

Coalition for a Moral Budget

Fighting to ensure that Medicaid beneficiaries, seniors, and people with HIV/AIDS are protected from cost sharing.

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Press Release: Medicaid and ADDP Co-Pays Will Harm the Most Vulnerable New Jerseyans, Call Upon Legislature to Eliminate Co-Pays from Budget

“Imposing co-payments on Medicaid beneficiaries and individuals with HIV/AIDS will harm the most vulnerable New Jerseyans and will not result in actual savings, says Lowell Arye, Executive Director of the Alliance for the Betterment of Citizens with Disabilities (ABCD) and the Chair of the Coalition for a Moral Budget.

“Medicaid and AIDS Drug Distribution Program (ADDP) co-pays would result in individuals with significant disabilities and those living in poverty not seeking care, exacerbating their illnesses, and cost the State even more in hospitalizations and more Emergency Room visits. As many as 418,000 of the most vulnerable individuals in New Jersey will be impacted by the Medicaid proposal and 7,500 people with the ADDP proposal”, he continued.

The Coalition for a Moral Budget joined today with the NJ for Health Care to fight the health care cuts in the Governor’s proposed FY’10 Budget. These cuts include co-pays in the Medicaid and ADDP program as well as a freeze on enrollment for parents for FamilyCare between 150%-200% of Federal Poverty Level.

The Coalition is a diverse group of advocates and providers who want to ensure that Medicaid beneficiaries, including seniors and people with HIV/AIDS do not forgo important and necessary health care services due to the imposition of Medicaid and AIDS Drug Distribution Program (ADDP) co-pays. The Coalition is comprised of HMOs, pharmacists, faith-based, mental health, and disability organizations.

States are re-thinking co-pays because health services research has consistently shown that co-pay causes low-income people to forgo health care services, including essential services, leading to other costly consequences such as increased use of emergency rooms and hospitalizations.

For example, Oregon eliminated co-pays for prescription drugs last year. Oregon’s decision was based on research published in April 2008 that concluded that in the Oregon Medicaid program **applying co-pays shifted treatment patterns and did not provide the expected savings**. The research indicated that co-pays for low-income adults did not reduce expenditures as intended and showed several unintended consequences, with other services having higher utilization and expenditures. In this year’s budget justification the Oregon Division of Medical Assistance stated: “Clients often are unable to pay co-pays and put in a situation of going without medication or asking pharmacies to waive the co-pay”.

A study examining the impact of Medicaid drug co-payments policies in thirty-eight states found that, after controlling for other factors, the primary effect of co-payments is to reduce the likelihood that Medicaid beneficiaries fill any prescriptions during the year.

Some, including the Governor have argued that beneficiaries need to be “disciplined” in using government funded services such as Medicaid and ADDP. They say that co-pays will assist people to be “responsible” and consume less unnecessary care. This argument implies that Medicaid and ADDP beneficiaries are using unnecessary services at a greater rate than people with private insurance. Research from the Urban Institute shows that Medicaid beneficiaries used the same average amount of care as similar people with private health insurance.

2008-2009 Organizational Members of the Coalition for a Moral Budget

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Association of Children of New Jersey
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Anti-Poverty Network
The Arc of New Jersey
Brain Injury Association of New Jersey
Catholic Charity Agencies of New Jersey
CHOICES of New Jersey
Coalition of Mental Health Consumer Organizations (COMHCO)
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Garden State Pharmacy Owners
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Monday Morning, Burlington County Chapter
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