort.

On the back end, we pursue recoveries from providers, insurance carriers, and beneficiaries in a number of ways. For example, we pursue recoveries from the probate estates of Medicaid recipients for nursing home care and/or home and community-based services received. We will continue to improve our program integrity efforts through improved data matches and looking at trends and patterns.

I want to make sure we are coordinating across programs to most effectively battle the opioid epidemic and ensuring timely access for those needing substance use disorder treatment. I want to make sure that we are innovating to bend the cost curve and conserve state dollars, that we are providing the services that people need to live healthy, productive lives, and that we are finding the most effective ways to deliver services and expand community-based opportunities for seniors.

I have a long history of fighting for consumers and for those who rely on the critical services that DHS provides. I have a long history of fighting to ensure all Pennsylvanians, indeed all Americans, have access to affordable, quality health care. I am excited to continue working on these issues and a myriad of others.

I have been with the department for about five months now and am incredibly impressed with the dedication, knowledge, experience and expertise of the staff at the Department of Human Services. I am truly honored to lead this team of dedicated public servants.

Thank you for the opportunity to come before you today. I look forward to working closely with you as we strive to operate more efficiently and effectively, to streamline our processes, to make the interface with DHS easier to navigate, and to maximize our dollars for those who rely on the critical services we provide.