

Impact of Governor's 2005-06 Medicaid Budget on Health Care Consumers

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State Options in Tight Budget Times

- Increase revenue
- Cut eligibility
- Cut services
- Cut provider payments

Governor Rendell's Choices for 2005-06

- Increase revenue, using health care consumers as the source, through cost sharing: premiums and co-payments
- Cut services to consumers through caps on an array of services for adults
- Do not cut Medicaid eligibility
- Raise payments to some providers, cut payments to others

“Maximum Utilization Provisions” - LIMITS

- Limits on all of the following services:
 - Prescriptions
 - Inpatient hospital physical health admissions
 - Inpatient Medical rehabilitation admissions
 - Outpatient Visits
 - Durable Medical Equipment (DME)
 - Behavioral Health: Inpatient Hospitalization days
 - Behavioral Health: Partial Hospitalization days
 - Behavioral Health: Outpatient visits
 - Ambulance

Which Consumers are Hurt?

All Adults, with childless adults being even harder hit

Kids with disabilities in non-poor families

Annual Benefit Limits for Adults, including Parents, Elderly and those with Disabilities

- Medical Equipment: \$5,000
- Inpatient Hospitalization: 2 admissions
- Medical Rehab Hospitalization: 1 admission
- Ambulance Services: \$5,000

Annual Benefit Limits for Adults, including Parents, Elderly and those with Disabilities*

Combined Maximum of 18 per year:

- Physician/Nurse Practitioner Services
- Health Centers
- Outpatient Physical Health Services
- Independent Medical/Surgical
- Optometry
- Podiatry
- Chiropractor

*except pregnant women

Pharmacy Limits for Adults, including Parents, Elderly and those with Disabilities

- 6 Prescriptions per month

Behavioral Health Limits*

- Inpatient Hospitalization Days: Decreased from 60 days to 30 days per year
- Partial Hospitalization Hours: Decreased from 720 hours to 540 hours
- Outpatient Visits: Decreased from 7 visits per month to 5 visits per month

*Do not apply to managed care counties

Further Limits for Childless Adults (GA Category Recipients)

- Only 3 prescriptions per month (not 6)
- Only 1 physical health hospitalization per year (not 2)
- Only 1 ambulance service per year (instead of \$5,000 cap)
- Family Planning counts as a limited service toward the annual limit of 18 outpatient services

New Copayments for Adults, including Parents, Elderly and those with Disabilities

- Managed care plans are authorized to collect (and will be paid based on the assumption that they charge) \$1 for generics and \$3 for brand name drugs
- Selected Medical Assistance Transportation trips will include a \$1.00 copayment

Further Copayments for Childless Adults (GA Category Recipients)

- Will be at least as high as for everyone else, and are expected to be significantly higher

Premium Payments for Non-poor Families with a Child with a Severe Disability

- Starting with families with income of \$40,000 per year
- Sliding scale premium

Provider Payment Increases

- HMOs, Nursing Homes and Hospitals in non-HealthChoices areas get a 2% increase
- 2% cost of living adjustment for direct care workers (MH, D&A, MR and OSP waiver providers)

Other Items of Note

- Dual eligible (Medicare/Medical Assistance) recipients will be moved from managed care to fee for service
- An additional 955 individuals will move from the emergency mental retardation waiting list, a 42% reduction in the list
- DPW promises an exception process for the service limits
- Expansion of community-based waivers continues