
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 805 Session of
2008

INTRODUCED BY KIRKLAND, KENNEY, PAYTON, STABACK, REICHLLEY, GODSHALL, READSHAW, SIPTROTH, PRESTON, BLACKWELL, DALEY, BELFANTI, FRANKEL, DERMODY, HENNESSEY, SEIP, McCALL, THOMAS, MANN, GINGRICH, WALKO, ROSS, GERGELY, HARHAI, HORNAMAN, PETRI, VEREB, GIBBONS, GRELL, PAYNE, R. STEVENSON, HARPER, DENLINGER, WAGNER, JAMES, RAYMOND, S. H. SMITH, WATERS, J. TAYLOR, KILLION, PASHINSKI, TURZAI, OLIVER, SHIMKUS, J. WHITE, MUSTIO, RUBLEY, HARRIS, SCAVELLO, MARKOSEK, BARRAR, SAYLOR, QUINN, METCALFE, CLYMER, K. SMITH, McILHATTAN, DIGIROLAMO, SWANGER, MANTZ, CIVERA, DALLY, QUIGLEY, SOLOBAY, J. EVANS, BOYD, ARGALL, VULAKOVICH, PYLE, ROHRER, WANSACZ, ELLIS, BIANCUCCI, CARROLL, LEVDANSKY, COSTA, HARKINS, STAIRS, BISHOP, SONNEY, DePASQUALE, MAJOR, PICKETT, PETRARCA, MAHONEY, YOUNGBLOOD, SURRA, HESS, MURT, ADOLPH, PETRONE, R. TAYLOR, MICOZZIE, REED, MYERS, WILLIAMS, KORTZ, BASTIAN, FAIRCHILD, HERSHEY, CAPPELLI, SANTONI, ROEBUCK, DeLUCA, MARSICO, BRENNAN, YUDICHAK, PERZEL, M. O'BRIEN, MENSCH, RAMALEY, BROOKS, CRUZ, SABATINA, KULA, BENNINGTON, GERBER, GALLOWAY, LONGIETTI, MAHER AND SAINATO, JUNE 18, 2008

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,
JUNE 18, 2008

A RESOLUTION

1 Urging the Department of Public Welfare to cease and desist from
2 circumventing the policy-making role of the General Assembly.

3 WHEREAS, The Commonwealth has utilized managed care
4 organizations as the foundation for providing health care access
5 and improved health care to medical assistance consumers for
6 nearly a quarter of a century; and

7 WHEREAS, Managed care programs were created to
8 comprehensively coordinate and manage health care for medical
9 assistance consumers, and to provide a "medical home" to ensure

1 continuity of care and access to practitioners and specialists,
2 encourage early detection of serious medical conditions and
3 provide preventative medicine that reduces the need for more
4 costly medical interventions; and

5 WHEREAS, Managed care programs for medical assistance
6 consumers provide quality and cost-effective coordinated health
7 care and are currently offered to medical assistance consumers
8 in 51 counties of this Commonwealth; and

9 WHEREAS, More than 1.1 million medical assistance consumers
10 are currently enrolled in Medicaid managed care organizations;
11 and

12 WHEREAS, Physical health managed care organizations are
13 responsible for managing all physical health services, including
14 pharmaceutical coverage for medical assistance consumers who
15 participate in managed care plans; and

16 WHEREAS, According to U.S. News and World Report and the
17 National Committee for Quality Assurance (NCQA), which accredits
18 such organizations, all of the managed care plans in this
19 Commonwealth are ranked among the top of all Medicaid health
20 plans across the United States; and

21 WHEREAS, The Department of Public Welfare has unilaterally
22 acted to prematurely terminate contracts and has otherwise acted
23 to make fundamental changes in the managed care program serving
24 medical assistance consumers that, effective January 1, 2009,
25 will forbid physical health managed care organizations from
26 managing the use of prescription drugs by such consumers, and
27 thereby deprive them of the benefits of comprehensive management
28 of the prescription medications closely coordinated with their
29 physical and behavioral health needs; and

30 WHEREAS, The move of pharmacy services, which are currently

1 integrated into an effective managed care system, to a fee-for-
2 service system will risk an abrupt and severe breakdown in
3 continuity of care and cause confusion for many medical
4 assistance consumers across this Commonwealth, thereby severely
5 endangering management of their health care needs, especially
6 those with chronic diseases and special needs; and

7 WHEREAS, Such unanticipated and far-reaching changes to a
8 health care system which benefits hundreds of thousands of
9 Pennsylvanians will be made without any public comment or public
10 hearings that would enable medical assistance consumers and
11 health care providers to provide input or allow for an objective
12 assessment of the clinical or financial consequences of such
13 actions; and

14 WHEREAS, The General Assembly has, on many occasions,
15 expressed its reservations about the adverse health impacts that
16 could be caused by transferring pharmacy services from
17 coordination by managed care organizations to the vagaries of a
18 fee-for-service process, as well as the basis for the alleged
19 financial benefits of such actions, neither of which have been
20 adequately addressed by the Department of Public Welfare; and

21 WHEREAS, The Secretary of Public Welfare in a letter dated
22 July 15, 2007, to the leadership of the Senate and the House of
23 Representatives committed to "work with the General Assembly to
24 identify responsible ways to constrain expenditure growth ...
25 without denying vitally needed services"; and

26 WHEREAS, The Department of Public Welfare has not
27 demonstrated the need to fragment the current managed health
28 care system which has demonstrated a measurable record of
29 success, both in terms of patient care management and the
30 control of costs, while it has been shown that the provision of

1 pharmacy services on a fee-for-service basis results in care and
2 medical outcomes which are inferior to those attained in an
3 integrated managed care system; and

4 WHEREAS, The Department of Public Welfare, without
5 substantiation and without accounting for expenses necessary to
6 service enrollees and providers, has projected savings of \$9
7 million from implementing an initiative which would cause the
8 Commonwealth to incur more than \$900 million in known insurance
9 risk and higher administrative costs, while exposing many of
10 Pennsylvania's most vulnerable citizens to the threat of serious
11 and adverse health events; and

12 WHEREAS, Legislative hearings have highlighted the concerns
13 of consumers whose health could be placed at risk by the
14 Department of Public Welfare's actions and who would be required
15 to bear higher out-of-pocket costs due to copayments imposed by
16 the Department of Public Welfare; and

17 WHEREAS, Such hearings have raised serious questions about
18 the credibility of the Department of Public Welfare's estimates
19 of administrative costs and staffing requirements for the
20 initiative, as well as the inadequacy of the systems and
21 processes necessary for it to coordinate with pharmacists,
22 providers and managed care organizations; therefore be it

23 RESOLVED, That the House of Representatives urge the
24 Department of Public Welfare to immediately terminate its
25 unilateral actions and act to honor the commitment of the
26 secretary to work with the General Assembly to develop measures
27 to responsibly maintain quality care while constraining costs;
28 and be it further

29 RESOLVED, That the House of Representatives urge the
30 Department of Public Welfare to continue providing pharmacy and

1 prescription drug services for enrollees in the Commonwealth's
2 medical assistance managed care plans as they are currently
3 being provided and discontinue actions to effectuate or
4 facilitate changes in such services until a comprehensive
5 analysis of the proposed change is completed concerning the
6 health care and financial implications of such proposal, full
7 input is obtained from affected consumers and health care
8 providers, and opportunities are provided for adequate public
9 comment and legislative approval before such a precipitous
10 action is imposed; and be it further

11 RESOLVED, That copies of this resolution be transmitted to
12 the Governor and to the Secretary of Public Welfare.