

Veto No. 2006-10

HB 2202

November 9, 2006

To the Honorable, the House of Representatives
of the Commonwealth of Pennsylvania:

I am returning House Bill 2202 without my approval. Pennsylvania already pays for home infusion therapy for over 52,000 commonwealth residents. For the bulk of those receiving Medicaid-based services, the commonwealth covers the cost of the drugs and the cost of the nurse to come to the home to assist the patient and monitor the therapy. With respect to those Medicaid recipients who are covered in the fee-for-service system, this bill would require the commonwealth to absorb the cost of a new service offered by pharmacies *regardless of whether the pharmacy service is medically appropriate or necessary*. There is also the potential that as drafted this bill will result in cost shifting from the federal government to the commonwealth for the home infusion services provided to those individuals known as "dual eligibles."

The Department of Public Welfare manages regulatory and administrative processes that establish Medicaid payment protocols. This legislation is an attempt to go around those established systems and add a new unfunded mandated payment to the budget and thus a new unfunded obligation for the taxpayers of the commonwealth. Throughout the drafting of this bill the Department of Public Welfare urged the parties to engage in the commonwealth's routine administrative processes to determine the appropriate payment protocols for these medical services. I am disappointed that this offer was refused and as a result there may be instances where the pharmacy services may be warranted but payment for those services will still not be appropriately defined and paid.

Finally, this bill includes a troubling drafting error that, were it to become law, would have the unfortunate consequence of making it illegal for the Department of Public Welfare to pay for home infusion therapy for some of the sickest residents who are under 65 years old and destitute. Under current eligibility rules, not all Medical Assistance recipients are eligible for prescription drug coverage. However, the language in Section 443.9 of the bill could be interpreted to prohibit the payment for home nursing services required for home infusion therapy since the commonwealth is not also the payer for the prescribed medicine.

I have proven over the past four years that the Commonwealth can be fiscally responsible, maintain a balanced budget and still make steady progress toward meeting the needs of our most vulnerable Pennsylvanians.

This bill will result in a \$7 million increase in costs to the Department of Public Welfare without the identification of a compensating cut or provision of additional revenue to pay for this increase in expenditures. I have in the

past, and will continue, in the future to provide additional funding for critically needed health care. But I have consistently enforced a “pay as you go policy” when it comes to the state budget – expenditure increases must not be legislated on an ad-hoc basis during the fiscal year. I will not sign legislation that either significantly increases spending or reduces revenue without a specific plan to pay for it.

For these reasons I must withhold my signature from House Bill 2202.

EDWARD G. RENDELL