

DATE: January 30th, 2006

TO: Senate Committees on Health, Subcommittee on Aging and Long Term Care and Budget Subcommittee No. 3 on Health and Human Services; Assembly Committees on Health, Aging and Long-Term Care, and Budget Subcommittee No. 1 on Health and Human Services

FROM: Rusty Selix, Executive Director

RE: **Medicare Part D Hearing: The Mental Health Association in California's Concerns with the Barriers Faced by "Dual Eligibles."**

The Mental Health Association in California (MHAC) would like to express concern regarding the barriers faced by Californians in the transition to Medicare Part D. We request that the State Legislature act to cover the cost of the co-pays, and join is in asking Congress to return the dual eligibles feature to Medicaid.

We understand that the State is doing whatever can be done to help, but we are now convinced that Medicare Part D will NEVER work for individuals with a mental disability who are covered by both Medicare and Medicaid, other wise known as "dual eligibles." This population, nearly half of whom are those with severe mental illness, live only on SSI/SSP. They never have any money, and cannot afford a co-pay. They have never been in any form of managed care, and for those who are on their own, have no capability of sorting through the competing plans. They usually have multiple health problems, and need many medications. They may find that some plans cover some of their medications, but there is not a single plan which covers all of their medications.

As a practical matter, only those with a case manager (whose time is billable) expending enormous resources can navigate this system. This is a horrendous waste of federal, state, and local public funds.

It has been documented that others show up at pharmacies with no co-pay and no idea of what is covered by the plan they have been automatically enrolled in, which means many are leaving the pharmacy without medications. This is the worst possible result. We will not be able to measure the impact for months, but can assume it will mean more hospitalizations, incarcerations, homelessness, and other negative outcomes that also will be costly.

The first step is to get rid of the co-pays. But that does not solve the problem, because it will still be impossible to ensure that there is a plan that covers all medications.

Moreover, in a competitive managed care environment, these Prescription Drug Plans (PDP) have no incentive to make sure people get their medications because they have no responsibility for the other health care costs that occur when a person stops taking them.

Following is a San Francisco Chronicle Editorial making the case to repeal this component of Medicare Part D. I hope we can convince you to take action to see how quickly this feature of Medicare Part D can be repealed. Additionally, the Mental Health Association in California urges you to ensure that all low income seniors and disabled people who are covered by both Medicare and Medicaid will have access to the medications they need. This means ensuring that, in the interim, the State cover the cost of the co-pays of all medications.