

Kathleen Martin is an attorney with O'Donnell, Weiss & Mattei, P.C., and a newspaper columnist for The Mercury, which gave permission for this article to be reprinted.

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## Medicaid savings, but at what expense?

The Pennsylvania Department of Welfare (DPW) administers the Medical Assistance (Medicaid) program in this state, which provides health care to the poor and disabled, and helps to pay for nursing home care, as well as care in the community. According to a recent article in *The Philadelphia Inquirer* ([http://www.philly.com/philly/blogs/harrisburg\\_politics/Report-Medicaid-savings-in-RI-by-Alexander-far-less-than-reported.html](http://www.philly.com/philly/blogs/harrisburg_politics/Report-Medicaid-savings-in-RI-by-Alexander-far-less-than-reported.html)), since August the Corbett administration has cut off 150,000 people, which includes 43,000 children, from Medicaid. The administration claims that those removed were dead, had moved, or were otherwise ineligible; however, advocates state that the demand for services has grown, not diminished. Health policy experts point out that no other state has experienced such a large purge of the Medicaid rolls during the economic downturn.

Medical Assistance (Medicaid) is funded in part by the federal government, and in part by the individual state governments. The states actually administer the programs with oversight by the federal government. In Pennsylvania, Governor Tom Corbett appointed Gary Alexander as the new Secretary of the DPW, hoping that Mr. Alexander would work the same fiscal magic in Pennsylvania that he purportedly worked in Rhode Island where he held a similar position. Corbett said that Alexander had “just the kind of experience we need right now in Pennsylvania.”

However, Pennsylvanians' recent experience is a purge of the Medicaid rolls as a result of stepped-up eligibility reviews this summer and continuing into the fall. The pace of the cuts appeared to pick up in November, with 90,000, or 4 percent, dropped in a single month. Conversely, in New Jersey, Medicaid enrollment *increased* by 391 people during the same month. As people lose jobs and employer-provided benefits, the need for Medicaid has grown, not decreased. Advocacy groups, clients, and representatives of caseworkers, as well as elder law attorneys, saw that pressure to quickly review a backlog of files and to close cases overwhelmed the system. At the same time, the state reduced the workforce that processes applications as a result of fiscal belt-tightening. The time frame for clients to respond to renewal or re-determination paperwork has been reduced, and may not be sent to the proper persons. In some cases, benefits are cut despite what appears to be a timely response.

When the PA state budget was signed into law, Alexander promised \$400 million in savings by the DPW this fiscal year. He stated that his primary goal was to make Pennsylvania's programs “more efficient and cost-effective,” while keeping in mind the primary goal is “to continue to provide a safety net for the truly needy here in Pennsylvania.”

The term “truly needy” may be the issue. Preventative medicine may no longer be affordable to those children. Residents of nursing homes may find themselves without Medicaid payments, incurring additional costs for which there is no money to pay. Alexander purportedly saved money in Rhode Island by instituting a “Global Waiver.” However, a new report by the independent Lewin Group, found that it saved \$22.9 million, not the \$100 million Alexander claimed. Alexander stated that the “Global Waiver” brought “much success.” The lesson here is that current Medicaid recipients in Pennsylvania need to stay alert, watch for deadlines, and assist caseworkers to the full extent possible to avoid losing valuable benefits during this period of “rooting out waste.”