



PSI wasn't there to turn to, many of these patients would have been forced to turn to public assistance programs and experience spend-downs for Medicaid benefits, Social Security Disability/SSI Benefits, or even worse, fall into the realm of the uninsured and uninsurable.

PSI's unique model develops public-private partnerships with states to identify patients in Medicaid and state designed assistance programs who have expensive chronic illnesses. Many of these identified patients can be transitioned into the individual health insurance market. Over the last 10 years, PSI has seen success partnering with states health programs that serve as safety nets for special disease populations.

In 1996, PSI entered into a partnership with the Commonwealth of Virginia to transition patients with hemophilia into private insurance. Using the open enrollment period in Virginia, PSI has been able to leverage \$936,000 in state grants over 11 years to transition 114 patients into individual insurance plans saving the health budget over \$15 million. If not for PSI, eventually these patients would have had to spend down to qualify for Medicaid. In 2000, PSI entered into a partnership with the Commonwealth of Kentucky. Using the Kentucky high risk pool, PSI has leveraged over \$1 million in grants over 5 years to transition 68 patients into individual insurance plans saving the Kentucky health budget close to \$8 million.

In November 2005, PSI entered into a partnership with the state of Tennessee. The partnership assists patients with Hemophilia, who were disenrolled from TennCare because of the reform efforts in the state. These patients will now transition into the 19 HIPAA approved health plans operating in Tennessee. PSI has saved the state of Tennessee over \$800,000 since November in transitioning 12 patients from the Safety Net program into insurance. PSI is working with Governor Bredesen and his Special Health Policy Assistant, Susan Cooper, to develop more partnerships to transition special populations into individual health insurance.

PSI would like to come and formally present our cost-savings non profit model to this commission as a viable solution for Medicaid Reform which can be recommended to Congress a partnership between state government and the federal government, with non-profits such as PSI and the pharmaceutical industry can fundamentally change the life of people utilizing Medicaid benefits. We invite the opportunity to present the work of PSI to any interested state Medicaid Commissions for consideration in saving Medicaid dollars. Thank you for your attention.

Virginia Hemophilia Assistance Program

Year	Average # Patients Served Per Year	Total Placed on Assistance	Total Taken Off Service	Amount Given to PSI by VA	Yearly Cost Avoidance
1996	31	7	9	\$84,000	No Data Kept
1997	33	5	2	\$84,000	No Data Kept
1998	32	7	4	\$84,000	\$1,379,183
1999	31	5	0	\$84,000	\$2,090,024
2000	32	6	11	\$84,000	\$1,725,633
2001	25	5	14	\$84,000	\$1,684,800
2002	24	3	3	\$108,000	\$1,840,029
2003	23	8	4	\$108,000	\$1,929,702
2004	34	10	3	\$108,000	\$2,641,672
2005	34	5	3	\$108,000	\$2,492,167
Totals	30	61	53	\$936,000	\$15,783,210
Total All Patients Served: 114					

Kentucky Hemophilia Assistance Program

Year	Avg. # Patients Served	Total Placed on Assistance	Total Transitioned Off Service	Amount Given to PSI by KY	Yearly Cost Avoidance
Jul 2000- Jun 2001	27	27	0	\$200,000	\$1,491,984
Jul 2001- Jun 2002	29	6	4	\$200,000	\$1,659,738
Jul 2002- Jun 2003	19	0	15	\$200,000	\$1,123,800
Jul 2003- Jun 2004	15	1	3	\$200,000	\$1,337,516
Jul 2004- Jun 2005	20	7	1	\$152,948	\$1,399,819
Jul 2005- Jun 2006	23	3	1	\$76,474	\$985,898
Totals	22	44	24	\$1,029,422	\$7,998,755
Total All Clients Served	68				



**PATIENT SERVICES INCORPORATED
STATEMENT TO THE COMMISSION TO REFORM MEDICAID
WEDNESDAY, JANUARY 25, 2006**

Thank you for the opportunity to make a brief statement. Patient Services Incorporated (PSI) is a national non-profit charitable organization with a positive Department of Health and Human Services' Office of Inspector General Opinion allowing it to provide financial assistance to Medicare/Medicaid beneficiaries living with certain expensive, chronic and acute illnesses and conditions.

PSI provides peace of mind to its clients and their families by locating health insurance solutions and subsidizing the high cost of health insurance premiums. PSI aids people in identifying and accessing HIPAA health insurance mechanisms in all 50 states and territories. These mechanisms are state high risk pools, guaranteed issue policies, open enrollment policies. We also help subsidize the high costs of COBRA policies.

In addition, PSI works to provide pharmacy and treatment co-payment assistance. It seems everyday there is a new breakthrough in treatment for patients with chronic illnesses and conditions. These breakthroughs range from partial cures to treatments that greatly improve the quality of life for patients to treatments that extend the life of the patient for months or even years; however, the cost of these treatments is usually exorbitant. PSI provides financial assistance with these life-altering treatments by subsidizing the recurring expensive pharmacy co-payments bringing access and hope to Medicare/Medicaid beneficiaries and their families.

Due to the efforts of PSI a July, 2004 ruling by CMS, allows non-profit charitable organizations to assist with Medicare Part-D Co-insurance by helping patients satisfy the true out-of-pocket (TROOP) expenses. As a matter of fact, PSI has been 75% successful in helping Part D beneficiaries choose appropriate plans between November 15 and January.

PSI works to raise donations through the private sector, which are placed into disease specific programs to cover the health insurance premiums and pharmacy co-payment assistance. PSI accepts donations from individuals, foundations, and corporations. Eligibility for PSI's programs is based on a sliding scale which takes into account certain factors such as state of residence, gross adjusted income, and certain extenuating circumstances. PSI attempts to capture the middle class family to prevent them from having to utilize public assistance programs, not to mention financial devastation.

In 2004, PSI was a resource for over 18,000 Americans resulting in 90% receiving some form of financial assistance. Most patients utilizing PSI's services only needed to remain on the program between 16-18 months. Seventy percent (70%) of the patients PSI assists have transitioned into group or individual insurance plans or have gone back to work. If