

Rep. Tangretti Remarks

Senior Citizens

May 17, 1996

(Usual Greetings and Acknowledgments)

Thank you for inviting me here today.

It's always a pleasure for me to share the  
company of men and women who represent the  
generations that overcame the Great  
Depression; kicked the pants off the Nazis and  
Imperial Japan; rebuilt the postwar economy of  
America, Europe and ~~Japan~~ <sup>*The FAR EAST;*</sup> and laid the  
foundations for our peaceful triumph over Soviet  
Communism.

Most challenging of all, though, was the raising of generations of kids like my generation, and the ones that came after me, who probably caused you more aggravation than the depression, the Germans, the Japanese and the Commies combined.

I recently had the misfortune of losing my own father, and I am forever indebted to him for the spiritual and material advantages he provided his children as did so many loving parents of his generation.

The feelings we have for the generation of our parents can never be adequately expressed,

and here in Pennsylvania I believe that has been  
the major motivating force for the efforts we've  
made on behalf of senior citizens in recent  
decades..

The PACE program... the property tax and  
rent rebates... the transportation programs... the  
Area Agencies on Aging...the various discounts  
on auto registrations, hunting and fishing license  
and the like...are a way for the people of  
Pennsylvania to say "Thank you" to the  
generations who made possible the peace and  
prosperity...the progress and the liberty... we  
enjoy today.

*State Camping  
Fees - reduced  
65 +  
Reduced Historical  
Site Admin - P+MC  
Reduced Dog  
license fee -  
Co. Insurance*

There's no way we can ever adequately repay our gratitude. But the system of services the state provides are way for all the people of Pennsylvania to say we will never take for granted, nor overlook, what you have done for us.

And so, no legislative session goes by without a significant measure of attention to senior citizens, and rightly so.

Whether the discussions are over state finances, or about crime, or local tax reform, or health issues...I could go right down the line...someone is certain to raise the question

how this will affect our senior citizens.

We don't win on all of those points, but I guarantee you that the concern is always there...and more often than not it will prevail.

Just one example in the current session is the PACE program for prescription assistance to seniors.

The issue is not whether the PACE program will be improved and expanded. Three main proposals are being considered to improve the program, and the argument is over which one will offer the most benefit over the longest period of time. *that we can offer.*

Governor Ridge is offering a plan, the main feature of which is to increase the income eligibility for PACE by \$1,000 from the current level of \$13,000 for a single person and \$16,200 for a married couple. The co-payment would remain the same -- \$6.

The governor proposes to save money and reduce the pressure on the lottery fund by requiring mandatory generic substitution, and changing the formula for payments to drug manufacturers and pharmacists. The governor's plan projects an increased enrollment of 25,700 *in PACE* persons as a result of the changes.

Another plan, introduced by Senators Heckler and Salvatore of the Philadelphia area, would create a second tier of benefits, called PACE II, for those whose income exceeds the current limits. These persons would be required to pay an annual deductible and a slightly higher co-payment. Otherwise the program would remain the same for those who currently qualify.

For those in PACE II, however, single senior citizens with incomes between \$13,000 and \$15,600 would pay a \$600 annual deductible, while married couples with incomes between \$16,200 and \$19,400 would pay a \$900

annual deductible.

All PACE II participants would pay an \$8 co-payment for generic medications and \$15 for brand-name pharmaceuticals, or 30 percent of the cost of their medications up to a maximum of \$25 per claim.

Current participants who were moved into PACE II because of an income change would not have to pay the deductible for their first year in the second tier program.

The Salvador/Heckler proposal would cost about \$27.6 million and enable 66,000 more seniors to receive prescription assistance



benefits.

A third PACE alternative, introduced by  
House Democrats, <sup>of which I'm a  
co-sponsor</sup> would increase the income  
limits for eligibility by \$2,000 such that  
individuals could qualify with incomes of \$15,000  
and couples with incomes of \$18,200.

This would increase PACE enrollment by  
51,400 and would be paid for by requiring  
mandatory generic substitution and changing  
the formula for reimbursing suppliers for the cost  
of prescription drugs.

And finally, the House Democratic plan  
would, reasonably I think, require the payment of

state income tax on lottery winnings. <sup>1/2</sup> 23M.

HB 1526 -  
would allow -  
income limits to  
increase each  
year by the amt  
Pd in claims  
previous year -  
infla adjust also

I think we can look forward to the adoption  
of one of these plans, or some variation...maybe  
some combination... of the best features of one  
or more of these proposals in the remainder of  
the current session.

After all, it has been five years now since  
the PACE income limits have been increased.  
And during that time inflation has greatly  
increased the price of prescription drugs and  
lowered the purchasing power of senior citizen  
incomes.

Moreover, more than 100,000 senior

citizens have dropped off the PACE rolls since  
the income limits were last changed...and many  
of these were due to modest cost of living  
increases in Social Security that pushed PACE  
recipients just over the income limit.

*Women 54%*

So, as I said before, this is a desirable  
position to be in...a win-win situation where the  
alternatives are between good, better and best.

And that's because each one of you  
symbolizes not just a vote but the personification  
of a whole generation who were the parents,  
teachers, mentors, models...and I will go far as  
to say heroes... to the generations who now

**manage our public affairs.**