

POLICY PRIORITY

Address Medical Assistance (MA) Pending Delays

“MA Pending” refers to the time it takes the county assistance offices (CAOs) to process Medicaid eligibility applications, during which time, long-term care providers like nursing homes and LIFE providers are not being paid for the care they are providing to individuals in need.

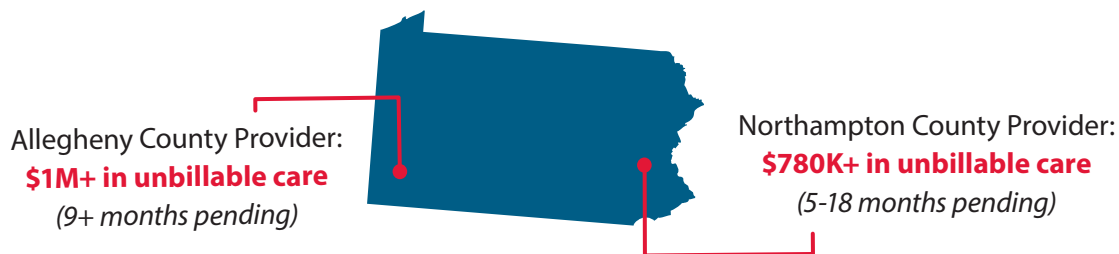
Who does this impact?

Someone 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.

In a recent LeadingAge PA member survey, **51%** of nursing homes reported experiencing delays in processing MA Pending applications.

Data collected by LeadingAge PA from over 30 providers found more than **\$12.9 million in overdue Medicaid payments**, with some stretching past **600 days overdue!**



Extended Delays Pile Up

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

45
- \$2,600

300
- \$24,000

700
- \$56,000

If an application is delayed 700 days, the provider **loses \$56,000** for that one resident, **even when the application is ultimately approved and retroactive payments are received.**



This process is taking anywhere from 9 months to 18 months, and on occasion longer. During this time, the facility receives NO payments for care. The most challenging is when the case worker doesn't know what to do, so the case just sits on their desk. For example, we have one now that goes back to May 2024. We have filed 5 appeals in this case alone.

- Executive Director in Allegheny County

Currently,

- 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!**
- Providers often accept new residents or participants while their MA status remains pending and begin **providing uncompensated care** for the entirety of the MA pending period. This care may not get paid back at all if the applicant is ultimately found ineligible.

What's Contributing to the Problem?

26,943 OUT OF 62,444

Total Nursing Home
MA Applications
Rejected in 2025



Source: PA Dept. of Human Services' Office of Income Maintenance

- **Process-based Rejections:** More than 4 out of 5 applications are rejected due to complications within the application process itself, not because the person had too many resources to qualify
- **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:

SB 1316 (Sen. Judy Ward)

HB Companion Bill to be introduced by Rep. Arvind Venkat

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.
5. Adjusts provider case-mix picture date and includes pending resident in the MA census.