



March 11, 2022

The Honorable Tom Wolf
Office of the Governor
Commonwealth of Pennsylvania
508 Main Capitol
Harrisburg, PA 17120

Dear Governor Wolf:

The undersigned organizations are writing to request that, in order to ensure adequate access to care for Medicaid consumers, the Department of Human Services (DHS) refrain from including a new contract provision relating to "work stoppages" within upcoming Physical Health (PH) HealthChoices Medicaid Managed Care agreements, as well as future Community HealthChoices and Behavioral Health (BH) HealthChoices contracts.

As part of the re-procurement of the PH-HealthChoices program, the commonwealth is planning to include a new contract provision that provides that a Medicaid managed care plan may not include in its network any provider with a history of one or more work stoppages during the preceding five years, unless the provider is or becomes a signatory to a collective bargaining agreement or labor peace agreement that includes specific terms.

Based on our current understanding of the applicability of the provision, a dozen or more hospitals could potentially be precluded from providing care to consumers under this provision if it is implemented at some point later this year. Testimony during state budget hearings this week indicate the scope and applicability of the provision could be much more expansive.

The proposed contract provisions would jeopardize access to care for Medicaid beneficiaries who need the most support and help navigating the health care system. Initial estimates indicate tens of thousands of working families, mothers, and children could be displaced from their current hospital and health care providers. At best, it would create huge hurdles—requiring Medicaid beneficiaries to travel longer distances for care—and could result in poorer health outcomes. This concern is more acute now, as communities across Pennsylvania are grappling with the human and financial fallout of the COVID-19 pandemic and providers continue to struggle to retain staff and provide services in the face of the "great resignation."

Additionally, the provision places sole responsibility for achieving a collective bargaining agreement on the provider, when achieving a labor agreement requires the commitment of both the employer and the union. For many providers serving primarily individuals in the Medicaid program, lack of investment in Medicaid rates leaves these providers unable to negotiate higher wages with unions, further disadvantaging providers in collective bargaining negotiations. This places the provider in a very difficult situation—forcing it to compromise either access to health care or its position in a collective bargaining process.

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Finally, this effort improperly injects a subsidiary policy goal—mandating health care unionization—into a program that is designed to provide access to care to vulnerable and low-income Pennsylvanians.

For these reasons, and others, we request that the department withdraw this contract provision from the PH-HealthChoices managed care contract expected to be implemented later this year and refrain from including similar provisions in other HealthChoices programs.

Medicaid consumers face some of the largest challenges in accessing health care in this country, and they deserve access to the best health care available. The HealthChoices programs should be designed to meet the needs of Medicaid beneficiaries without entangling them in disputes between unions and providers. Please take the necessary steps to eliminate this provision and protect access to care for Medicaid consumers.

Thank you for considering this request.

Sincerely,

LeadingAge PA
Pennsylvania Health Care Association
Pennsylvania Homecare Association
Rehabilitation and Community Providers Association
The Hospital and Healthsystem Association of Pennsylvania

CC:

Acting Secretary Meg Snead, Department of Human Services
Sally Kozak, Deputy Secretary, Office of Medical Assistance Programs
Jamie Buchenauer, Deputy Secretary, Office of Long-Term Living
Kristen Houser, Deputy Secretary, Office of Mental Health and Substance Abuse Services