

Western Pennsylvania Hospital NewsTM

THE REGION'S MONTHLY HEALTHCARE NEWSPAPER

COMMENTARY

Keeping the Safety Net Cast

Amid a state deficit projected to be at least \$2.3 billion this year, Gov. Ed Rendell outlined a 2009-10 budget plan that calls for, among other things, providing more Pennsylvanians with access to health insurance. But this year's budget will present challenges for those of us in the business of ensuring that all Pennsylvanians have affordable access to high quality healthcare.



BY MICHAEL
BLACKWOOD

izens with a disability.

And, it isn't just a "big city" issue. Two-thirds of Medicaid recipients in Pennsylvania live outside of Philadelphia and Allegheny counties, and 27 percent live in rural counties. Allegheny County has more than 185,000 people on the Medicaid rolls. Seven other counties in our region—Armstrong, Beaver, Butler, Fayette, Greene, Washington, and Westmoreland total

more than that, with approximately 188,000 residents on Medicaid. In these eight counties, the Medicaid population includes more than 163,000 children, 38,000 seniors, and nearly 74,000 disabled citizens.

The second point for lawmakers to consider is the job Medicaid Managed Care Organizations (MCOs) are doing in delivering healthcare to more than 60 percent of those on Medicaid in Pennsylvania, including two-thirds of the population in our region. Each of the MCOs in the state has been ranked among the best in the nation and combined have saved the Commonwealth more than \$2.7 billion over a recent five-year period, according to an independent study by the healthcare consulting firm, The Lewin Group.

The MCOs are able to generate cost-savings by coordinating the care their members receive, emphasizing lower cost preventive care, and avoiding unnecessary

hospital stays. We provide an integrated care management approach, increasing access to quality care for special needs individuals. Our care management addresses the health and social needs of the individuals. We tackle chronic conditions head on and coordinate health care intervention plans for enrollees.

We also integrate the delivery of pharmacy services for our members, a critical role with this population. Many consumers have separate plans— one for routine doctor's visits and a second for pharmacy. But the Medicaid population demands a different approach. Remember, many of these women, children and men are chronically ill or have special health needs which mandate a comprehensive and seamless delivery system. We need the ability to manage the medical, surgical and pharmacy aspects of care by working closely with primary care and specialist physicians.

The Lewin Group study also shows MCOs save money by making greater use of generic drugs and tailoring prescription needs of members. This is another reason to oppose, as the legislature has for three straight years, the governor's "Smart

Pharmacy" plan to carve out pharmacy services from managed care plans. The Department of Public Welfare proposed the pharmacy carve out simply to garner greater rebates, compared to private plans. However, President Obama has proposed in this year's federal budget to guarantee the same level of rebates to MCOs that states can potentially receive. This will take away the only rationale for the governor's pharmacy carve out provision.

The news of more job losses in our area adds to the urgency of this situation. Every time a worker loses a job, a family faces the potential loss of its health insurance and one more family may need Medicaid.

Pennsylvania's MCOs look forward to working with the Rendell Administration and the General Assembly to strengthen this vital safety net for our most vulnerable citizens while delivering significant savings for taxpayers.

Michael Blackwood, President and CEO, Gateway Health Plan, can be reached at (412) 255-4650 or mblackwood@gatewayhealthplan.com.

**"Allegheny County has more than
185,000 people
on the Medicaid rolls."**