

**DHS BUDGET REQUEST FOR FY 2016-2017**  
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:  
Pp. C1.9, C1.10, E30.6, E30.9, E30.17

**APPROPRIATION:**  
**Medical Assistance - Physician Practice Plans**

I. SUMMARY FINANCIAL DATA	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$9,071	\$12,071 <sup>1</sup>	\$12,071
Federal Funds Total	\$11,535	\$13,083	\$12,993
Federal Sources Itemized			
<i>Medical Assistance - Physician Practice Plans</i>	\$11,535	\$13,083 <sup>2</sup>	\$12,993
Other Funds	\$0	\$0	\$0
<b>Total</b>	<b>\$20,606</b>	<b>\$25,154</b>	<b>\$25,064</b>
<b>IA. REQUESTED SUPPLEMENTALS (Included above)</b>			
State Funds		\$2,500	
Federal Funds Total		\$2,709	
Federal Sources Itemized			
<i>Medical Assistance - Physician Practice Plans</i>		\$2,709	
<b>Total</b>		<b>\$5,209</b>	
<sup>1</sup> Includes a recommended supplemental appropriation of \$2.500 million. Act 10-A of 2015 provided \$9.571 million for this program in Fiscal Year 2015-2016.			
<sup>2</sup> Includes a recommended supplemental appropriation of \$2.709 million. Act 10-A of 2015 provided \$10.373 million for this program in Fiscal Year 2015-2016.			

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Physician Practice Plans			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
<b>PERSONNEL</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Personnel</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>OPERATING</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Operating</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>FIXED ASSETS</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Fixed Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>GRANT &amp; SUBSIDY</b>					
<i>State Funds</i>	\$9,071	\$12,071	\$12,071	\$0	0.00%
<i>Federal Funds</i>	\$9,924	\$13,083	\$12,993	(\$90)	-0.69%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Grant &amp; Subsidy</b>	<b>\$18,995</b>	<b>\$25,154</b>	<b>\$25,064</b>	<b>(\$90)</b>	<b>-0.36%</b>
<b>NONEXPENSE</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Nonexpense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>BUDGETARY RESERVE</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$1,611	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Budgetary Reserve</b>	<b>\$1,611</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>UNCOMMITTED</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Uncommitted</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>OTHER</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Other</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>TOTAL FUNDS</b>					
<i>State Funds</i>	\$9,071	\$12,071	\$12,071	\$0	0.00%
<i>Federal Funds</i>	\$11,535	\$13,083	\$12,993	(\$90)	-0.69%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Funds</b>	<b>\$20,606</b>	<b>\$25,154</b>	<b>\$25,064</b>	<b>(\$90)</b>	<b>-0.36%</b>

**APPROPRIATION:**  
Medical Assistance - Physician Practice Plans

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
<b>State/Federally Funded</b>			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
<b>Federally Funded</b>			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
<b>Other Funded</b>			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
<b>Total</b>			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
<b>Benefit Rate</b>	N/A	N/A	N/A

**V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA**

**Derivation of Request:**  
This initiative, implemented January 1, 2009, is based on Federalizing the Commonwealth's payments to university-affiliated physician practice plans to enable Federal participation under the Medicaid Program.

**Legislative Citations:** 62 P.S. § 443.5

**Disbursement Criteria:**  
The recommended appropriation provides for payments to university-affiliated physician practice plans to assure the continuation of the critical services they provide to the Medical Assistance (MA) population.

**VI. EXPLANATION OF CHANGES**  
 (\$ Amounts in Thousands)

**APPROPRIATION:**  
 Medical Assistance - Physician Practice Plans

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
<b>GRANT &amp; SUBSIDY</b>				
1. Impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016). Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$0	(\$90)	\$0	(\$90)
Subtotal Grant & Subsidy	\$0	(\$90)	\$0	(\$90)
<b>TOTAL</b>	<u>\$0</u>	<u>(\$90)</u>	<u>\$0</u>	<u>(\$90)</u>

## **MEDICAL ASSISTANCE - PHYSICIAN PRACTICE PLANS**

### **PROGRAM STATEMENT**

The Department provides enhanced funding to certain physician practice plans to help ensure the critical services they provide to Medical Assistance clients will continue. State funding is coupled with matching Federal dollars to allow the physician practice plans to earn additional funds through higher payments from Medical Assistance Managed Care Organizations. The physician practice plans are associated with Drexel University, the University of Pennsylvania and Thomas Jefferson University. The Department makes payments to Philadelphia area Managed Care Organizations (Keystone First, Health Partners Plans, United Healthcare and Aetna Better Health). The Managed Care Organizations pass the payments on to the qualifying facilities.