



\$9.26M

Investment Needed to Help Sustain LIFE Program and Preserve Choice for Pennsylvania Seniors Wishing to Age in Their Own Homes or Communities

Background:

Community HealthChoices (CHC) is Pennsylvania's mandatory managed care program for dually eligible (Medicare and Medicaid) individuals and individuals with physical disabilities. Under CHC, participants can choose to enroll with one of the Managed Care Organizations (MCOs) or they may enroll with the Living Independence for the Elderly (LIFE) program alternative.

While both programs serve the same population:

- **LIFE programs are reimbursed at 57% of the MCO rate for dual eligible clients and 64% for Medicaid only**
- **LIFE rates have remained below their 2009 rate for 13 years***

In 2020, the Department of Human Services (DHS) decided to include LIFE in the independent enrollment broker (IEB) process which has since stalled enrollment.

- **In the three years prior, LIFE programs grew at a 7% annual rate**
- **In the two years since, LIFE has grown at 1%**

While the rate disparity contributes to the decline in LIFE growth, there is also an issue with receiving unbiased referrals from the IEB process. LeadingAge PA is open to collaborating and sharing ideas with DHS and the IEB to help ensure IEB enrollment staff are well-educated on the program and include information about LIFE when providing options to consumers.

What is needed:

- An additional **\$9.26 million investment** beyond the governor's original FY 2023-24 budget proposal to support a **5% rate increase** for the LIFE program
- Improved **coordination and education for the IEB** to fully educate consumers about the existence of and benefits of the LIFE program
- Increased transparency and **stakeholder involvement in the rate-setting process**

*Rates finally passed the 2009 rate following a 2% rate increase in FY 21-22 and a 3% rate increase in FY 22-23. Despite these recent and nominal rate increases, LIFE rates have not kept pace with other programs.