

# POLICY PRIORITY

## Address Medical Assistance (MA) Pending Delays

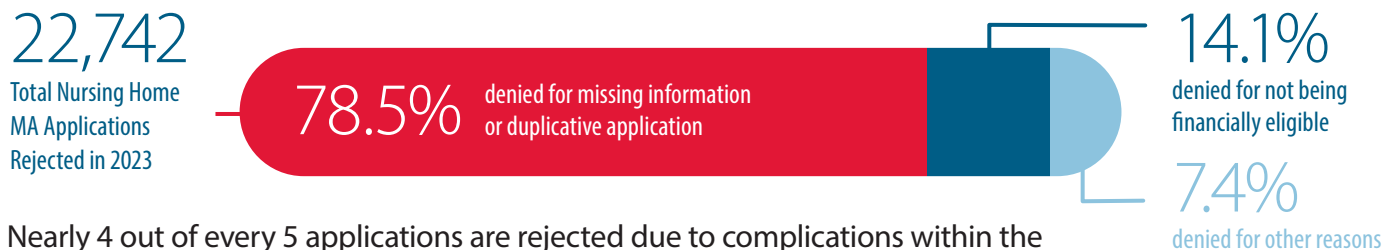
### Background:



“Medical Assistance (MA) pending” or “Medicaid Pending” describes when a person has applied for long-term care (LTC) Medicaid services or other supports, and their submitted MA application is under review by the county assistance office (CAO). An MA pending individual may be an individual who:

- Plans to enter a nursing home or the Living Independence for the Elderly (LIFE) program in conjunction with submitting their application for MA.
- Is already receiving services by privately paying but has spent down their resources to now qualify for MA.
- Is currently receiving MA coverage for services but whose coverage lapses during the renewal process.

According to the PA Dept. of Human Services’ Office of Income Maintenance, **56,662 Nursing Home MA applications were processed in 2023**. Of those, **40% were rejected**:



Nearly 4 out of every 5 applications are rejected due to complications within the application process itself, not because the person had too many resources to qualify.

### Consequences of MA Pending Delays:

- MA application determinations must be made within 45 days, according to federal regulations. **However, many applications take several months or even years to process.** LeadingAge PA members have reported applications pending for more than 500-700 days.
- Nursing home providers often accept new residents while their MA status remains pending, allowing applicants to receive services and care immediately. However, this means **the nursing home is providing uncompensated care for the entirety of the MA pending period**. They are unable to bill the resident or managed care during this time, and providers may not get paid back at all if residents are ultimately found ineligible.
- For the LIFE program, the MA pending period for participants who have started services is referred to as “presumptive enrollment.” While a LIFE provider may delay starting services until MA is approved, this can risk negative health outcomes and/or a premature move from the community to a nursing home. When a LIFE provider begins services for new participants as a presumptive enrollment, **they are providing care that is not yet being compensated. If the MA application is denied, LIFE may not be paid at all.**

## EXAMPLES:

A provider in Allegheny County reported over **\$1 MILLION in unbillable care** provided for MA applications over 9 months pending.



A provider in Northampton County reported over **\$750,000 in unbillable care** still outstanding for MA applications ranging from 5-18 months pending.

## Extended Delays Pile on Additional Loss for Nursing Homes

When a nursing home provider is ultimately reimbursed for MA pending days (once the application is approved), they are paid at lower rates than their post-approval Community HealthChoices (CHC) reimbursement rates. These fee-for-service rates are **about \$80 less per day** than what CHC provides.

- This means if an application takes 45 days to process, the nursing home loses \$3,600.
- If it takes 300 days, the additional delay results in a loss of \$24,000.
- If an application is delayed 700 days, the provider loses **\$56,000** for that resident, **even when the application is ultimately approved and retroactive payments are received.**

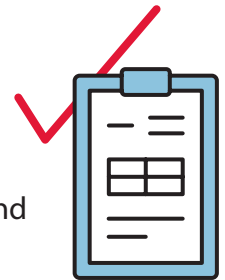
## What's Contributing to the Problem?

- **No Standardized System:** CAOs do not have a standardized system to process applications, with applicants being instructed to submit applications in different formats (e.g., via mail, email, fax, or online portal) depending on which CAO or specific caseworker is handling the application.
- **Lack of Communication:** Providers and applicants are often unable to receive status updates after applications are submitted due to the unresponsiveness of CAO caseworkers. They have also reported needing to re-submit documentation that was already shared because the CAO lost it.

## A Needed Solution:

### We support legislation that:

1. Sets clear timelines for DHS and CAOs to process applications.
2. Compensates providers starting 60 days after they submit their applications if there are excessive delays.
3. Provides MA application status updates to providers within 5 days of their request.
4. Provides a claw back provision for the state within a given period if a person is ultimately deemed ineligible for benefits.



It is imperative that industry and government come together to find effective solutions to this issue...As a society, we must recognize seniors' contributions and ensure they receive the care they need. We cannot allow this situation to persist. Just as we wouldn't tolerate delayed payment in any other business, we must ensure timely reimbursement for senior care services. Our seniors and their caregivers deserve better.

-Dean Owrey, President & CEO, Vincentian Collaborative System