



COMMONWEALTH of VIRGINIA


DEPARTMENT OF SOCIAL SERVICES

Office of the Commissioner

Anthony Conyers, Jr.
COMMISSIONER

January 2009

TO: Patient Assistance Program Managers

FROM: Anthony Conyers, Jr. 

RE: Utilization of VA Medicaid Eligibility Workers by Certain Pharmaceutical Companies

Patient Assistance Programs provide an invaluable service to Virginia citizens who lack the resources to afford prescription drugs. As the number of uninsured Virginians continues to rise, and resources are particularly limited, we are grateful for the benefits provided through these programs.

It has come to my attention, however, that as a condition for eligibility in your Patient Assistance Program, patients are required to apply for Medicaid benefits and provide documentation that those benefits have been denied. I understand the desire to ensure that the Patient Assistance Programs be used only by those patients who have the greatest need. Free medications should only be distributed to those patients who are truly eligible. In Virginia, however, where Medicaid eligibility for adults is among the most restrictive in the nation, this is an unnecessary step, and imposes an undue burden on our low-income citizens and the local eligibility workers who must process these applications.

Limitations of Medicaid Eligibility for Adults in Virginia

Medicaid eligibility for adults in Virginia is limited to three categories: the aged, blind, and disabled (ABD); pregnant women; and very low income parents (25%-33% *Federal Poverty Level*). Adults without children living in the home who are not eligible under an ABD category simply do not qualify. For the aged (*over 65 years of age*), blind, and disabled, the highest income level for monthly comprehensive coverage is just 80% of the federal poverty level (*FPL*). In 2008, this is \$694 per month for an individual and \$934 for a couple.

While there is a "medically needy" program for the aged, blind and disabled with higher incomes, this component of Medicaid requires a "spenddown." This means that individuals must incur substantial medical expenses before qualifying. For example, an elderly person living in Richmond with just \$750 monthly income has to present almost \$3,000 in medical bills to meet the spenddown. Eligibility in this category can last no longer than six months, after which another spenddown period must be met. Frankly, this Medicaid category is a realistic option only for people with catastrophic health expenses.

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Eligibility for pregnant women is higher (*185% FPL*), but it is limited to the term of the pregnancy and 60 days postpartum. For adults under 65 who are not disabled or pregnant, Medicaid eligibility is even more limited. There is a category for parents with dependent children living in the home, but Virginia's income limits for this group are the one of the lowest in the nation. Low income parents can qualify for Medicaid only when their countable income is not higher than 25%-33% FPL, depending on where they live. For example, for a family of three, the Medicaid income eligibility limit for parents is set at a meager \$353 in rural parts of the state, \$386 in most urban centers, and \$471 per month in Northern Virginia. There is no Medicaid spenddown option for parents, even if they have huge medical expenses. Parents who are not living with their children due to divorce or for other reasons are not eligible for coverage in this category, even though they may be providing support for their children.

Based on Virginia's very limited Medicaid eligibility requirements, I am sure you would agree that spending tax dollars just to verify that an individual does not qualify for Medicaid is not cost-effective. Because of a significant increase in the number of families that do qualify for food stamps and Medicaid, local department of social services struggle to keep up with application processing as staff increases have not been commensurate with the rising caseloads. Given these circumstances, I'm sure you would agree that their efforts should be focused on processing applications for Virginians who are likely to be eligible, rather than providing verification of an individual's ineligibility.

The Virginia Department of Social Service's website, www.dss.virginia.gov, offers a screening tool that individuals may utilize to assess their likelihood for Medicaid and FAMIS eligibility with plans to include a screening tool for the ABD population. I would encourage you to use this tool rather than requiring an application for Medicaid. The website includes income and resource limits for Virginia's medical assistance programs.

I respectfully request that, for Virginia residents, you waive your requirement of a denied Medicaid application as a condition of eligibility for your Patient Assistance Program. Thank you for your assistance in this matter.