

SHAW CLIFTON
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Territorial Commander

MAJOR ROBERT J. REEL
Divisional Commander

THE SALVATION ARMY

Founded in 1865 by William and Catherine Booth

WESTERN PENNSYLVANIA DIVISIONAL HEADQUARTERS

700 North Bell Avenue • P.O. Box 742 • Carnegie, PA 15106

Telephone (412) 446-1500 • Fax (412) 276-5461

www.salvationarmy-wpa.org

June 26, 2009

The Honorable Edward G. Rendell
Governor, Commonwealth of Pennsylvania
225 Main Capitol Building
Harrisburg, PA 17120

Dear Governor Rendell:

For four consecutive years, The PA Department of Public Welfare (DPW) has proposed to "carve out", the Commonwealth's Medicaid Physical Health (PH) managed care organizations' (MCOs') ability to manage prescription drug benefits for patients enrolled in the Medicaid PH-MCO delivery system.

Under this proposal, DPW assumes the responsibility of managing prescription drug benefits for all PA Medicaid PH-MCO patients. We anticipate this proposed program change jeopardizes a sizable (1.2 million) population, many of whom we serve within our region bringing to bear critical community resources addressing their domestic, social and spiritual needs among others.

We are highly aware of the extraordinary revenue shortfall Pennsylvania is experiencing due to the sluggish economy and sensitive to the Commonwealth's pursuit of all possible revenue generating opportunities (e.g. *rebates on medications utilized by Medicaid PH-MCO patients*). These times, The Salvation Army finds itself encountering a similar challenge.

However, DPW's desire to carve out Medicaid PH-MCO pharmacy benefit management to pursue federal rebates on PH-MCO drug utilization is counterproductive to the delivery of cost-effective, holistic medical care, especially for an at-risk population.

PA's Medicaid PH-MCOs are in a superior position to manage their patients' care proactively, prospective and holistically. At present, Medicaid PH-MCOs most appropriately and effectively assist their members with:

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- Taking medications properly based upon their medical condition(s)
- Working with the member's doctor(s) to make necessary dosage adjustments as the member's medical condition changes
- Recommend medications best suited for the member's condition into their care management plan as they become available
- Managing ALL of the member's medical benefits together to help them become and remain healthy

If this proposal is implemented, Medicaid PH-MCO members will need to contact DPW for all of their medication needs AND THEN their Medicaid PH-MCO for all other medical care benefits.

Medical providers will also be thrust into a position where they'll need to contact each of these stakeholders (DPW and PH-MCOs) for prior authorizations and medical necessity determinations respectively.

If this proposed program change comes into effect, Medicaid PH-MCO members will experience:

- Unanticipated adjustments to their current and future medications prescribed by their doctor
- Delays in receiving necessary prescription medications
- Lower quality care coordination due to delayed prescription drug information transfers from DPW to their Medicaid PH-MCO

The Western PA Division of The Salvation Army is adamantly opposed to DPW assuming responsibility for managing PA's Medicaid PH-MCO prescription drug benefits.

We urge you to cease all consideration of this proposed initiative.

Thank you very much for your time and consideration.

God bless you!

Sincerely,



Major Robert J. Reel
Divisional Commander