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Public Access to Information about Billions in State Health Care Expenses on the Line in Right-to-Know Cases

Philadelphia, Pa. – Pennsylvania's Medicaid program, which accounts for nearly 30% of the Commonwealth's General Fund budget, could keep records of how taxpayer dollars are spent under lock and key with the help of private insurance companies, according to a recent ruling by the Commonwealth Court.

Today, the Public Interest Law Center of Philadelphia (Law Center) asked the Supreme Court of Pennsylvania to hear appeals of Commonwealth Court rulings in two Right-to-Know Law cases that seek to make public how funds of the Department of Public Welfare (DPW) are used to provide dental care to individuals enrolled in Medicaid. DPW administers Pennsylvania's Medicaid program, which provides both medical and dental care to millions of individuals.

In Pennsylvania, many low-income children who are eligible for Medicaid never get to visit a dentist. The Law Center seeks these financial records to understand whether one cause of this failure is that provider reimbursement rates are so low that dentists cannot afford to accept Medicaid patients, as has been proved in other states.

Instead of directly paying dentists who treat Medicaid patients, DPW has chosen to funnel taxpayer dollars through two layers of insurance companies: managed care organizations and dental subcontractors. Beginning in 2011, the Law Center has been asking DPW for documents related to the funds passing through these middlemen. DPW denied the Law Center's requests, and the ensuing court battle has proceeded through the Office of Open Records and into Commonwealth Court. The Office of Open Records ruled that DPW must release the records, but last month, the Commonwealth Court ruled that only some of the records must be released: those directly from DPW to the first level of insurers. The Court held that records showing payments from insurers to their insurance subcontractors and from these subcontractors to dentists need not be disclosed, ruling that once public funds move through private companies they become exempt from public access.

"First and foremost we are talking about taxpayer dollars, and this type of financial information should be out in the open for public scrutiny," said Benjamin Geffen, staff attorney at the Law Center. "The Commonwealth Court's rulings severely restrict the public from scrutinizing how billions of their tax dollars are being spent, as it allows public agencies like DPW to channel money through private middlemen to keep costs hidden."

In addition to DPW, five managed care organizations are involved in this legal battle including Aetna Better Health, Inc., Health Partners of Philadelphia, Inc., Keystone Mercy Health Plan, UnitedHealthcare of Pennsylvania, Inc. and HealthAmerica Pennsylvania.

More information, including all case documents, can be found here: http://bit.ly/leTcIFM