14-477-54

Original: 2296

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Comments of the PA Health Law Project on behalf of the Consumer Subcommittee of the Medical Assistance Advisory Committee, the PA Council on Independent Living, the Consumer Health Coalition and the Philadelphia Unemployment Project on DPW Proposed Regulations Eliminating Non-Money Payment Spend Down Category of Medical Assistance- (55 PA Code §181) IRRC # 2296, Regulation # 14-477, Published October 5, 2002 at 32 PaB 4860

DPW lacks legal authority to promulgate this proposed regulation.

This regulation does not implement or set criteria for a program. Instead, it completely eliminates a program, namely the "NMP spend down" category of Medical Assistance. Were this program created by DPW regulation, DPW would have the legal authority to eliminate it. However, this category of Medical Assistance was created as a direct result of the PA Supreme Court's interpretation of federal law in *Crammer v. DPW*, 449 Pa. 528, 296 A.2d 815 (1972). Mrs. Crammer was on Social Security Disability and was over income for "categorically needy" Medical Assistance. Although she could have qualified for Medical Assistance under the "Medically Needy Only" ("MNO") category, that category did not (and still does not) cover prescription medications. The Supreme Court determined that federal law, as implemented by state statute, required DPW to deduct her medical expenses (including her prescription drug expenses) from her income in determining her "available" income for purposes of determining eligibility for categorically needy Medical Assistance.

NMP spend down is the direct result of the *Crammer* decision. This category of Medical Assistance continues to provide prescription drug coverage for people on Social Security who would otherwise only qualify for a category of Medical Assistance that does not cover prescriptions ("MNO"). DPW is attempting to overturn the Supreme Court's decision by way of regulation. It lacks legal authority to do so.

The proposed regulation is not in the public interest because of the economic or fiscal impact on the Commonwealth.

For persons on Social Security Disability under 65 who are over income for regular Medical Assistance, NMP is usually the only prescription coverage they can obtain. However, many people on Social Security Disability have high prescription costs as a result of the numerous and/or costly medications prescribed to treat their disabling medical conditions. With the elimination of NMP spend down, many of those 7000 people will no

longer be able to afford their medications.[1] Without their medications, their preexisting medical conditions are likely to worsen resulting in an increased rate of hospitalization, or nursing home placement which Medical Assistance WILL cover (under the "MNO spend down" category which will continue). The result is potentially greater costs to the Medical Assistance program for inpatient and long term care services as a result of the elimination of the NMP spend down category.

In addition to increased costs to Medical Assistance, there is the potential for increased costs to PACENet. At least one of our clients who is eligible for PACENet is using NMP spend down instead of PACENet because he incurs less out of pocket costs than he would under PACENet.. Forcing him and others similarly situated to switch to PACENet would have a negative fiscal impact on the Commonwealth because the State bears the full cost of PACENet while there is a 53% federal contribution to Medical Assistance.

Finally, there is the potential loss of $418 million in increased federal Medicaid reimbursement. Under federal legislation that has already passed the Senate (S. 812), states that had not restricted Medical Assistance eligibility since January 2002 would be eligible for a one time increase in federal matching funds for Medical Assistance. Eliminating NMP spend down would make PA ineligible to receive those additional funds should this legislation become law.

The proposed regulation is not in the public interest because of the economic or fiscal impact on political subdivisions.

The City of Philadelphia operates District Health Centers which provide some free medications to uninsured individuals. With the loss of prescription coverage through the elimination of NMP spend down, there will be more individuals seeking free medications which will place an additional fiscal burden on the City District Health Centers and ultimately on the City itself. There is also likely to be increase fiscal pressure on counties which provide free or reduced price psychiatric medications to persons in the County mental health system who lack prescription coverage. In counties that do not provide free psychotropic medications, there are likely to be increased mental health treatment costs as people decompensate after they are no longer able to afford their medications. Increased costs are likely to be seen in crisis intervention, hospitalization and intensive outpatient services. There are also potential increases in costs of homelessness services and our criminal justice system.

The proposed regulation is not in the public interest because of the economic or fiscal impact on the private sector.

Persons with chronic medical conditions such as MS often need medications to maintain a level of functioning that enables them to perform activities of daily living on their own. If they lose prescription coverage and are no longer able to afford their medications, their functional level will deteriorate. As a result, there will be increased burdens on family members to assist the individual with bathing, feeding, dressing, toileting and other basic activities of daily living. It is not uncommon for a spouse to leave a job when their husband

[1] The connection between loss of coverage and low income people discontinuing their medications has verified by researchers. See *Termination of Medi-Cal Benefits,* Lurie, et.al., New England Journal of Medicine, Vol. 314, No. 19, p. 1268 (May 8, 1986)

or wife deteriorates to the point that they are no longer able to care for themselves. Providing prescription coverage to a person with a chronic serious illness can forestall or even prevent that from happening.

The proposed regulation is not in the public interest because it undermines the protection of the public health.

The majority of the people on NMP spend down have high prescription costs. People on Social Security who are above the regular MA eligibility limit (federal poverty level- currently $738 month) must spend at least $136 a month towards medications or other uncovered medical costs in order to qualify for Medical Assistance under NMP spend down. Most of the people we have seen on NMP spend down have prescription costs of $200 a month or more. Few people on fixed incomes of $800 or $900 a month can afford to pay one quarter to one third of their monthly income towards prescriptions and few people on NMP spend down have other options for prescription coverage (people under 65 cannot qualify for PACE).

The inevitable result of eliminating this program is that people with disabilities or chronic health conditions who have high prescription costs and incomes slightly above the poverty level will be unable to afford their medications and their health will suffer as a result. With over 7000 people currently on NMP spend down, the loss of the financial ability of so many Pennsylvanians to afford their medications is certainly a public health issue.

DPW has stated that some of the 7196 people who would be affected by the elimination of NMP spend down "may be eligible for MNO spend down."[2] That overlooks that fact that Pennsylvania does not cover prescription drugs under the MNO category. If people who are on NMP spend down now did not need prescription coverage, they would probably be on MNO already as you don't have to submit paid bills every month to qualify for MNO as you do for NMP. In fact, our experience indicates that most of the people on NMP spend down are also on Medicare. MNO coverage, which does not include prescription drugs, is of little value to those individuals.

Furthermore, if there were a significant number of people who could realistically be expected to move from NMP to MNO, the costs from the increased numbers of people on MNO would have to be factored into DPW's calculations of cost savings. DPW has not factored in any costs resulting from an increase in numbers of people on MNO in their Regulatory Analysis Form, a clear indication that DPW does not realistically expect many people to actually move to the MNO program.[3]

The Department's own Medical Assistance Advisory Committee concurs that the proposed regulation is not in the public interest because it undermines the protection of public health. Under federal law, DPW must convene and consult with a Medical Assistance Advisory Committee on policy issues. On July 25, 2002, DPW consulted with its Medical Assistance Advisory Committee regarding the proposed elimination of NMP spend down. In response, the Committee passed a resolution which "urges the Department to continue the NMP coverage because it is so important to seniors and persons with disabilities."[4]

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[2] Regulatory Analysis Form, #14, p.3.

[3] Regulatory Analysis Form, #20, p.5

[4] Notes of Medical Assistance Advisory Committee meeting of July 25, 2002,

The proposed regulation is not reasonable in consideration of possible conflict with statutes.

The PA Supreme Court has interpreted federal and state statutes as requiring NMP spend down. See discussion of *Crammer v. DPW* above.

The proposed regulation represents a policy decision of such a substantial nature that it requires legislative review.

The elimination of prescription drug coverage for over 7000 lower income Pennsylvanians with disabilities or chronic medical conditions is directly at odds with the efforts of the General Assembly to expand prescription coverage. As such, this represents a policy decision that definitely requires legislative review. Legislative review is made more necessary by DPW's failure to consider any regulatory or nonregulatory alternatives.[5] Finally, DPW cites the need to "preserve funds" as the basis for this regulation. As this proposed regulation is part of broader efforts to reduce costs in Medical Assistance, the General Assembly, as the body that enacts the State Budget, has an important role in reviewing how and to what extent cost controls will be imposed on the Medical Assistance program.

The proposed regulation will NOT bring PA's Medical Assistance program "more in line with other states".

DPW has noted that other states do not have NMP spend down. However, of the 33 states that have MNO Medical Assistance (which PA does), 31 states cover prescription drugs under their MNO program.[6] Since PA does not cover prescription drugs under its MNO program, the NMP spend down is PA's functional equivalent of 31 other states' MNO program.

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http://www.dpw.state.pa.us/omap/geninf/maac/omap072502minutes.asp

[5] Regulatory Analysis Form, #22 & #23, p.6

[6] *Medicaid Prescription Drug Benefits: Findings from a National Survey*, Schwalberg, et.al., Kaiser Commission on Medicaid & the Uninsured, Table 1, p.5 (October 2001)

A Few People who Rely on NMP Spend-down

A caller who has several medical conditions recently lost her Medical Assistance because she started to receive her Social Security when she turned 62 years of age. With that increase in household income, both she and husband (who is on Medicare) were knocked off of MA. Her husband's bills are covered by the Medigap plan that the state is paying for. The caller, however, has several medical bills for cancer treatment and other ailments including: chemotherapy; bandages for lymphoedema in her arms; and diagnostic tests, including liver scan and echocardiogram. She was able to use the NMP Spend-down program to cover her expenses. After Blue Cross Special Care Premium was counted towards the spend-down, she had approximately $80 each month that she needed to spend-down.

A caller from Berks County has gets $746 / month in SSDI and needs to spend-down each month to become eligible for MA coverage. She has Medicare as well, but she has very high prescription costs every month.

A Fifty-six year-old Philadelphia resident who lives with her two grandchildren makes $767/month in SSDI and her granddaughter gets $520 in Social Security survivor's benefits. The caller's Medicare HMO only pays for generic medications and she has several medications for her diabetes and allergies that do not have a generic alternative so that if she bought all of her medications she would have to pay about $500/month. Caller was able to spend $165/month on her medications and use NMP spend-down to pay for the remainder of her medications.

An Allegheny County resident who is 68 years old who is on Medicare lost her Medical Assistance when her SSDI increased. She now needed help with the co-pays and deductibles and prescriptions. The woman was able to use NMP spend-down to pay for her medical expenses that were not covered by Medicare.

An elderly woman in Westmoreland County who had Medicare A & B and a monthly income of $818 from SSDI was able to spend-down $139.50 each month to be able to pay for her medications and other medical expenses that were not covered by Medicare.

A man in Philadelphia who had atypical schizophrenic and whose medications are not on the Special Pharmaceutical Benefits Program medication list, relies on NMP spend-down to be able to pay for his psychiatric medications.

A Montgomery County resident who makes $864/month in SSDI (including Part B) uses NMP spend-down to pay for a part of his prescription costs for his pain medications that usually exceed $340 per month.

A couple from central Pennsylvania have been on spend-down for about four months. He is 72, she 67. He is a Korean War Vet. He has recently started getting $180 vet pension, but they decreased his SSDI by $210/month. Their household income is about $935. They each pay $54 for Medicare premiums and they spend-down an additional $44.35 per month. In recent years he has had cancer treatment that included a radical prostectomy and the removal of his lymph nodes. He is currently free of cancer and pain. Both he and wife are diabetic. Both have also had recent back operations. She is still active, despite quadruple bypass heart surgery but takes 20 pills a day, for her high blood pressure, heart disease and diabetes. They report that they absolutely depend on spend-down to be able to afford their medications; that they couldn't live without it.

A Few People who Rely on MNO

A 20 year-old Cambria County resident who had $8000 in medical bills from an emergency appendectomy and no health insurance was able to use MNO Spend-down to pay for these bills.

An uninsured Philadelphia resident who had unpaid hospital bills from six months earlier, also needed help paying for a recent emergency room visit. The emergency room staff had helped her apply for ongoing coverage but she was denied coverage due to excess income as she worked part time. By using her old outstanding bill and her recent emergency room bill she was able to get MNO spend-down coverage that would pay for part of her emergency room visit and give her health insurance that would pay for follow up care that she needed; care she could not have afforded on her own.

A Philadelphia resident who had been purchasing the Special Care Plan health insurance product let her coverage lapse because the cost was too high for her and it had a lot of restrictions that seemed to be excessive given the cost. She had to wait three months after she dropped her coverage before she could be eligible for the less expensive Adult Basic Program. While she waited to become eligible for the Adult Basic she was able to use unpaid hospital bills from five months earlier to become eligible for MNO Spend-down Program.

An uninsured man incurred $15,000 in hospital bills but the hospital he was in did not help him apply for Medical Assistance at that time. Several months later, when he was able to get about and attend to his medical bills he was able to apply use MNO Spend-down to cover his ongoing expenses so that he would not get further into debt while he attempted to pay off these large bills.

#14-477-26

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Original: 2296

Office of Income Maintenance
Bureau of Policy

NOV 0 4 2002

REFER TO: Karole Aldridge
Willie
OLC
Appeal
File

Edward Zogby, Director
Bureau of Policy
Department of Public Welfare
Room 431 Health & Welfare Building
Harrisburg, PA 17120

Dear Mr. Zogby,

My comments are directed to you regarding the DPW proposal to eliminate the NMP spend down category of Medicaid eligibility. We believe this will have a serious negative impact on thousands of Pennsylvanians with disabilities who need medical care and prescription drugs to maintain their health.

It is particularly troubling that the result of withdrawing eligibility from this group of recipients will likely increase both hospitalizations and institutionalizations. This flies in the face of other efforts in the Department to shift resources to maintain community living as a viable and cost effective alternative to nursing home care.

We recognize the economic pressures facing the State, but we feel strongly that this is not a group where any cost savings are worth the human and societal toll it would take.

Thank you for consideration of my comments on behalf of Pennsylvanians with disabilities.

Sincerely,

Joan W. Martin

Joan W. Martin
Executive Director

Margaret S. White
602 Creek Road
Kennett Square, PA 19348-2622
(610) 444-2638 (home)
(610) 692-1926 (work)
Miki@Kennett.net

#14-477-60

Office of Income Maintenance
Bureau of Policy

November 4, 2002

NOV 0 4 2002

REFER TO: Willie Hoover
Karole aldridge
OLC
File

Department of Public Welfare
Edward J. Zogby, Director
Bureau of Policy
Health and Welfare Building, Room 431
Harrisburg, PA 17120

Original: 2296

Dear Mr. Zogby:

On July 18, 1993 I received a gift, my daughter Sara E. White. She is beautiful, loved and well cared for. You have the opportunity to allow her to remain in the custody of her parents, (myself and her father), or force our family apart and remand her custody to the state of Pennsylvania.

Her existence is dependant on the durable medical equipment now covered by her medical assistance. Such items as, a feeding pump, oxygen tubing, and iron lung, a wheelchair (now on order), syringes, medications for allergies and the digestion of pediasure, and diapers. We are currently unable to absorb the cost of raising a child with severe disability without the financial assistance of the state of Pennsylvania.

God gave us a gift, now the state of Pennsylvania wants to take that gift away from us. I grew up in Pennsylvania and have received recognition from the state senate for my citizenship and commitment in caring about for my community. I am an active member of the Kennett Square Lions Club, a Puppy Home for Canine Partners for Life, and an eleven year employee of The Crime Victims' Center of Chester County, Inc. I care about the quality of life of the residents of the state of Pennsylvania. I am asking the state of Pennsylvania to care about my family.

Thank you for taking the time to read my letter. Please consider taking the time to make a difference in the life of a child. Don't take the spend down or a least delay your consideration to eliminate the program.

Sincerely,

Margaret S. White
aka Sara's mom

cc: Feather O'Connor Houstoun, Chris Ross, IRRC

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.
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WEST CHESTER, PA 19382-2903
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FACSIMILE TRANSMITTAL SHEET

TO: Edward J. Zogby	FROM: Peggy White
COMPANY:	DATE: 11/4/02
FAX NUMBER: 717-787-6765	TOTAL NO. OF PAGES INCLUDING COVER: 2
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

#14-477-35

November 4, 2002

Original: 2296

Edward J. Zogby, Director
Bureau of Policy
PA Department of Public Welfare
Room 431
Health & Welfare Building
Harrisburg, PA 17120

RE: Opposition to Discontinuing the Non-Money Payment Spend-Down Program

Dear Mr. Zogby:

I am writing to express my concern about the proposal to discontinue the Spend Down Program.

My mother has diabetes and depends on these programs to help her with the cost of prescriptions. My parents are on a fixed income and do not yet qualify for Medicare or Medical Assisatance..

I urge you NOT to pass regulations that would eliminate this greatly needed program which serves those 7000 vulnerable Pennsylvanians who are on fixed incomes that are slightly higher that the Medical Assistance eligibility guidelines. At the very least, please delay consideration of this action until a new administration can carefully consider the impact of the health of those who would be affected.

Thank you for this consideration.

Office of Income Maintenance
Bureau of Policy

NOV 0 4 2002

REFER TO: Karole Aldridge
Willie
OLC
Hoover
File

Sincerely,

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#14-477-39

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Office of Income Maintenance
Bureau of Policy

Original: 2296

NOV 0 4 2002

Karole Aldridge
REFER TO: Willie
OLC
Harvey
File

November 4, 2002

Edward J. Zogby, Director
Bureau of Policy
Health & Welfare Bldg., Room 431
Harrisburg, Pa 17120

Dear Mr. Zogby,

My name is Andrea Costik and I manage a facility that is owned by The American Cancer Society called Hope Lodge. Similar to a Ronald McDonald House, we provide lodging free of charge to patients and families who must travel a distance to receive treatment at local hospitals.

With the changing times we see in medicine, the majority of my patients who stay at Hope Lodge are Stem Cell Transplant recipients. During this procedure, the recovery process is a long and difficult battle. On average, these patients will usually stay at Hope Lodge an average of four to six months.

As you can imagine, we have seen our share of patients with costly prescriptions and other medical expenses. Those who are currently on Medical Assistance still incur a tremendous amount of debt.

I am asking that you **do not** propose regulations that will **eliminate** the Non-Money Spend Down Program. For some this is the only opportunity they have for a chance at life.

Sincerely,

Andrea M. Costik

Andrea M. Costik
Manager

AMERICAN CANCER SOCIETY
Hope. Progress. Answers.

#14-477-56

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Original: 2296

Comments On DPW Proposed Regulations Eliminating Non-Money Payment Spenddown Category of Medical Assistance and Restricting Deductions for Medically Needy Only Spenddown (55 Pa.Code § 181)
Published October 5, 2002 at 32 Pa. B. 4860

Submitted on November 4, 2002 by Community Legal Services, Inc., on behalf of Action Alliance for Senior Citizens, the Philadelphia Unemployment Project, and the Philadelphia Welfare Rights Organization

On behalf of its client groups, Action Alliance for Senior Citizens, Philadelphia Unemployment Project, the Philadelphia Welfare Rights Organization and many individual clients, Community Legal Services, Inc. of Philadelphia submits the following comments regarding DPW's proposed regulations eliminating or restricting two Medical Assistance programs, the NMP spenddown program and the MNO spenddown program, by restricting deductions.

1. DPW does not have the legal authority to eliminate NMP spenddown by proposed regulation.

DPW's proposed regulation would completely eliminate the NMP spenddown program. DPW would only have the legal authority to eliminate a program if it had been created by DPW regulation. Instead, NMP spenddown was created by the order of the Pennsylvania Supreme Court in Crammer v. DPW, 449 Pa. 528, 296 A.2d 815 (1972). The Supreme Court interpreted federal law, as implemented by state statute, to require DPW to deduct a person's prescription drug and other medical expenses from her income in determining her available income (i.e., to permit her to use it as a spenddown) for purposes of determining eligibility for categorically needy Medical Assistance. The NMP spenddown program resulted directly from the *Crammer* decision, and it currently permits applicants, like Ms. Crammer, to deduct medical expenses from their income in order to qualify for MA. DPW does not have the authority to ignore the Supreme Court's order and eliminate this program by way of regulation.

2. Rather than saving money, the proposed regulations would overburden state programs and ultimately cost the state more in the long run.

DPW's preamble to the proposed regulations observes that, as a result of the proposed cuts, it expects 7,196 people to lose MA coverage under NMP, and 14,802 people to lose coverage under MNO. The comments suggest that some of these people will be able to get coverage under other state insurance programs, and DPW makes an offhand acknowledgment that there may be a fiscal impact on other programs as they experience a rise in enrollment. Despite common sense and the dictates of the Regulatory Review Act, DPW makes no attempt to estimate the counterbalancing expenses. In fact, the fiscal impact is likely to be profound, and to cancel out most or all of the savings that DPW predicts from the spenddown cuts.

A. NMP

Pennsylvanians who rely on NMP spenddown are almost all seriously disabled or elderly people who must spend at least $158 per month on medical expenses, usually prescription drugs, in order to qualify for MA. Typically, they receive Social Security Disability or Veteran's Administration benefits, which place them just beyond the Healthy Horizons income limit of $739 per month.[1] We can assume that these people are in serious need of continuing medical care, because otherwise they would avoid the constant monthly ordeal of NMP verification and obtain six months of coverage under MNO. Patients turn to NMP because they have high prescription costs, due to the need to treat their disabling medical conditions. Without their prescriptions, then, the effect on their health will be predictable -- they will be forced to seek treatment in hospitals or nursing homes, where their bills will escalate rapidly and they will very quickly qualify for MNO coverage through spenddown. The state will then be obliged to cover their bills once again, except that the bills will be much higher. DPW has not acknowledged these costs in its calculations of cost savings, which do not reflect any new costs from an increase in MNO enrollments offsetting those who lose MNO, even though the department explicitly predicts that many people who lose NMP will indeed switch to MNO.

Since MNO does not cover prescriptions, those people who are at least 65 years old will also enroll in PACE or PACENET in order to get prescription coverage. The shift from NMP to PACE and PACENET may actually be counterproductive - it may end up costing the state more overall, due to the loss of federal matching funds. Although there PACE and PACENET enrollees must cover a portion of their costs through modest copayments, the rest is entirely state-funded, so that the state must cover 100% of the cost, beyond an initial copay. Under NMP the federal government provides matching funds that cover 54% of all costs, beyond the initial spenddown and copayments. If more than half those terminated from NMP switch to PACE or PACENET, Pennsylvania will actually lose money. For the department to fail to even quantify its estimate of this effect is reason alone to reject this rulemaking.

Some people who lose NMP will also apply for adultBasic, the entirely state-funded insurance program for low-income adults. Although adultBasic has limited enrollment, to the extent that slots are available, they will be filled by former NMP recipients, who will crowd out the working poor who were the original intended beneficiaries of adultBasic. This will force Pennsylvania to make an undesirable choice: to leave needy people uninsured, or to devote additional state dollars to the program, again negating the savings DPW has predicted.

In addition, the loss of NMP will increase fiscal pressure on local governments. Mentally ill patients who cannot get NMP coverage for their psychotropic medications will turn to hard-pressed county mental health systems, which will either have to provide the medications themselves or pay for the inevitable hospitalizations that will occur when people are off of their medications. Moreover, Philadelphia, and other counties that operates primary care health

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[1] Healthy Horizons has an eligibility level set at the federal poverty level.

centers, will be asked to provide medications in ever increasing numbers, and without reimbursement. As more people turn to these centers, the increased fiscal burden will fall on the city and counties. Again, DPW is silent about the effects of this cost shifting.

B. MNO

The 14,800 people that DPW proposes to cut off from MNO coverage, by eliminating old unpaid bills as deductions from income, will, like their NMP counterparts, become more ill as they go without access to preventive care, doctor's visits, and treatment. Eventually, many of these people will return to the MNO program, as they incur new hospital bills that are less than three months old and thus still qualify as deductions, even under DPW's reduced program. Some will also seek coverage under adultBasic, crowding out the working poor even faster than expected.

3. The Commonwealth's public health will be damaged, as thousands of Pennsylvanians will suffer from deteriorating health and untreated conditions.

The proposed spenddown cuts will initially result in a loss of MA coverage for nearly 22,000 Pennsylvanians, as DPW acknowledges. The effect will be that these people, most already afflicted with serious illness or disability, will be forced to go without doctors or medicine, and they and their families will have to deal with the consequences of increased sickness and untreated disease and injury. To the extent that health care providers continue to treat them, the cost will be past along to the Commonwealth's already overburdened health care system and especially to local governments.

A. NMP

NMP spenddown patients must spend at least $158 per month just to qualify for NMP, and in most cases they pay considerably more: all of their monthly income above the $602 spenddown target.[2] Without NMP, they will have to pay the entire cost of care, or else go without prescriptions and other medical care. For people with incomes in the range of $800 - $1000 per month, which is typical for NMP spenddown, spending down requires paying $208 to $408 per month on medical expenses alone, or 26% to 41% of their entire income for the month, with only $602 left over for all other expenses. Without this program, even this modest safety net will be lost. Obviously, these people are already stretched to the limit, and without NMP they will simply go without the prescriptions and other care that they need to maintain their health.

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[2] The spenddown target derives from the categorically needy program, SSI, that provides automatic MA coverage for the disabled and elderly. Currently the SSI program sets eligibility at $572.40 per month and provides a $20 disregard for any type of income; the NMP program allows an additional $10 disregard. Thus the spenddown level, or target, is set at $602 ($572 + $20 + $10). See *Crammer; Brown v. Beal* 404 F. Supp. 770 (E.D. Pa. 1975).

The problem is compounded by the fact that the MA program reimburses pharmacies at reduced rates, due to its ability to negotiate contracts. Left without MA prescription coverage, low income people have to pay full market rate for all of their prescriptions, and for people with serious illnesses, these drugs can often cost hundreds of dollars per month.

DPW suggests that people who lose NMP can enroll in other programs, but in fact the number of people who can obtain benefits through other programs will be quite limited. Many, perhaps most, NMP terminees will be eligible for MNO through that program's spenddown (because they will meet either the age or disability criteria), but MNO does not cover prescriptions, the most important benefit provided by NMP. MNO enrollment will still go up, as people without their medications become hospitalized or enter nursing homes, but they will still be without a way to obtain their medications, and some, if not all, of their savings will be eroded, and at tremendous human cost.

The other alternatives suggested by DPW are unlikely to prove of much assistance. The new Medical Assistance for Workers with a Disability (MAWD) program requires that disabled people with incomes above the Healthy Horizons limit perform work in order to qualify for benefits, and while this program offers real potential for those Social Security Disability recipients who are able to work, vast numbers of SSD recipients are simply unable to do any work at all, and will never qualify for MAWD. Moreover, the elderly are not eligible for MAWD.

The new adultBasic program does not cover prescription drugs, and, in any event, the limited number of slots are almost completely filled now, and it is unlikely that there will be more spots by the time NMP spenddown terminations go into effect next year. PACE and PACENET do cover prescriptions, of course, but they offer only a limited benefit, and they are not available to anyone under 65.

CLS has a client who illustrates perfectly the importance of NMP spenddown for maintaining the health of recipients. Mary Zoolalian,[3] a resident of Northeast Philadelphia, cares for her 36-year-old son, who receives Social Security Disability payments that place him slightly above the Healthy Horizons limit - a little under $800 per month. As a schizophrenic with high blood pressure and arthritis, he must take several expensive medications to control his symptoms; he could never afford these medications on his own, as the total costs of the drugs he must take is several times his total SSD payment each month. With NMP spenddown, he pays $185 each month towards the cost of his medications, and the rest is paid for by the NMP Medical Assistance program. Without coverage for his medications, he would undoubtedly have to be institutionalized, losing his psychic and physical connection to his family and costing the state much more money. He will not be eligible for PACE or PACENET for several decades, and the packages of benefits offered by MNO or adultBasic would be of little use to him. Furthermore, with his mental illness and multiple physical conditions, it is highly doubtful that he could

[3] Names of all clients are used with their permission.

perform part-time work and thus qualify for the MAWD program. NMP spenddown is essential for him to remain stable, relatively healthy, and living in the community with his family.

B. MNO

MNO recipients often do not receive medical bills until more than three months have elapsed since the date of service. Providers commonly take several months to send out bills, especially if they are trying to work out other coverage (e.g., trying to bill MA first). With DPW's proposed new restrictions, these clients would lose the ability to obtain MNO based on unpaid medical expense deductions, even though they often have enormous debt due to medical bills. This would not be because of their own delay, but because they had no reason to know that they had to make an application for MA coverage. This will generally leave these people with no other options, because, even if there were private insurance plans that they could purchase at their income level, people with catastrophic illness or injury are excluded from risk pools due to pre-existing condition exclusions.

As MNO spenddown now operates, low-income people with unpaid medical bills can get MA coverage for new expenses that arise, while making arrangements to pay off the old bills in a feasible manner. This coverage is essential, because each hospitalization can cost thousands of dollars; a single 24-hour stay at a hospital can often cost over $2,000, and a typical hospital stay of several days, with the attendant tests and lab work, will usually run into the five figures. Under its proposal, DPW anticipates that nearly 15,000 such people will lose MA coverage, but the department's comments do not take account of the toll that these cuts would take on those MNO recipients. Unpaid medical bills are one of the primary causes of personal bankruptcies, and without the ability to qualify for MNO, thousands of people who must go into the hospital will not have coverage for either the old or the new bills, and will be left with staggering debt that they cannot hope to repay. The result would be, not just predictable, but certain: thousands of Pennsylvanians will have to choose between either going without necessary care, or else incurring thousands of dollars in expenses that they will never be able to afford. Those who forego treatment will severely jeopardize their health. Those who seek treatment will be pursued in court by providers and collection agencies for bills that they cannot pay, and will lose their houses or file for bankruptcy; in either case, their credit will be ruined.

4. Health care providers will be hurt by the cuts.

The loss of insurance coverage for 22,000 low income Pennsylvanians also poses a threat to the Commonwealth's medical providers. Without the certainty of MA reimbursement, providers will have to pursue low-income patients even more aggressively than they do now, by going to court and obtaining judgments which have little worth in any event against the impoverished. Many more uninsured people will be forced to file for bankruptcy, and providers, as unsecured creditors, will recover little, if anything, in return for their services. Providers will nevertheless be hit with rising costs, because people without access to preventive care or health-sustaining medications will increasingly turn to emergency rooms for care, driving up costs and

clogging up an already over-burdened system.

Conclusion

The proposed cuts to the NMP and MNO spenddown programs are penny-wise and pound-foolish. If the state were to deliberately cut off 22,000 of our most severely ill and disabled residents from medical coverage, the cost in individuals' damaged health, rising personal bankruptcies, increasing uncompensated care, and overburdened state insurance programs will be felt for years to come. Recognizing these pitfalls, both the entire Income Maintenance Advisory Committee and the entire Medical Assistance Advisory Committee voted to oppose these proposed regulations, and their advice should be heeded. Community Legal Services recommends that the department avert a greater fiscal crisis in the future by withdrawing the proposed regulations and maintaining insurance coverage for Pennsylvania's citizens.

Respectfully submitted,

Brendan P. Lynch
Richard P. Weishaupt
Jonathan Stein
John Whitelaw

COMMUNITY
LEGAL SERVICES, INC.

1424 Chestnut Street, Philadelphia, PA 19102-2505
Phone: 215.981.3700
Web Address: www.clsphila.org

FAX TRANSMITTAL COVER SHEET

FAX NUMBER: 215.981.0436

DATE: 11/4/02

TO: Ed Zagby

FAX NUMBER: 717- 787-6765

ORGANIZATION: Bur. Policy, DPW

FROM: Brendan Lynch

~~DIRECT DIAL:~~ 215-981-3713

TOTAL NUMBER OF PAGES (INCLUDING THIS COVER SHEET): 7

MESSAGE: Comments on proposed spraddown regulations

TO BE COMPLETED AFTER FAX HAS BEEN TRANSMITTED:

DATE OF TRANSMISSION: _____ TIME: _____

OPERATOR: _____

#14-477-40

Office of Income Maintenance
Bureau of Policy

NOV 0 4 2002

REFER TO: Karole Aldridge
Willie
OLC
Hoover
File

November 4, 2002

To: Edward J. Zogby, Director
Dept. of Public Welfare
Bureau of Policy

Original: 2296

Re: Support for Non-Money Payment Spend Down Program

Dear Mr. Zogby:

I am writing to express my opposition to eliminating the Non-Money Payment Spend Down Program. It is a vital program that helps people enormously.

As an employee of the American Cancer Society, I interact with cancer patients with medical bills on a regular basis. Often, they need the kind of financial assistance this program offers, since they are not so poor to qualify for Medical Assistance but don't have enough income to meet their medical needs.

Please consider keeping the Non-Money Payment Spend Down Program.

Thank you,

Pamela Mayberry

Pamela Mayberry
Cancer Control Specialist

Pennsylvania Division - McKean Unit
121 Main Street, P.O. Box 67, Bradford, PA 16701-0067 t) 814.368.6183 f) 814.368.1174
Cancer Information 1.800.ACS.2345 www.cancer.org

Original: 2296

#14-477-36

Department of Public Welfare
Edward J. Zogby, Director
Bureau of Policy
Health and Welfare Building, Room 431
Harrisburg, PA 17120

Fax: 717-787-6765

Dear Mr. Zogby:

I work for the American Cancer Society, PA Division, Inc. We have been working diligently to become more involved in the underserved population of Pennsylvania. My concern for those people is my reason for writing to you today.

I oppose your proposal to eliminate the NMP Spend-Down program. The proposal would ultimately cost the Commonwealth more money when people end up needing expensive hospital and nursing home care. Please withdraw the proposal to eliminate the NMP Spend-Down program, or at least delay going forward until a new administration has had a chance to study the impact of the proposed cuts and to consider alternatives. Thank you.

Sincerely,

Joyce Rosborough

Joyce Rosborough
American Cancer Society
Route 422 and Sipe Avenue
Hershey, PA 17033-0897

Phone: 717-533-6144
Fax: 717-534-1075

Original: 2296

#14-477-33

November 4, 2002

Office of Income Maintenance
Bureau of Policy

NOV 04 2002

REFER TO: Karole Aldridge
Willie
OLC
Hoover
File

Edward J. Zogby, Director
Bureau of Policy
PA Department of Public Welfare
Room 431
Health & Welfare Building
Harrisburg, PA 17120

RE: Opposition to Discontinuing the Non-Money Payment Spend-Down Program

Dear Mr. Zogby:

I am writing to express my concern about the proposal to discontinue the Spend Down Program.

As Regional Director of Patient Services at the American Cancer Society, PA Division, Southeast Region, I am aware that a serious illness creates major financial hardships for many, many people. Those who are elderly and on a fixed income who have Medicare do not have the means to pay for prescriptions and medical equipment not covered by their policies – and the Spend Down program has been a lifesaver for these people. Those who are younger but disabled also face expenses that can only be alleviated by the Spend Down program.

I urge you NOT to pass regulations that would eliminate this greatly needed program which serves those 7000 vulnerable Pennsylvanians who are on fixed incomes that are slightly higher that the Medical Assistance eligibility guidelines. At the very least, please delay consideration of this action until a new administration can carefully consider the impact of the health of those who would be affected.

Thank you for this consideration.

Sincerely,

Lorraine Curtis

Lorraine Curtis
7816 Cresheim Road
Philadelphia, PA 19118
(215) 248-1036

November 4, 2002

#14-477-37

Edward J. Zogby, Director
Bureau of Policy
Dept. of Public Welfare
Health and Welfare Building, Room 431
Harrisburg, PA 17120
Fax: 717-787-6765

Original: 2296

Dear Mr. Zogby,

I am writing to let you know that I oppose the proposed regulation that would eliminate the Non-Money Payment Spend Down program. I work in the Patient Services Department at the American Cancer Society and interact with, on a daily basis, those who are in need of this program to pay for their medical needs.

The elimination of this program would hurt the population I work with, causing hardship that may impact on their ability to obtain medical treatment, durable medical equipment, and prescription drugs. The proposed regulation would also hurt those in the community with other disabilities and the elderly who have slightly too much income to qualify for Medical Assistance, but far too little income to meet their medical needs.

Please consider withdrawing the regulation or delay its consideration until a new administration can carefully consider the impact on the health of Pennsylvania's most vulnerable citizens.

Thank you for you time.

Sincerely,

Jessica H. Woehr

Jessica H. Woehr
211 Candlewood Way
Harleysville, PA 19438
215-260-2143

Office of Income Maintenance
Bureau of Policy

NOV 0 4 2002

REFER TO: Kayole, Adridge Willie
OLC
Hagner
file

#14-477-32

Original: 2296

Office of Income Maintenance
Bureau of Policy

NOV 0 4 2002

REFER TO: Kayole Aldridge
Willie
OLC
Hooper
File

Monday, November 04, 2002

Edward J. Zogby, Director
Bureau of Policy
Health & Welfare Building, Room 431
Harrisburg, PA 17120

FAX: 717 787-6765

Dear Mr. Zogby:

I wish convey my feelings regarding the elimination of the Spend Down Program provided to clients receiving Public Assistance. After being involved with the SPOC program for over a twelve-year period I became very aware of the various loopholes. I no longer work with clients of the SPOC / TANF programs. There are parts of the Spend Down Program that I do not agree with, clothing, car repairs, etc; however when it comes to prescription and medical equipment I think this program should stay with restriction including health related costs.

As a Cancer Control Specialist with the American Cancer Society, I see the need for cancer diagnosed patients who's medication is costly and the are on fixed incomes just above the Medical Assistance levels; spend down of prescriptions and medical equipment are a must. I realize that you are making an effort to balance the budget, but taking needed medication from Cancer patients should not be your target.

Good Luck in your upcoming decisions.

Sincerely,

Cheryl Krider

Cheryl Krider,
Cancer Control Specialist
Crawford / Mercer Units
American Cancer Society

Pennsylvania Division - Crawford Unit
464 Pine Street, Meadville, PA 16335 t) 814.337.8300 f) 814.337.8303
Cancer Information 1.800.ACS.2345 www.cancer.org

14-477-34

Edward J. Zogby, Director
Bureau of Policy
Health & Welfare Building, Room 431
Harrisburg, PA 17120

FAX: 717 787-6765

Original: 2296

I heard the PA Dept of Public Welfare is planning to eliminate subsidizing prescriptions or durable medical equipment for people with disabilities and elderly persons who have slightly too much income to qualify for free Medical Assistance, but far too little income to meet their prescription, equipment and medical needs. I thoroughly oppose the total elimination of this program. I am not, at this time, concerned about my needs because I am not in that part of the population as yet. But I am well aware of the needs of other senior citizens and disabled individuals who most benefit from this program.

So, if you would withdraw the regulations, or at least delay their consideration until a new administration can carefully consider the impact on the health of Pennsylvania's most vulnerable citizens, and the economy of the state. Please, don't take down the spend down.

Thanks you for giving me the chance to express my opinion.

Janet Soulliard
434 Cedar Ave
Hershey, Pa 17033
Email : jsoul@comcast.net

Office of Income Maintenance
Bureau of Policy

NOV 0 4 2002

REFER TO: Harold Aldridge
Willie
OLC
Homer
File

IRRC

From: Tom Zemaitis [Zemaitis@msn.com]

Original: 2296

Sent: Sunday, November 03, 2002 8:19 PM

To: IRRC

Subject: Elimination of Medication Coverage

I urge you to please re-consider the proposal to eliminate prescription coverage for PAA residents on Social Security Disability whose incomes are slightly above the federal poverty level.

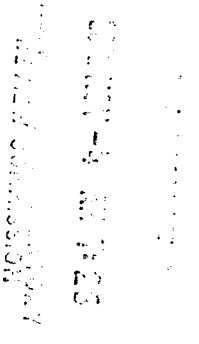
Please do not allow the DPWA to eliminate the category of Medial Assistance entirely. For some clients, this is the only source of support available for them to procure their medications. Any attempt to eliminate prescription coverage for clients with mental illness is a very bad idea.

I recently had a problem with my coverage for my daughter who is mentally ill. I decided that until I could resolve the problem, I would purchase those medications by myself. So, we renewed all five medications she is currently taking. Much to my surprise, when I went to the pharmacy to pick up the meds, my bill was $560.00 for a one month supply.

Needless to say, I was unable to purchase her meds and had to beg a two day supply from the pharmacy until I worked out the problem with the coverage. It was a devastating two days until I took care of the problem. Many people with mental illness have no family members to run this kind of interference. Please do not interrupt their care.

In the end, lack of sufficient coverage for medications is very costly. When people can't receive their appropriate medications, they end up sick and hospitalized. This is a far greater cost to all of us. Thank you for your attention to this matter.

Mary Lou and Tom Zemaitis



November 3, 2002.

Independent Regulatory Review Commission
333 Market St., 14th Floor
Harrisburg, PA 17101

Original: 2296

COMMENTS ON NMP PROPOSED REGULATIONS

The undersigned members of the Managed Care Coalition strongly object to the DPW proposal to eliminate the NMP 'spend-down' category of Medical Assistance.

The Managed Care Coalition is based at Liberty Resources Inc., the Philadelphia-area Center for Independent Living. The Managed Care Coalition Coordinator and many members of the Coalition frequently receive calls from individuals caught in situations without medical insurance. Typically the caller looking for help is newly disabled or has a progressive disease. They often have had to leave their employment and apply for SSDI; then they realize they will not have any medical or prescription coverage for two years until Medicare starts to cover them. The other commonly heard crisis is that which occurs when a Person With Disability has an increase in their SSDI income which makes them ineligible for Medical Assistance.

The NMP 'spend-down' has been the only type of medical coverage these individuals can access in these sort of medical crisis'. Imagine receiving a call from the elderly mother of a previously healthy and gainfully employed 40 year-old man, suddenly paralyzed and unable to speak as a result of a massive stroke, after she has just realized her son's SSDI approval means he will have no insurance for 2 years. Without NMP, this young man would have been unable to see a physician or purchase prescription drugs.

It seems coincidental to the members of the Managed Care Coalition that DPW would propose cutting the NMP 'spend-down' at the same time it was rolling out the Adult Basic Coverage Program. Although the Coalition applauds the inception of the ABC Program, the fact that the Governor diverted the Tobacco Money legislated to fund it meant that the ABC Program would not be able to serve all the underinsured in Pennsylvania.

The Coalition believes there is still a need for important interim medical and prescription drug coverage such as the NMP 'spend-down' provides and that the startup of a new Medical Assistance Program (ABC) does not necessarily mean other MA categories are duplication.

Thank you for your consideration of our comments.

Gretchen Bell, Coordinator of the Managed Care Coalition
MCC members: Jennifer DePaul, Eastern Paralyzed Veterans Assoc.
John Leinmiller, United Cerebral Palsy
Lawrence Brick, PA Society for Advancement of the Deaf
Mark Davis, AIDS Activities Coordination Office
Dorothy Ruffin, Liberty Resource Board Member
John Gladstone, Pennsylvania ADAPT

IRRC

From: RBell19015@aol.com
Sent: Sunday, November 03, 2002 10:37 PM
To: IRRC
Subject: comments on NMP proposed regulations

NMP.ltr.doc

IRRC

From: Grammy0632@aol.com
Sent: Sunday, November 03, 2002 7:22 PM
To: IRRC
Subject: A"NMP spend down A"

Original: 2296

It has just come to my attention that the state of Pennsylvania is considering drooping the above coverage for people on SSD. I can't believe anyone would believe this is a good idea. I am particularly concerned with the coverage for people with mental health problems. The drugs used to treat mental health are some of the most expensive and in most cases allow the patient taking them to function and in many cases to work, even if it is only part time. I would think everyone would think having these people as productive members of the community would be to everyone's advantage. So many of the mental health services have been curtailed, now to cause some of the patients to not be able to afford their medication is ludicrous. Please give this matter your top priority. We can afford to go backward in this area.

Sincerely,

Marian Lahner
15 Pumpkinhill Road
Levittown, Pa. 19056

IRRC

From: AGHawthorne@aol.com
Sent: Sunday, November 03, 2002 12:25 PM
To: IRRC
Original: 2296
Cc: Theotisbraddy@aol.com
Subject: Re: PIE Alert:Comments due Monday on loss of prescription coverage

Hello -
I am a social worker and I have 20 years experience in the field of Human and Social Services.

Here is a snapshot of how some of my clients will be impacted by the loss of prescription coverage.

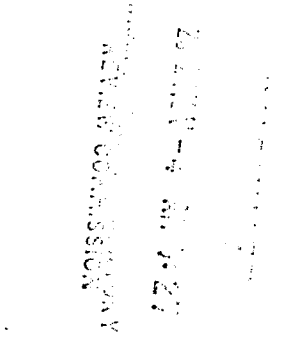
There is a woman who has suffered from CMI (Chronic Mental Illness) for many years. After paying her rent, food, bus pass, phone and electric bills, she has about $17.00 left at the end of the month. She also has physical disease processes to manage, including insulin dependent diabetes. If she loses the prescription coverage she will be homeless.

There is an older woman who has a roommate to help with physical and financial needs. She was retired, but recently returned to work 3 days a week because she was having difficulty making ends meet. Without the prescription coverage, she will be eating tuna 7 nights a week instead of 1, she will not be able to pay the cabfare to and from doctor's appointments (she cannot take public transportation b/c she is physically unable to do so), she will not be able to purchase any clothing, will have to get rid of cable and do without a phone.

I could continue. I ask the legislators to examine other options to address budget issues. How about stopping your pay increases for 5 years? Or, reducing some of the legislative perks? Further, I ask the legislators if they could live like some Pennsylvanians live for 1 week, remembering that many folks live looking over the edge everyday.

Sincerely,

Allison G. Hawthorne
AGHawthorne@AOL.com



IRRC

From: Wisdomjf@aol.com
Sent: Saturday, November 02, 2002 7:45 AM
To: IRRC
Subject: NMP Spend Down

November 2, 2002

Edward Zogby, Director
Bureau of Policy
Department of Public Welfare
Room 431, Health and Welfare Bldg.
Harrisburg, PA 17120

RE: NMP Spend Down

Dear Mr. Zogby:

When I fell ill I was working in medicine, directing and teaching Family Medicine residents when and how it was important to medical diagnosis and treatment to pay attention to issues of class, family structure, ethnicity/race/religion, and psychological style (as well the impact of perceived differences in all of these on what the patient was inclined to hear or volunteer). I was also putting the finishing touches on my dissertation in the anthropology and sociology of medicine, in a department where the emphasis was very clinical.

owned a lovely house, had no debt, had a good automobile, was a single mom, and had a very bright future.

even had some savings.

was healthy and never even knew about disability benefits.

became ill with an illness I thought was a one-week flu. Unfortunately and unbelievably it was not and instead was ultimately diagnosed as myalgic encephalomyelitis, which, later, in the U.S., was given a name that's very controversial now and in the process of being changed because of it's lack of any scientific basis and invitation of stigma, "chronic fatigue syndrome."

Unfortunately, at the beginning of the illness, very little to nothing was known about it in the U.S. As a result, though I had an initial and substantial remission I wasn't advised properly by rather excellent doctors. We assumed I was in recovery mode, with the result that, not knowing that recovery mode was almost impossible to fully achieve in most cases, especially when I worked for over a year as it came on, which undermined my health terribly (some people come to a halt far earlier, with the result of not being in as bad shape when they can't go on) and I got significantly worse and harder to treat.

As a result I've also developed severe osteoporosis.

The medical history is paralleled by a horrible decline in my financial situation. Long ago I went through my savings because disability income simply couldn't cover the expenses of living, which became extremely modest. Finally, I had to learn about sources of welfare, and have qualified for Medicaid in the category.

Without Medicaid I'd be dead. However onerous Medicaid in our state often can be, there is no way for me to survive without it. None. My prescribed medications per year run approximately $10,000. By which I mean, those that Medicaid pays for. Besides that I have huge noncovered medical expenses and medically related expenses. Huge. I'm on a walker, suffer huge amounts of muscle pain and fatigue, and flu-like aching. I'm still trying new treatments when they become available and are covered, as I can't spend any more out of pocket. That limits my chances for recovery because many of the treatments that are now working are not yet covered, placing many people with my illness into a two-class system.

But without Medicaid there'd be a third-dying patients. As I couldn't maintain myself at all if I had to cover what Medicaid does. I barely can with Medicaid.

have a printout from what they paid last year. And careful figures and receipts for what was uncovered last year, which my physicians validate as necessary. There's not one item I can do without and not get incredibly worse and have to be placed in a nursing home to die.

am bright. I yearn for more of a life. In fact, just going through the yearly applications to qualify for Medicaid, Food Stamps, and housing help through HUD make such inroads into my limited energy almost too much to really be intellectually productive or maintain what small social contacts I want and desperately need. I've lost friends because of my poverty and because I'm taken up with maintaining my welfare. But without Medicaid that situation would be a luxury, not something to lament!!!

'm home alone a lot. I can't even afford to rent a video. Or purchase a CD player to play the very few CDs I have. My clothes are bought in the one thrift store I can get to. This computer was given to me by a very kind person, but if it goes (and I don't have money to get the maintenance done on it that's needed) I don't know where 'll be. The Internet has helped my morale but yet more it's allowed me to be up to date on the latest solid esearch into my illness or finding the least expensive source of medical equipment, etc.

beg of you not to drop this program. If anything there are reforms in how Medicaid is run that would help the State and the recipients, which should get attention. Dropping this won't save the State money I wouldn't think. When a program allows people to just manage is removed they become sicker and more costly wards of the state. Not to mention any issues in human decency that I was brought up to believe our society, unlike others, stands for.

have a friend in Australia who I email periodically who is shocked beyond belief at what I'm going through. We can't let this nation do less for its impoverished ill and still be a model for democracy all over the world.

'm starting to hurt and ache and won't take the time to edit this or spell check even-just email as is. I don't even shamefully) know how to do an attachment, because I don't have the stamina left over from all these kind of demands and my illness to sit down and read a manual or even use "help" to learn how, which I know is easy.

Please, please, it will be the destruction of my life as well as, I'm sure, others if you eliminate this program. I have no one to turn to for help of this magnitude.

Sincerely,

Judith Fleet Wisdom
#617 Penn Center House
1900 JFK Blvd.
Philadelphia, PA 19103

P.S. I live in a small apt in a co-op. While the monthly charges are cheap I can't afford them, and get Section 8 help. But since it's not a rental place I am responsible to pay for major appliances. I live in constant fear of my refrigerator breaking. Yet I couldn't live anywhere else given the requirements of my illness, access to necessities, etc. I could elaborate on this but am too weary. Anyway, I'm too ill to move and there's nothing really cheaper. I pay $393 per month! And part is paid by HUD. Please know that you'll destroy my life if you lift this program.

cc: IRRC

IRRC

From: JanEppy@aol.com
Sent: Saturday, November 02, 2002 11:32 AM
To: IRRC
Subject: In reference to proposed DPW regulation

Original: 2296

Director
Independent Regulatory Review Commission
Harrisburg, Pa. 17120

Sir:

I am writing to say that I do not like your proposed regulations that would eliminate prescription coverage for over 7000 Pennsylvanians, most of whom are on Social Security Disability with incomes slightly above the federal poverty level. Some of these individuals are people with mental illnesses who are receiving Social Security Disability, either based on their past earnings or on the earnings of a retired or deceased parent or spouse. The prescription coverage of Medical Assistence known as "NMP spend down". DPW's proposed regs would eliminate that category of Medical Assistance entirely. although hte affected individuals might qualify for Medical Assistance uner a different category (MNO sped down), that category does not cover prescription drugs.

For these reasons I object and think this proposal is a bad idea.

Yours Truly,

Jan Eppihimer
710 Ridge Dr.
Douglasville, Pa.19518

Thad Kaminski
1802 Kimball Avenue
Arnold, PA 15068

November 1, 2002

Original: 2296

Independent Regulatory Review Commission
333 Market St., 14th flr.
Harrisburg, PA 17101

Re: Proposed Regulations Eliminating Non- Money Payment Spend Down Medical Assistance

Dear Sirs,

My son is suffering from schizophrenia, he is on SSDI and his medication and treatment is convered under medical assistance. He pays for his Blue Cross insurance, about $150 per month, which he must have to qualify for the spend-down. To be covered under medical assistannce he must spend down to about $400 per month.

I cannot believe that this is being proposed. There is no way he can pay for this treatment, medication, rent, food etc. Without the prescription coverage, these mentally ill folks would get off their meds and would be a disaster. The medications is what keeps them stable, out of the hospital, out of trouble, and out of jail. Hospital costs would at least be ten times the cost of prescription drugs. Many would become homeless, in jail, and the cost to society would be prohibitive. The proposed regulations is not in the public interest because of the economic or fiscal impact on the tax payers and the community.

Thank you for your consideration.

Sincerely,

Thad Kaminski

Thad Kaminski
1802 Kimball Ave
Arnold, PA 15068

724 339 1339 e mail: kaminski@salsgiver.com

TALKING POINTS FROM:

INTERIM REPORT OF THE PRESIDENT'S NEW FREEDOM COMMISSION ON MENTAL HEALTH

Mental illness is a serious public health problem that is highly treatable and must be addressed.

- Nearly 15 million people in the United States have a serious mental illness. (SAMHSA, National Household Survey on Drug Abuse, 2001.)

- Serious mental illness ranks second in terms of shortened life expectancy and years lived with a severe and persistent disability. (HHS, Mental Health: A Report of the Surgeon General, 1999.)

- One in 10 children and adolescents have a severe emotional disorder, placing them at higher risk for substance abuse, dropping out of school, violence, and suicide. (HHS, National Action Agenda for Children's Mental Health, 2001) (NAMI web site at: *http://www.nami.org/youth/index.html*)

- Mental illness is highly treatable. For example, available treatments for bipolar (manic depressive) disorder have been found to prevent recurrent episodes for 75 to 80 percent of individuals with this condition. (American Psychiatric Association web site at: http://www.psych.org/pub_pol_adv/research.cfm)

- The public mental health system provides critical services and support to more than 6 million people to minimize the impact of mental illness and to promote mental health and recovery.

The approach to public mental health in the United States is flawed.

- Many of the problems in the public mental health system are the result of underfunding.

- The federal government has not accepted an appropriate level of responsibility for funding services to individuals with mental illnesses.

- The most significant federal program specifically designed to support states in providing mental health services to individuals with mental illnesses – the Community Mental Health Services Performance Partnership Block Grant – is funded at $433 million – a fraction of the $23 billion spent by state mental health agencies on the public mental health system. Other federal programs provide more financial support, but they are designed to serve people with other illnesses and often do not recognize the persistent, cyclical nature of mental illnesses or the critical non-medical supports (such as housing and peer support) that are essential to successful recovery.

- Pursuant to a blatantly discriminatory provision in Medicaid law, Medicaid does not provide a federal contribution for inpatient services received in psychiatric hospitals. In addition, because of this same provision, states are unable to receive Medicaid waivers to support specially tailored packages of services delivered in community settings. This lack of adequate federal support in either setting often leads to frequent and expensive hospital readmissions (a *de facto* "revolving door" policy) or to involvement with the criminal justice system.

- At the state level, per capita spending by state mental health agencies nationwide declined by 10 percent over the last 20 years, despite increasing costs and increasing demand for services. (NASMHPD Research Institute, Funding Sources and Expenditures of State Mental Health Agencies, Fiscal Year 2001.)

- Stigma remains an important obstacle to effective mental health services. This is especially true with respect to violence, although research clearly shows that individuals with mental illnesses are no more likely to be violent than their non-mentally ill peers.

Despite these obstacles, there have been significant advances in the quality of mental health services and many opportunities exist for knowledge-based improvements.

- A wealth of evidence-based research clearly shows that many psychiatric interventions are both cost-effective and effective in facilitating successful living in the community. Some of these interventions include Assertive Community Treatment (ACT) models, supported employment, and newer medications.

- Many agencies and levels of government collaborate to more effectively serve people with mental illnesses. For example, new programs with local police departments and court systems help to divert individuals with mental illnesses from jail and into the public mental health system.

- Most mental health services and treatment can safely and effectively be delivered in community-based settings. As a result, states have successfully reduced the number of beds in state hospitals from more than 600,000 in the mid-1960s to about 50,000 today.

IRRC

From: Jtlah@aol.com

Sent: Friday, November 01, 2002 8:16 PM

Original: 2296

To: IRRC

Subject: Drug Coverage

I have been informed that there is a possibility that drug coverage may be eliminated for people on SS disability that have Medicare. My daughter falls into this category. She has mental health problems (bipolar) as well as many physical health problems
(Gastro and a knee replacement next month). She has SS and a very little earned income. Without drug coverage she would be dead (she has tried to commit suicide twice already) A loss a drug coverage would push her over the edge. I am retired and can only help her so much. Please do not drop drug coverage.
Thank you very much
Ted Lahner