



“An Analysis on the Elimination of the General Assistance Category of Aid”

A fact sheet from Allegheny HealthChoices, Inc.

July 2013

Overview

General Assistance programs are state-funded programs typically supporting people with low incomes, who are without children, who are unable to work, and who do not receive Supplemental Security Income (SSI). As of 2011, 30 states reported having General Assistance programs. These programs often offer the only source of cash assistance to qualifying people.¹

Often called the Federal General Assistance (FGA) category, FGA is one of seven categories of aid people in Pennsylvania could qualify under to be eligible for Medical Assistance benefits.² The FGA category of aid ended in Pennsylvania on July 1, 2012. The Department of Public Welfare reports that the FGA category had to close to meet the 2012 budget appropriation, saving the state about \$149 million annually. The major change in the termination of FGA is the loss of the monthly cash assistance (\$205) paid to individuals.

As a result of ending the FGA category, people in this category were re-classified into one of the six remaining categories of aid. There were 4,139 eligible recipients under FGA in June 2012. When the FGA category of aid ended, 88% of these people moved to the Social Security (SSI) disability category of aid during the period of July through December 2012. The remaining people moved into other categories, possibly lost eligibility, or decided to terminate their services with Medical Assistance. In order to assess the impact of the change on the HealthChoices program, data regarding people assigned to the FGA category as of June 2012 was reviewed.

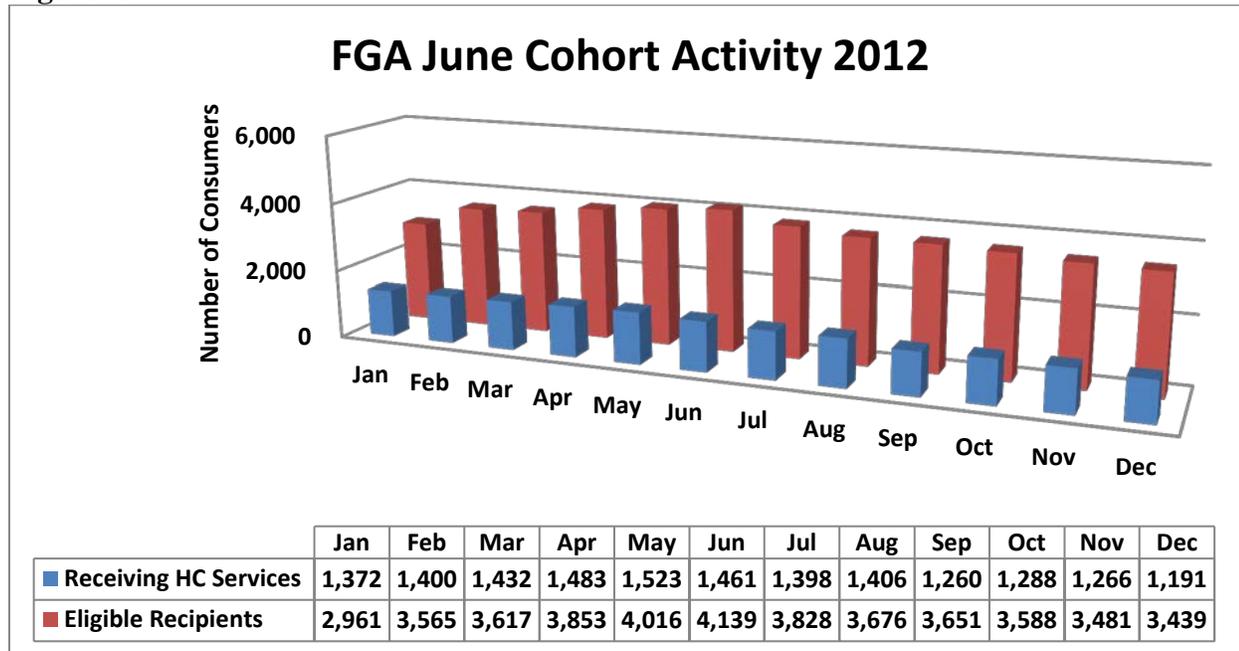
¹ This information was found on a report done by the Center on Budget and Policy Priorities entitled “General Assistance Programs: Safety Net Weakening Despite Increased Need.” It can be accessed at <http://www.cbpp.org/cms/index.cfm?fa=view&id=3603>.

² Medical Assistance eligibility requirements can be accessed at <http://www.dpw.state.pa.us/foradults/healthcaremedicalassistance/medicalassistancegeneraleligibilityrequirements/index.htm>.

People Eligible and Accessing Services

Figure 1 displays the number of people who qualified for Medical Assistance under the FGA category of aid in June 2012 and how many of them accessed behavioral health services from January to December 2012.

Figure 1.



Throughout most of 2012, the proportion of people using services to the people eligible for HealthChoices services remained fairly constant, ranging between 35% and 40%.

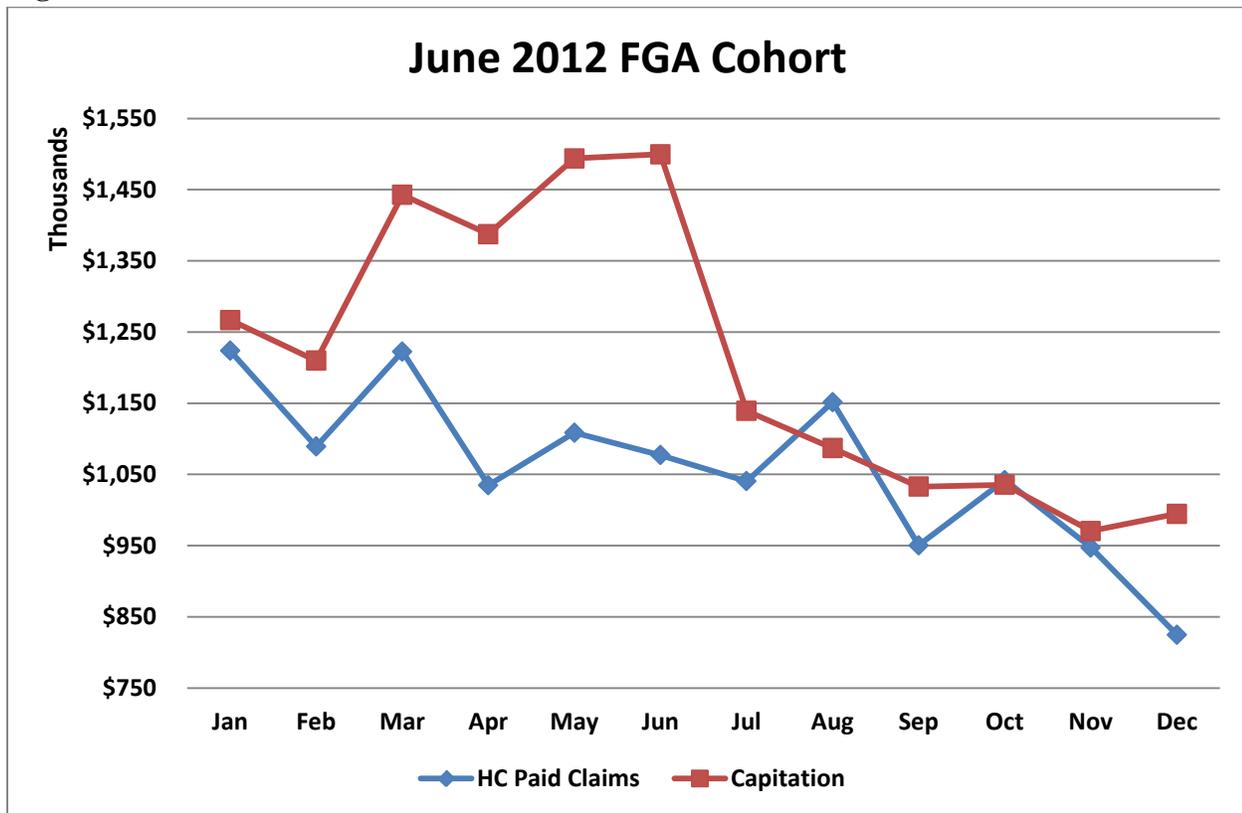
Capitation Payments

People who previously qualified for Medical Assistance under the FGA category of aid had higher capitation rates³ than those who qualified under SSI. Since the majority of this population moved into the SSI category, a retroactive rate adjustment to HealthChoices rates was made dating back to July 2012 to accommodate the termination of the FGA category of aid.

Figure 2 on the following page shows capitation payments and paid claims from January to December 2012 for the group of people eligible for Medical Assistance under the FGA category of aid in June 2012.

³ Capitation rates are the number of member month equivalents (MME) eligible for behavioral health benefits through the BH-MCO. The BH-MCO is paid per MME monthly. The previously developed DPW rate is different for each category of aid.

Figure 2.



August was the only month for which paid claims exceeded capitation revenue for the cohort (by 5%). Note that because this is only reflective of the June FGA cohort, it does not mirror paid claims to capitation revenue for the entire program.

Concluding Thoughts

While the number of service users through August is flat, the decline through December, as well as service use and costs for the June FGA cohort, will continue to be monitored. Anecdotal evidence also suggests that the loss of the monthly cash assistance is affecting people in ways that the HealthChoices administrative data cannot capture. Providers report people having difficulty in obtaining and retaining housing, accessing some residentially based services (i.e., halfway house services), and having the means to purchase other personal items needed for daily living. A more systemic look at this change, using additional data sets, would be prudent to determine if there has been any impact on consumer outcomes, system costs, etc.