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Vice Chairman

JARET GIBBONS
Secretary

TIMOTHY MAHONEY
Deputy Secretary

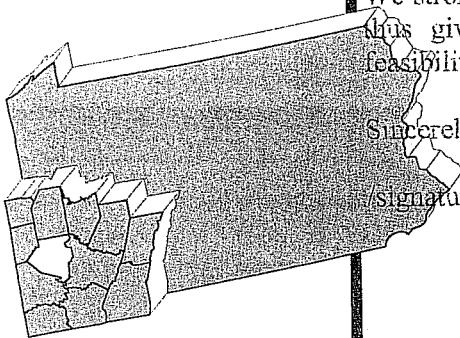
JESSE WHITE
Treasurer

DEBERAH KULA
Deputy Treasurer

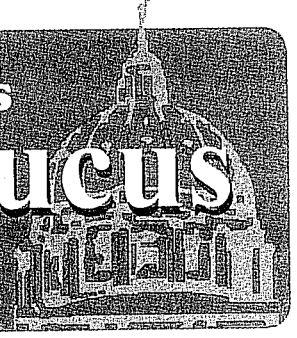
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Jeanne M. Sullivan
Executive Director



HOUSE OF REPRESENTATIVES Southwest Caucus



May 14, 2008

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

Dear Governor Rendell:

The Southwest Caucus is deeply concerned regarding the adverse impact of the following FY 2008-09 Budget proposals by the Department of Public Welfare upon the Commonwealth's Medicaid Physical Health Managed Care Organizations (PH-MCOs).

- For the third consecutive year, DPW aggressively seeks to carve out pharmacy service management from the Medicaid PH-MCOs effective January 1, 2009. This proposed initiative will fragment and compromise a mature, proactive, fully integrated and cost-effective healthcare delivery system. It will inhibit the PH-MCOs' ability to appropriately develop and coordinate disease/intensive case management interventions and monitor patient and provider compliance to prescribing standards ensuring superior quality and lowering the overall cost of care for a vulnerable population.
- Considering that PH-MCO payment rate increases have not been commensurate with medical cost trend in recent years and that they will receive only 11 capitation payments this year instead of 12, an additional one-month capitation delay threatens the viability and stability of this valuable healthcare delivery system.

The PH-MCOs have served the Commonwealth well by lowering the rate of healthcare cost escalation, achieving superior health outcomes and producing vastly improved access to medical care for our most vulnerable citizens.

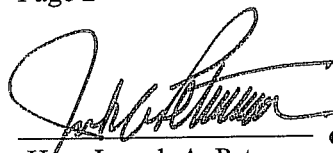
Destabilization of this medical delivery system will significantly destabilize the Commonwealth's entire Medicaid Physical Health program. Overall, PH-MCO membership comprises **63%** of the Commonwealth's Medicaid population.

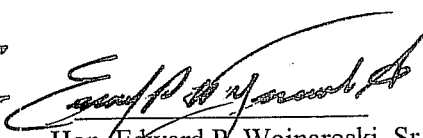
We strongly urge these proposals should be re-evaluated through the entire Budget process thus giving the General Assembly an appropriate period of time to determine their feasibility.

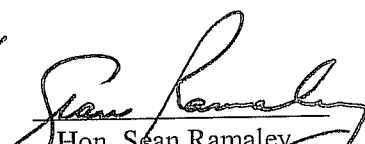
Sincerely,

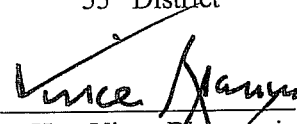
/signatures attached

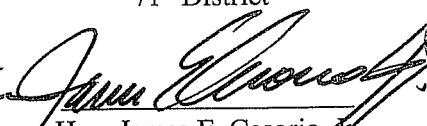
Governor Edward G. Rendell
May 14, 2008
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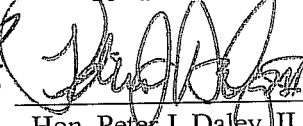

Hon. Joseph A. Petrarca
55th District

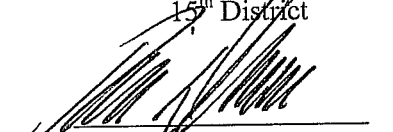

Hon. Edward P. Wojnaroski, Sr.
71st District

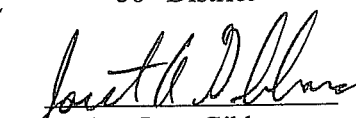

Hon. Sean Ramaley
16th District

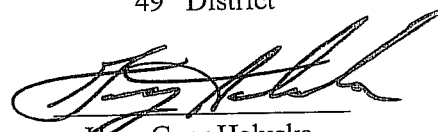

Hon. Vince Mancucci
15th District

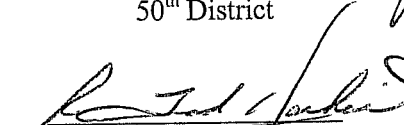

Hon. James E. Casorio, Jr.
56th District

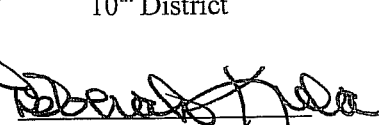

Hon. Peter J. Daley, II
49th District

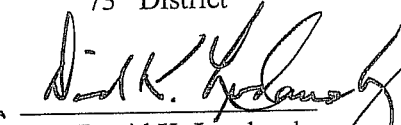

Hon. H. William DeWeese
50th District

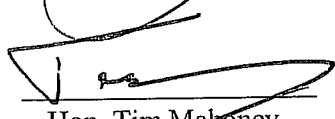

Hon. Jaret Gibbons
10th District

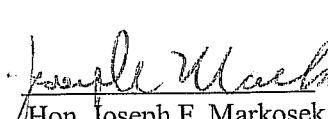

Hon. Gary Haluska
73rd District

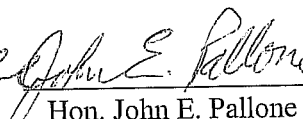

Hon. Ted Harhai
58th District

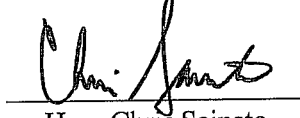

Hon. Deberah Kula
52nd District

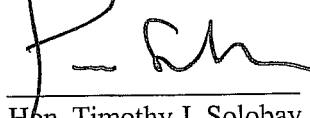

Hon. David K. Levdansky
39th District

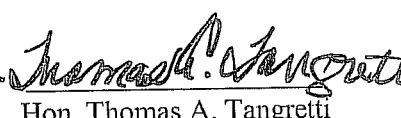

Hon. Tim Mahoney
51st District

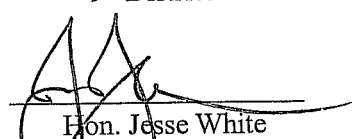

Hon. Joseph F. Markosek
25th District

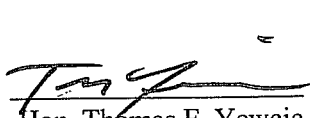

Hon. John E. Pallone
54th District


Hon. Chris Sainato
9th District


Hon. Timothy J. Solobay
48th District


Hon. Thomas A. Tangretti
57th District


Hon. Jesse White
46th District


Hon. Thomas F. Yewcic
72nd District

cc: The Honorable Dwight Evans
Secretary Estelle Richman