

Measure would impose copays on Medicaid

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By Elizabeth Gudrais

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PROVIDENCE — Lawmakers yesterday gave their blessing to two measures strongly opposed by advocates, who said the proposals will hurt the elderly and people with disabilities, and further strain hospitals that are already financially strapped.

One of the bills would impose a copay on prescription drugs for Medicaid recipients: \$1 for each generic drug, and \$3 for each brand-name prescription. The other would decrease the rate at which the state reimburses hospitals for outpatient procedures provided to Medicaid recipients.

Both changes affect about 14,000 people in the state's so-called Medicaid fee-for-service programs — mostly people with disabilities and very poor elderly.

Yesterday's two-hour House session included lengthy debates on sodas in schools and preventing students from dropping out of school, but the Medicaid measures passed with no discussion whatsoever. Although advocates vigorously fought both changes, the size of the looming state deficit forced lawmakers to put the changes forward, said Rep. Steven M. Costantino, chairman of the House Finance Committee, which heard and approved the bills.

"We have to move forward on some of the governor's proposals, as difficult as it may be," said Costantino, D-Providence. "We have to move Rhode Island toward a point where it has a healthy budget," instead of projections of ever-increasing deficits, he said.

The prescription-drug copays passed the General Assembly last year, but a Superior Court judge invalidated them after Rhode Island Legal Services sued on behalf of a homebound disabled woman from Central Falls. The decision from Judge Stephen J. Fortunato did not say the Assembly could not impose copays; it merely said the Assembly needed to amend the state General Laws, in addition to including the copays in the state budget. The bill the House approved yesterday would do that.

Even though the bill reaffirms action the Assembly already took, advocates still hoped lawmakers would change their minds and repeal the measure altogether.

"The bottom line is that we're going to ask the poorest seniors now to choose between their medications and other basic needs like food and heat and housing,"

Kate Brewster, executive director of the Poverty Institute at Rhode Island College, said in an interview yesterday.

Many of the people who will have to pay the new copays take multiple medications, Brewster said. “It’s not just \$1 or \$3 a month,” she said. “It could be \$30 a month. Some people, when they testified, talked about having 15 medications. That’s not uncommon.”

Regarding the proposal to change the Medicaid reimbursement rate for hospitals, Hospital Association of Rhode Island President Edward J. Quinlan credited Costantino with doing “a very, very good job in trying to sort out all the different elements” of the budget “and figure out how to best balance.”

But Quinlan noted that a Community Hospital Task Force created by the governor and lieutenant governor held its first meeting yesterday. He said the task force “spent two hours discussing causes of hospital distress, and this was one of them. ... Every additional reduction in payment makes a difficult situation that much worse.”

The prescription-drug copays are expected to save \$210,000 — of which \$100,000 is state money — this fiscal year, and \$1.3 million — including \$600,000 in state general revenue — next year.

The change in reimbursement rates is expected to save \$246,000 — including \$117,000 in state money — this fiscal year, and \$3 million — including \$1.4 million from general revenues — in fiscal 2008.

The measures must still pass the Senate before taking effect.

In that chamber yesterday, lawmakers approved a measure designed to help poor elderly. It would prevent the state from counting Social Security benefits as income, for the purposes of unemployment compensation. Under current law, the state divides a person’s Social Security benefit amount by two, subtracts that amount from the unemployment benefit, and pays the difference. The bill — sponsored by Sen. Frank Ciccone, D-Providence, and backed by the AARP — aims to help elderly people who must get jobs to supplement their Social Security income, but then get laid off.

With reports from Katherine Gregg of the Journal State House Bureau