

Rep. Tom Tangretti
Remarks to Seniors
May 24, 2002

Good morning ... I'm very happy to have the privilege to speak to you today.

If you read the newspapers, and I know that all of you do, you probably realize that my job in Harrisburg is about to get much more difficult over the next month or so.

The General Assembly must pass a budget for fiscal year 2002-03 by the end of June, and right now, it doesn't seem that anybody agrees on much of anything as far as that budget is concerned.

In the House of Representatives, we've already passed two versions of the budget –

one of our own and a version sent to us by the Senate.

But it's a pretty good bet that the final budget will be markedly different from both of those early versions.

During the past seven years, the biggest question lawmakers have had to answer when putting together the state budget was: Where should we spend the money?

With the economy booming, and tax revenues growing – even with the many tax cuts we enacted – there was still plenty of money to go around.

That's not going to be the case this year.

Some people are predicting a budget shortfall of as much as \$1 billion for Pennsylvania this year.

It seems absurd to say, but we should probably consider ourselves lucky.

Some states will be in much more dire positions.

Here in Pennsylvania, we took precautions during the good times to make sure the bad times wouldn't do too much damage, and I don't think they will.

Still, things will be difficult for a few years.

The big question we will be trying to answer in Harrisburg this coming month won't be: What do we spend our money on?

It will be: Where do we take the money from?

As you know, that is always a much more difficult question to answer.

And that brings me to my real message to you today.

I want to assure you that, while there is much disagreement about what programs

that should be cut in the budget and what this state's fiscal priorities should be, there is also almost unanimous agreement that budget cuts should not be made on the backs of this state's population of senior citizens, and that those seniors and the programs that support them must remain a funding priority, even in these lean budget times.

In fact, while all of us in the General Assembly realize that this and probably future budgets will be tight, we also know that this doesn't mean we should be satisfied with what we are doing now for our seniors.

Indeed, there is much consensus in the House and Senate that we need to do even more for older Pennsylvanians.

One area, of course, where we have much work to do is prescription drug coverage.

At one point, Pennsylvania was a model for the nation as far as prescription assistance for senior citizens is concerned.

Sadly, I don't think that's the case anymore.

The lottery-funded PACE program that was created in the 1970s lately has not been able to keep up with the skyrocketing cost of prescription drugs.

The PACENET program Governor Ridge created in the 1990s hasn't enrolled the number of seniors it originally was intended to.

Meanwhile, thousands of seniors who did qualify for one or the other of these programs over the years have lost that coverage because of Social Security and other retirement benefit increases.

Because of this, hundreds of thousands of seniors in Pennsylvania don't receive any help in paying for their prescriptions.

As a result, many of these hundreds of thousands of seniors simply can't pay for their prescriptions.

This is tragic on both a personal level and on a societal level.

On a personal level, it leaves seniors with some truly scary choices: skipping meals so they can afford their medicine; turning down their thermostats in winter so they can pay their other bills; or skipping doses of the medicines that keep them healthy.

On a societal level, it is a tragedy because these personal decisions often leave many seniors in the hospital instead of at home, and they results in medical costs to their families and the state that are much, much higher than they would be if we simply made sure every senior in Pennsylvania was able to afford the medicine he or she needs to stay healthy.

The good news is, there are an increasing number of lawmakers in Harrisburg that believe we can and must fix this situation now.

The better news is, Governor Schweiker's administration also now seems to be on board.

Before I explain, let me first describe for you a recent proposal that was made in the House of Representatives that would expand prescription drug coverage for more than 200,000 additional senior citizens in Pennsylvania.

The first component of this plan would pour millions of more dollars into the PACE program, making it possible to give all seniors who earn less than 200 percent of the federal poverty guidelines full PACE benefits.

This plan would eliminate PACENET with its \$500 a year deductible, and make all the seniors currently enrolled in that program,

and the hundreds of thousands who aren't eligible for either of the state's assistance programs, eligible for full PACE benefits.

For seniors earning more than 200 percent of the poverty level but less than 225 percent, full PACE benefits also would be granted for up to \$1,800 worth of prescriptions a year.

After that, seniors in this income bracket would still only have to pay 20 percent of the cost of their prescriptions for the remainder of the year.

For seniors earning between 225 percent and 300 percent of the federal poverty guidelines, a PACE Plus Subsidy Card program would allow them to purchase their medications at the same subsidized rate that the state pays.

Finally, money from Pennsylvania's share of the tobacco settlement would be used to help working people from age 50 to 65 who aren't eligible for PACE to participate in the PACE Plus Subsidy Card program.

This plan would offer some form of state-sponsored prescription coverage to every single senior in Pennsylvania earning up to \$25,680 a year, and every married senior couple with a household income of up to \$35,820.

In contrast, the current lottery-funded PACE and PACENET programs offer coverage only to single seniors earning up to \$17,000 and senior couples earning up to \$20,200.

This plan would add more than 200,000 addition seniors to the rolls of PACE, and save those seniors almost \$200 million a year in out-of-pocket prescription costs.

Of course, the big question is, how the heck do you pay for something like this?

I just stood here for the first five minutes of my talk and described the fiscal crisis that the state faces.

That doesn't seem to jibe with a new prescription assistance program that gives improved benefits not just to the people who currently are eligible, but to 200,000 more people, as well.

Well, the answer to that question is really rather simple.

The federal government wants us to do it, and is willing to pay for it.

About two years ago, the federal government began offering a Medicaid waiver program to the states known as Pharmacy Plus.

This program provides \$77 billion in federal funds to states that want to expand pharmaceutical benefits for people earning less than 200 percent of the poverty level.

By applying for and receiving this Medicaid waiver, Pennsylvania could put in place the program I just described, while at the same

time saving the state lottery fund more than \$132 million.

Several other states have already received the waiver, and are offering prescription assistance to thousands more of their seniors.

For the past two years, many legislators, including me, have been asking first Governor Ridge and most recently, Governor Schweiker, to do the same.

I'm happy to say that earlier this month, Governor Schweiker finally directed the state departments of Aging and Public Welfare to look into the federal Medicaid waiver program.

I sincerely hope that Pennsylvania will apply for the program soon, and start giving thousands more seniors the prescription assistance they need and deserve.

Of course, prescription assistance is just one of the many issues Pennsylvania senior

citizens are concerned with – there's health care in general, tax reform, long-term care and a host of other issues.

The General Assembly cannot take a break – even in tough budget times – from dealing with any of these issues.

I know I won't be taking a break, and neither will my colleagues.

On Tuesday, we found out who the Democratic nominee for governor will be.

In less than six months, we will know who the next governor will be.

He, and Democrats and Republicans in the General Assembly, will face a host of challenges and a list of priorities for the future of Pennsylvania.

Let me assure you that improving the health, well-being and economic standing of this

state's senior citizens is at the top of both of those lists.

I've worked hard in a bipartisan spirit with the Ridge/Schweiker team to do what I could for seniors here in Westmoreland County and across Pennsylvania for the past eight years.

I will continue that effort with the next administration.

In the meantime, please get in touch with me if you have any questions, or need any kind of help at all, with a state-related problem.

It's my job to serve you, and it's always my pleasure to get the chance to speak to you and meet with you.

Thank you very much.

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