



Advocacy groups, federal agency close to settling Medicare-Medicaid suit

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By Joe Fahy, Pittsburgh Post-Gazette

Officials said yesterday that a tentative agreement has been reached in a lawsuit concerning thousands of Pennsylvania Medicaid recipients who were automatically enrolled in Medicare managed care plans.

Because Medicare managed care plans generally use a specific network of doctors and hospitals, advocacy groups contended that many Medicare recipients who also received Medicaid might lose access to their doctors or other medical providers.

Many of those Medicaid recipients had been in the traditional Medicare program, which gave them broad access to medical care.

The Pennsylvania Health Law Project, Community Legal Services of Philadelphia and Center for Medicare Advocacy reached the verbal settlement with the federal Centers for Medicare and Medicaid Services, said Alissa Halperin, managing attorney for the Law Project's Philadelphia office.

Lorraine Ryan, a spokeswoman for the federal agency, confirmed that a tentative agreement had been reached.

The advocacy groups had filed suit in December, alleging that the federal government lacked legal authority to allow companies to enroll members of Medicaid managed care plans automatically into the Medicare plans.

The change was permitted as part of the federal government's new prescription drug program, which began Jan. 1.

Ms. Halperin said the two sides had tentatively agreed on allowing Medicaid recipients who had been automatically enrolled in the Medicare plans to continue to see out-of-network medical providers until June 30 without needing referrals or prior authorization. They also could obtain prescription drugs without prior approval.

By that date, however, those who were automatically enrolled also would need to make a decision about whether they would remain in their Medicare plans.

Until then, they would have a number of options for ending their enrollment, she said, and would not incur any penalties for any charges resulting from delays in processing their requests to leave the plans.

The tentative agreement also calls for the Medicare plans to contact members who are using out-of-network medical providers. The plans would inform members that they need to choose other medical providers.

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