

# Pennsylvania

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## 1. MANAGED CARE OPPORTUNITY ASSESSMENT (UPDATED 11-29-23)

In July 2020, Pennsylvania awarded contracts for the HealthChoices Physical Health program to AmeriHealth Caritas/Vista Health Plan, Gateway Health Plan, Geisinger Health Plan, Health Partners Plans, UnitedHealthcare, and UPMC for You. Contracts were implemented on September 1, 2022 after delays due to protests from CVS/Aetna, Gateway Health Plan and Centene/Pennsylvania Health and Wellness. The Pennsylvania Commonwealth Court denied these protests in November 2021. The contracts will run for five years, with an option to extend for an additional period of three years.

Pennsylvania released a Request for Information (RFI) for the re-procurement of its Community HealthChoices (CHC) program in March 2023 and received responses in April 2023. CHC, which is a Managed Long-Term Services and Supports (MLTSS) program covering both LTSS and dual eligibles, is currently served by AmeriHealth Caritas, Pennsylvania Health and Wellness (Centene), and UPMC for You.

HMA Managed Medicaid Opportunity Assessment for Pennsylvania	
Positive Metrics	Strong Indicators
<ul style="list-style-type: none"> <li>• Pennsylvania’s Medicaid managed care Community HealthChoices (CHC) program enrollment was up 2.7% in June 2023.</li> </ul>	<ul style="list-style-type: none"> <li>• Pennsylvania released an RFI for a Community HealthChoices re-procurement in March 2023.</li> <li>• Pennsylvania implemented Physical HealthChoices contracts in September 2022.</li> </ul>
Negative Metrics	Weak Indicators
<ul style="list-style-type: none"> <li>• Pennsylvania disenrolled 137,000 Medicaid beneficiaries during eligibility redeterminations as of August 2023.</li> </ul>	<ul style="list-style-type: none"> <li>• The Medicaid redeterminations eligibility process began in April 2023.</li> </ul>
<p><i>Source: HMA</i></p>	

The state implemented in 2017 the Achieving a Better Life Experience (ABLE) Act, which allows individuals with disabilities to save up to \$14,000 a year without losing government benefits. Without the program, recipients couldn’t have more than \$2,000 in savings. The limit had not been changed in three decades.

Pennsylvania Medicaid Managed Care Programs

Program	Population	Carved In (Y/N)		
		Behavioral	LTSS	Pharmacy
Physical HealthChoices	Traditional Medicaid and Expansion population for all physical health services	N	N	Y
Behavioral HealthChoices	Traditional Medicaid for all mental health and drug and alcohol services	Y	N	N
Community HealthChoices (MLTSS)	Dually eligible individuals, individuals with physical disabilities aged 21 and over, and Expansion population	N	Y	Y

## 2. MANAGED MEDICAID PLAN FINANCIALS

Medical loss ratio for eight Pennsylvania HealthChoices plans averaged 89% in 2022. Per member per month premiums averaged \$747.

(Note: Financial metrics and comparisons presented in this overview are based on health plan NAIC filings in the state. Measures like per member per month premiums and medical loss ratios may vary greatly by plan and by state depending on the mix of business (e.g., TANF, ABD, etc.), scope of the state's Medicaid benefit package, geographic variations in the cost of care, and other factors.)

Pennsylvania HealthChoices Medicaid Managed Care Plan Financials, 2022							
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR <sup>(1)</sup>
CVS Health/Aetna Better Health	Y	0	2,290,957	\$461.00	\$1,056,121	\$864,120	81.8%
Geisinger Health Plan	N	326,265	3,158,181	\$499.32	\$1,576,944	\$1,333,258	84.6%
Health Partners Plans Inc.	N	367,293	3,662,025	\$513.51	\$1,880,487	\$1,465,080	77.7%
Highmark/Gateway Health Plan L.P.	N	375,848	4,095,010	\$465.65	\$1,906,859	\$1,604,893	84.8%
Independence Blue Cross/Vista Health	N	1,226,992	13,424,638	\$918.00	\$12,323,857	\$11,985,879	97.3%
Centene/PA Health & Wellness Inc.	Y	88,997	1,061,917	\$2,536.13	\$2,693,155	\$2,305,139	85.6%
UnitedHealth Group Inc.	Y	132,057	2,838,146	\$450.29	\$1,277,989	\$983,622	77.0%
Univ. of Pittsburgh/UPMC For You Inc.	N	856,957	8,887,129	\$758.65	\$6,742,239	\$6,247,750	85.4%
<b>Total, PA plans</b>		<b>3,374,409</b>	<b>39,418,003</b>	<b>\$747.31</b>	<b>\$29,457,652</b>	<b>\$26,789,742</b>	<b>89.0%</b>

(1) After reinsurance recoveries.

Source: S&P Global Market Intelligence, NAIC, HMA

### 3. RFP DEVELOPMENTS AND ANALYSIS (UPDATED 11-29-23)

In July 2020, Pennsylvania awarded contracts for the HealthChoices Physical Health program to AmeriHealth Caritas/Vista Health Plan, Gateway Health Plan, Geisinger Health Plan, Health Partners Plans, UnitedHealthcare, and UPMC for You. Contracts were implemented on September 1, 2022 after delays due to protests from CVS/Aetna, Gateway Health Plan and Centene/Pennsylvania Health and Wellness. The Pennsylvania Commonwealth Court denied these protests in November 2021. The contracts will run for five years, with an option to extend for an additional period of three years. Two prior attempts to re-procure the business were negated amid plan protests.

- AmeriHealth Caritas/Vista Health Plan: Southeast, Lehigh/Capital, Northeast, Northwest, Southwest zones
- Gateway Health Plan: Lehigh/Capital, Southwest zones
- Geisinger Health Plan: Southeast, Lehigh/Capital, Northeast, Northwest, Southwest zones
- Health Partners Plans: Southeast, Lehigh/Capital, Northeast, Northwest, Southwest zones
- UnitedHealthcare: Southeast zone
- UPMC for You: Southeast, Lehigh/Capital, Northeast, Northwest, Southwest zones

Region	Current MCOs
Lehigh/Capitol	AmeriHealth Caritas Gateway Geisinger Health Partners Plans UPMC
Northeast	AmeriHealth Caritas Geisinger Health Partners Plans UPMC
Northwest	AmeriHealth Caritas Geisinger Health Partners Plans UPMC
Southeast	AmeriHealth Caritas Geisinger Health Partners Plans United UPMC
Southwest	AmeriHealth Caritas Gateway Geisinger Health Partners Plans UPMC

Pennsylvania released a Request for Information (RFI) for the re-procurement of its Community HealthChoices (CHC) program in March 2023 and received responses in April 2023. In August 2016, the state announced three winners for the CHC program, which is a Managed Long-Term Services and Supports (MLTSS) program covering both LTSS and dual eligibles: AmeriHealth Caritas, Pennsylvania Health and Wellness (Centene), and UPMC for You. Other bidders were Accenda, Aetna, Cedar Woods Care Management, Cigna-Health, Gateway

Health Plan, Geisinger Health Plan, Health Partners Plans, Molina Healthcare, Trusted Health Plan, United Healthcare, and Wellcare.

Because of protests filed by Molina, WellCare, Gateway Health Plan, United and Aetna, implementation was delayed from an originally scheduled July 2017 start date; instead the Southwest Zone was implemented in January 2018; Southeast Zone in January 2019; and Lehigh/Capital, Northwest, Northeast Zones in January 2020. (Aetna has since withdrawn its protest, and United’s was thrown out on a technicality). Contracts are for five years with two optional one-year extensions and represent more than \$7 billion in annual spending when fully implemented.

Pennsylvania Medicaid Managed Care RFP Calendar		
Contract	Key Dates	# of Beneficiaries
Physical HealthChoices	Proposals Due: December 17, 2019	2.8 million
	Awards announced: July 2020	
	Implementation: September 1, 2022	
Community HealthChoices	Responses due: May 2, 2016	424,000
	Awards: August 2016	
	Implementation Phase I: January 2018	
	Implementation Phase II: January 2019	
	Implementation Phase III: January 2020	
	Re-procurement RFI: March 2023	

Source: PA Dept. of Public Welfare, HMA

## 4. MANAGED CARE ENROLLMENT UPDATE

Pennsylvania's Medicaid managed care enrollment was down 5.6% to 2.8 million in September 2023 compared to year-end 2022, after a 6.5% increase in 2022, 9.6% increase in 2021, a 14% increase in 2020, and a 2.3% decrease in 2019.

### Enrollment in Pennsylvania HealthChoices Medicaid, 2020-22, September 2023

Plan Name	2020	2021	2022	Sep-23
<b>Total Pennsylvania</b>	<b>2,541,504</b>	<b>2,784,849</b>	<b>2,966,207</b>	<b>2,800,437</b>
<i>+/- between reporting periods</i>	<i>312,940</i>	<i>243,345</i>	<i>181,358</i>	<i>(165,770)</i>
<i>% chg between reporting periods</i>	<i>14.0%</i>	<i>9.6%</i>	<i>6.5%</i>	<i>-5.6%</i>

Source: PA Dept. of Human Services, HMA

Enrollment in Pennsylvania Managed Medicaid by Plan, 2020-22, September 2023

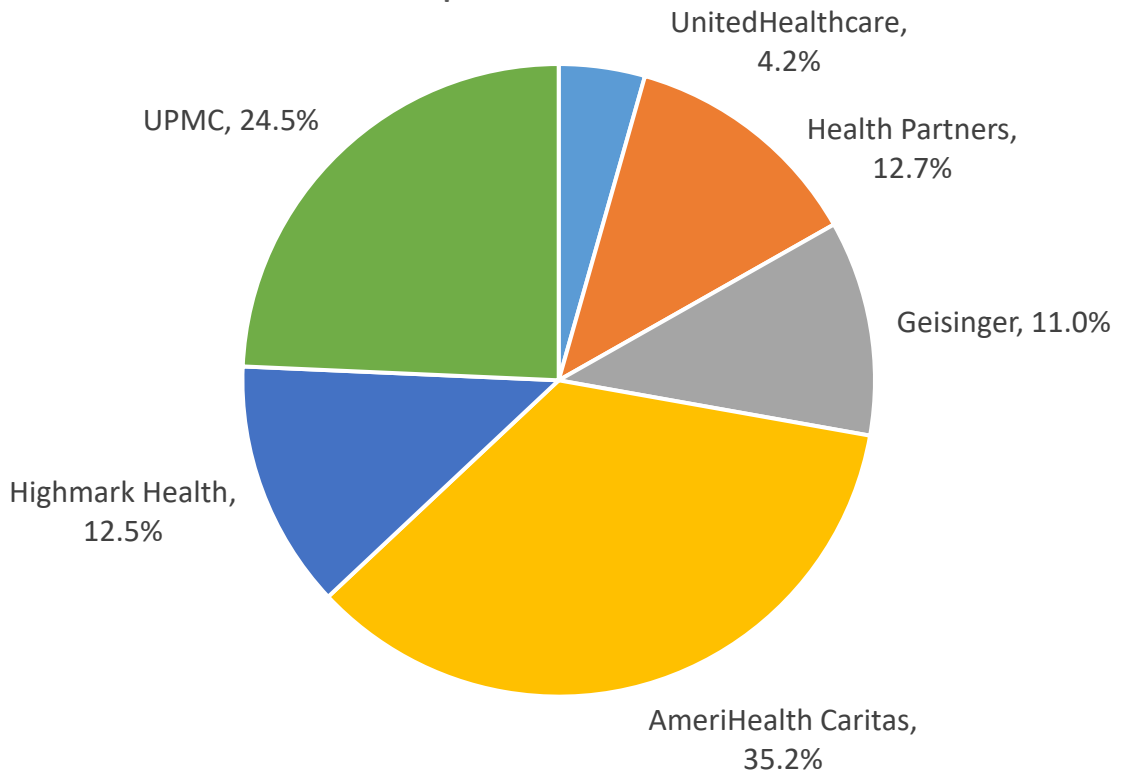
Plan	2020	2021	2022	Sep-23
<b>AmeriHealth Caritas</b>	<b>797,553</b>	<b>872,377</b>	<b>1,045,771</b>	<b>984,748</b>
<i>+/- between reporting periods</i>	93,070	74,824	173,394	(61,023)
<i>% chg. between reporting periods</i>	13.2%	9.4%	19.9%	-5.8%
<i>% of total</i>	31.4%	31.3%	35.3%	35.2%
<b>UPMC</b>	<b>483,686</b>	<b>534,732</b>	<b>716,149</b>	<b>684,765</b>
<i>+/- between reporting periods</i>	64,370	51,046	181,417	(31,384)
<i>% chg. between reporting periods</i>	15.4%	10.6%	33.9%	-4.4%
<i>% of total</i>	19.0%	19.2%	24.1%	24.5%
<b>Highmark Health <sup>(1)</sup></b>	<b>302,016</b>	<b>320,978</b>	<b>377,444</b>	<b>349,947</b>
<i>+/- between reporting periods</i>	26,976	18,962	56,466	(27,497)
<i>% chg. between reporting periods</i>	9.8%	6.3%	17.6%	-7.3%
<i>% of total</i>	11.9%	11.5%	12.7%	12.5%
<b>Health Partners</b>	<b>253,025</b>	<b>270,021</b>	<b>367,971</b>	<b>354,348</b>
<i>+/- between reporting periods</i>	24,301	16,996	97,950	(13,623)
<i>% chg. between reporting periods</i>	10.6%	6.7%	36.3%	-3.7%
<i>% of total</i>	10.0%	9.7%	12.4%	12.7%
<b>UnitedHealthcare</b>	<b>255,035</b>	<b>281,842</b>	<b>132,338</b>	<b>118,624</b>
<i>+/- between reporting periods</i>	36,815	26,807	(149,504)	(13,714)
<i>% chg. between reporting periods</i>	16.9%	10.5%	-53.0%	-10.4%
<i>% of total</i>	10.0%	10.1%	4.5%	4.2%
<b>CVS/Aetna Better Health</b>	<b>244,929</b>	<b>279,331</b>	<b>0</b>	<b>0</b>
<i>+/- between reporting periods</i>	43,099	34,402	(279,331)	NA
<i>% chg. between reporting periods</i>	21.4%	14.0%	-100.0%	NA
<i>% of total</i>	9.6%	10.0%	0.0%	0.0%
<b>Geisinger</b>	<b>205,260</b>	<b>225,568</b>	<b>326,534</b>	<b>308,005</b>
<i>+/- between reporting periods</i>	24,309	20,308	100,966	(18,529)
<i>% chg. between reporting periods</i>	13.4%	9.9%	44.8%	-5.7%
<i>% of total</i>	8.1%	8.1%	11.0%	11.0%
<b>Total Pennsylvania</b>	<b>2,541,504</b>	<b>2,784,849</b>	<b>2,966,207</b>	<b>2,800,437</b>
<i>+/- between reporting periods</i>	312,940	243,345	181,358	(165,770)
<i>% chg. between reporting periods</i>	14.0%	9.6%	6.5%	-5.6%

(1) In September 2021, Highmark Health fully acquired Gateway Health.

Source: PA Dept. of Human Services, HMA



# Pennsylvania Managed Medicaid Market Share by Total Enrollment, September 2023

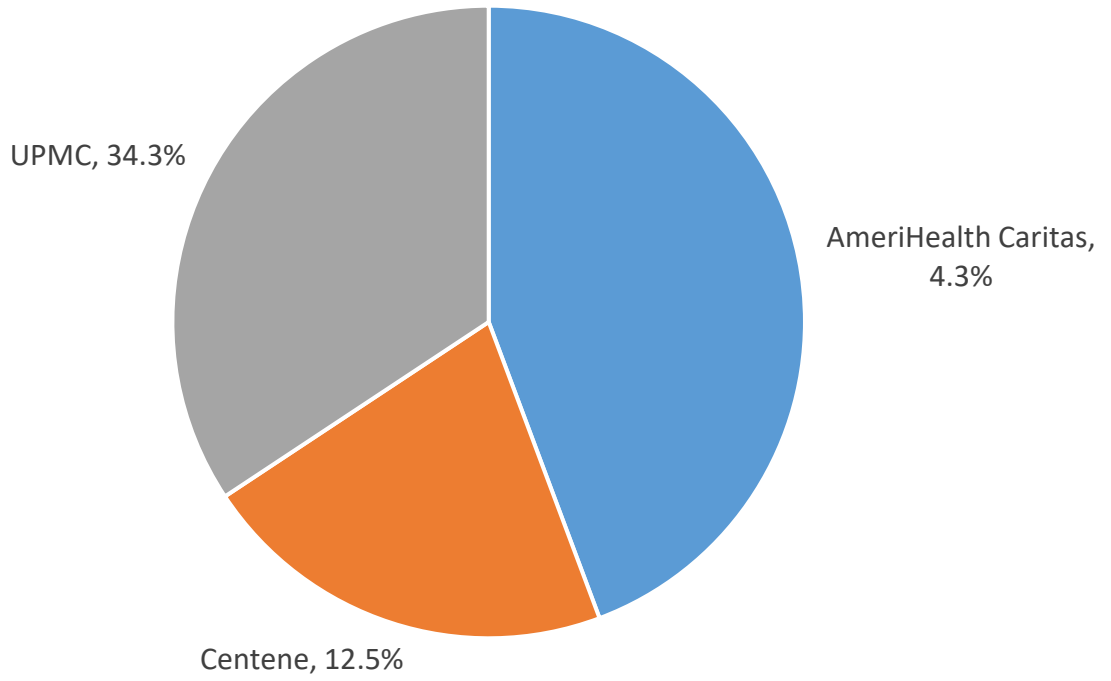


PA Dept. of Human Services, HMA

Enrollment in Pennsylvania Community HealthChoices by Plan, 2022, June 2023

Plan	2022	Jun-23
<b>AmeriHealth Caritas/Keystone First</b>	<b>182,811</b>	<b>187,535</b>
<i>+/- between reporting periods</i>	NA	4,724
<i>% chg. between reporting periods</i>	NA	2.6%
<i>% of total</i>	44.3%	44.3%
<b>Centene/PA Health and Wellness</b>	<b>89,277</b>	<b>90,527</b>
<i>+/- between reporting periods</i>	NA	1,250
<i>% chg. between reporting periods</i>	NA	1.4%
<i>% of total</i>	21.7%	21.4%
<b>UPMC</b>	<b>140,169</b>	<b>145,474</b>
<i>+/- between reporting periods</i>	NA	5,305
<i>% chg. between reporting periods</i>	NA	3.8%
<i>% of total</i>	34.0%	34.3%
<b>Total Pennsylvania</b>	<b>412,257</b>	<b>423,536</b>
<i>+/- between reporting periods</i>	NA	11,279
<i>% chg. between reporting periods</i>	NA	2.7%

# Pennsylvania Community HealthChoices Market Share by Total Enrollment, June 2023



*PA Dept. of Human Services, HMA*

## 5. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid enrollment in Pennsylvania was nearly 3.5 million in 2021. About 79.8% of Medicaid beneficiaries were enrolled in a managed care plan. The remainder are in fee-for-service Medicaid. Total Medicaid expenditures were about \$37 billion in 2021, with about 84.2% through managed care and the rest through fee-for-service.

Pennsylvania Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-21

Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures <sup>(1)</sup>	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total
2021	\$37,182,173,112	\$31,300,263,238	84.2%	3,488,237	2,784,849	79.8%
2020	\$34,964,896,749	\$27,448,637,715	78.5%	3,261,323	2,541,504	77.9%
2019	\$32,079,703,325	\$21,414,693,717	66.8%	2,918,949	2,228,564	76.3%
2018	\$29,863,557,849	\$17,566,232,502	58.8%	2,939,108	2,280,814	77.6%
2017	\$28,081,163,760	\$16,415,764,837	58.5%	2,970,369	2,314,606	77.9%
2016	\$27,350,279,117	\$16,108,824,996	58.9%	2,891,919	2,252,811	77.9%
2015	\$23,223,615,661	\$12,717,073,611	54.8%	2,696,254	2,108,626	78.2%
2014	\$23,461,728,946	\$12,799,252,683	54.6%	2,493,851	1,597,018	64.0%

(1) Includes evaluation and management, vaccine codes, Community First Choice, and preventive services Grade A or B, ACIP vaccines and their administration, Prepaid Ambulatory Health Plans, and Prepaid Inpatient Health Plans.

Sources: CMS64 for expenditures. CMS for total Medicaid/CHIP enrollment. States, NAIC for Medicaid managed care enrollment.

## 6. SNPs AND DUAL ELIGIBLES

Pennsylvania had 226,106 Special Needs Plan members as of March 2023.

Pennsylvania SNP Enrollment by Plan, March 2023					
Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
Gateway Health Plan, Inc.	41,759	41,759			18.5%
UPMC	40,344	40,344			17.8%
CVS/Aetna	33,274	33,044		230	14.7%
UnitedHealthcare <sup>1</sup>	33,011	33,011			14.6%
Cigna	18,169	15,866	2,303		8.0%
AmeriHealth Caritas	16,942	16,942			7.5%
Humana	12,729	12,729			5.6%
Geisinger Health Plan	10,281	10,281			4.5%
Centene	9,532	9,532			4.2%
HealthPartners	9,346	9,346			4.1%
Provider Partners	719			719	0.3%
<b>Totals, 11 Plans</b>	<b>226,106</b>	<b>222,854</b>	<b>2,303</b>	<b>949</b>	<b>100%</b>

(1) UnitedHealthcare ISNP enrollment includes Delaware members.  
Source: CMS, HMA