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 Jupper; 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,

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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

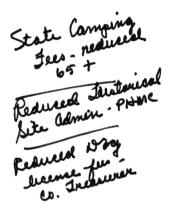
and the like ... are a way for the people of

Pennsylvania to say "Thank you" to the

generations who made possible the peace and

prosperity...the progress and the liberty... we

enjoy today.



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

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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. Furt W (or W).

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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 m JACS

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

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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

of which I'm a 00- Apanca

House Democrats, 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. 15 23 M ·

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

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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.

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.