

Memo

The House Appropriations Committee (D)

TO: House Democratic Members and Interested Parties
FROM: **Rep. Joseph Markosek, Chairman**
SUBJECT: **Reality Check on DPW Cutting 120,000 from Medical Assistance**
DATE: January 17, 2012

The Corbett administration and Department of Public Welfare Secretary Gary Alexander continue to avoid transparency and play games with the numbers.

Most recently, Secretary Alexander claimed, in a news release from the department that, “more than 100,000 ineligible welfare cases – *many* involving clients who died or moved out of state – have been eliminated from the rolls, saving taxpayers more than \$34 million.” ([Read DPW news release](#))

Those cuts were the result of closing 62,528 “cases” (a case may include multiple people in a household) as the department continues reviewing eligibility criteria for individuals in a backlog of several hundred thousand Medical Assistance (MA) files.

In November, DPW officials refused to provide data to support the secretary’s erroneous claim.

In fact, according to DPW data subsequently provided on Dec. 23, more than 120,000 individuals were cut from MA when the 62,528 cases were closed. **HOWEVER**, the actual number of clients who died is 1,568 — **1.3%** of the people removed from MA rolls. **That can hardly be considered “many.”** DPW has yet to provide data on clients who moved out of state.

Most of those 120,548 **cut were children** (64,962, or 54%).

Here is what we know about the 62,528 closed cases:

- The majority of cases (40,818, or 65%) were closed because of “failure to provide information”
- Another 2% were closed because an individual failed to keep an appointment with their caseworker
- 6% of cases (3,794) were closed due to income eligibility
- 22% of cases (13,781) were closed for other eligibility reasons, for example they may have moved

out of state, had too many assets, had other insurance, etc.

Newer data released to the *Philadelphia Inquirer* shows 88,000 children cut from Medical Assistance benefits.

— A front-page article in the Jan. 17, 2012 *Philadelphia Inquirer* details cuts based on new DPW information, which includes the month of December. Consistent with earlier data provided to the House Appropriations Committee (D), the number-one reason DPW *claims* for cutting benefits is “failure to provide information.” [Read article](#)

The department is right to focus on eliminating potential waste, fraud or abuse in its programs, but the best solutions require resources on the front lines (i.e. staff in County Assistance Offices) to identify, investigate and resolve issues quickly. Instead, DPW is creating more top-level bureaucracy while eliminating front-line staff.

- More -

In fact, County Assistance Office staffing is down nearly 8 percent from the beginning of the 2010/11 fiscal year. Additionally, the budgetary freezes Gov. Corbett announced earlier this month include a \$15.6 million cut in CAO personnel.

The demonstrated lack of transparency in the Corbett administration — especially in regards to DPW actions affecting Pennsylvania’s children, seniors, working families and our most vulnerable citizens — raises many questions as we prepare to discuss a new state budget plan that Gov. Corbett will unveil on Feb. 7.

Some of the Questions **You should be asking DPW**

- **How many of these cases involved waste, fraud or abuse?**
- **How many of the Medical Assistance cases reviewed were handed over to the Office of Inspector General for further investigation and prosecution?**
- **How many people who lost their MA benefits are severely disabled or have life-threatening illnesses?**
 - The Pittsburgh *Post-Gazette* ([read article](#)) reported DPW cut a 5-year-old with leukemia. The *Philadelphia Inquirer* ([read article](#)) reported DPW cut a 19-month-old with severe disabilities.
- **How many people submitted the requested paperwork, but it never was processed or was lost by the overwhelmed County Assistance Office?**
 - The same Pittsburgh *Post-Gazette* article ([read it](#)) reported that the mother of the 5-year-old submitted the necessary information twice.
- **How many people were inappropriately cut because of the staffing shortage and lack of resources in the County Assistance Offices?**
 - The Corbett administration eliminated more than 400 positions in the County Assistance Offices, resulting in offices that are understaffed and overwhelmed by the number of cases requiring review as well as new clients applying for assistance.
 - Some workers in the County Assistance Offices reported that submitted paperwork was sitting in boxes awaiting review.
- **How many people were inappropriately cut off because of computer glitches?**
 - Workers reviewing cases can only go by what is in DPW’s computerized system.
 - Some workers in the County Assistance Offices reported that some of the paperwork that was scanned was not correctly attached to computer files.
- **How many people will ultimately have MA benefits reinstated as the result of appeals?**
- **How many people will return to the MA rolls over the next year?**
 - People may not realize they were terminated until the next time they get sick and need medical care.
- **How much in additional medical costs will DPW incur because reinstated MA recipients went without preventive services (such as medication and doctor visits) and ended up needing more expensive services such as ER visits or even hospitalizations? [Read about examples of this](#)**

Links (if you are reading a hard-copy of this memo, you can find the linked articles online at):

www.philly.com/philly/health (search: “Medicaid”)

www.post-gazette.com (search: “Medical Assistance” article from 10/30/2011)

www.pa.gov (click “Media,” then select “November 2011,” then scroll down to page 3, 11-21-2011 “DPW Creates Office of Program Integrity to Strengthen Efforts to Curb Fraud, Waste and Abuse”)