

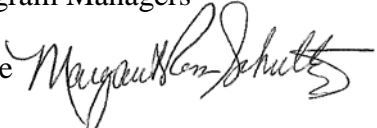


COMMONWEALTH of VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
Office of the Commissioner

Margaret Ross Schultze
Commissioner

February 2016

TO: Patient Assistance Program Managers

FROM: Margaret Ross Schultze 

SUBJECT: Requirement of Certain Pharmaceutical Companies for Medicaid Eligibility Determination

Patient Assistance Programs provide an invaluable service to Virginia citizens who lack the resources to afford prescription drugs. With the implementation of the Affordable Care Act (ACA) the number of uninsured Virginians has decreased somewhat. However, because Virginia has not engaged in the expansion of Medicaid under the ACA, many individuals still need assistance obtaining needed prescription medicines. We are grateful for the benefits provided through Patient Assistance Programs.

I understand 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.

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% of the Federal Poverty Level (FPL). For the aged (65 years of age and older), blind, and disabled, the highest income level for monthly comprehensive coverage is just 80% of the FPL. In 2016, this is \$792 per month for an individual and \$1,068 for a couple. Adults without children living in the home who are not eligible under an ABD category simply do not qualify.

While there is a “medically needy” program for the aged, blind and disabled with higher incomes, this component of Medicaid requires the individual to meet or satisfy 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

approximately \$2,500 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.

Given Virginia's restrictive Medicaid eligibility requirements, I am sure you would agree that spending tax dollars to verify that an individual does not qualify for Medicaid is not cost-effective, especially during this time when the number of applications has increased while local department staffing has remained the same. We hope that your company can continue to be a source of relief for uninsured Virginians who require assistance with their prescription medicine costs. We believe that our local departments' efforts, however, are best spent focusing on processing applications to qualify an individual for coverage rather than providing verification of an individual's ineligibility.

The Virginia Department of Social Services offers a screening tool through the CommonHelp customer web portal that individuals may utilize to assess their likelihood for Medicaid eligibility. The screening tool is available at <https://commonhelp.virginia.gov/access/> and click on "Am I Eligible?" I 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.