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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

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BEN FRANKLIN/IRC PARTNERSHIP,
MEMBER

October 21, 2002

Robert Nyce, Executive Director
Independent Regulatory Review Commission
333 Market Street
14th Floor, Harristown 2
Harrisburg, PA 17101

Dear Mr. Nyce,

The Department of Public Welfare has recently released proposed regulations (14-477) that propose to eliminate Non-Money Payment (NMP) spend-down and to limit the use of unpaid medical expenses of an applicant in determining Medically Needy Only (MNO) spend-down eligibility.

The Health and Human Services Committee is very concerned about the potentially harmful impact of the proposed changes on Pennsylvania's most needy and vulnerable citizens. For that reason we convened a full committee meeting to discuss these concerns.

Over 6000 senior citizens and individuals with disabilities presently rely on NMP/MNO to cover the high costs of medical bills and prescriptions. Many of these individuals are on Social Security Disability Income (SSDI) or a retirement income that puts them slightly above the poverty level. This renders them ineligible for Medical Assistance. Individuals with disabilities who go on SSDI must wait two years before they are eligible for Medicare and often have no other coverage available to them during that time. With the elimination of these programs, many people will lose the only medical coverage available to them.

Individuals who do receive Medicare do not have prescription coverage. Those individuals who may become eligible for the Adult Basic Program will still have no coverage available for their high costs prescriptions. Some persons with disabilities may be able to access prescription coverage under Medical Assistance via the Medical Assistance for Workers with Disabilities

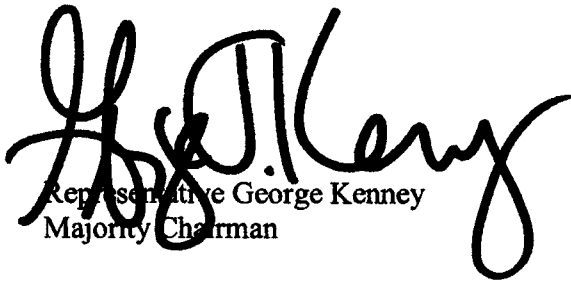
(MAWD). However, MAWD is only available to those individuals who are employed. In addition this population, unless over the age of 65, are ineligible for PACE or PACENET. There is no affordable alternative prescription coverage available for most people with disabilities currently on NMP spend-down.

In addition, elimination of NMP/MNO may not save the Commonwealth money in the long run. Many of those who currently rely on NMP/MNO will no longer be able to afford much needed medications and medical care. This can lead to their medical conditions worsening and result in increased hospitalizations and / or nursing home care which medical assistance will cover.

The Health and Human Services Committee finds that the proposed changes will jeopardize the health and well being of many Pennsylvanians. The Committee unanimously and adamantly opposes the Department of Public Welfare's proposed regulations.

Thank you for the consideration of the committee's comments.

Sincerely,



Representative George Kenney
Majority Chairman



Representative Frank Oliver
Minority Chairman

cc: Health and Human Services Committee Members
John R. McGinley, Chairman IRRC
Alvin Bush, Vice Chairman IRRC
Arthur Coccodrilli, Commissioner IRRC
Robert Harbison, Commissioner IRRC
John Mizner, Commissioner IRRC