

LEGAL EASE



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Act 12 makes changes to PACE/PACENET eligibility

Act 12 of 2014 was recently signed into law by Pennsylvania Governor Tom Corbett, and the changes are effective immediately. Representative Seth Grove (R-Dover) authored the bill in order to increase seniors' access to the PACE/PACENET programs in Pennsylvania, which provides prescription drug coverage for low income seniors. Act 12 is estimated to allow nearly 40,000 seniors continued access and to permit an additional 10,000 seniors to gain eligibility according to the PA GOP website.

PACE and PACENET are programs providing low income Pennsylvania seniors who are age 65 or older prescription drug access with affordable co-payments. Besides the age requirement, the applicant cannot have Medicaid prescription drug coverage, and must meet income requirements (assets are not considered for this program). Eligibility is based on the previous year's income tax returns. Current income requirements for PACE are that a single applicant cannot have countable income of more than \$14,500 and a married couple cannot have a combined income of more than \$17,700. Under the PACE plus Medicare program, PACE often pays the individual's Medicare Part B premium also. PACENET is a similar program that permits higher income limits but requires higher co-payments. The eligibility requirement for PACENET is income between \$14,500 and \$23,500 for a single person and \$17,700 and \$31,500 for a married couple.

Act 12 continues a prior law that expired on December 31, 2014 that prevented current PACE and PACENET beneficiaries from losing their benefit due to the COLA increase in Social Security. This law continues the moratorium until December 31, 2015. Although the COLA increase is welcome and helpful to all, it was enough of an income increase to make some PACE and PACENET beneficiaries lose their continued eligibility, which may more than offset the small increase in Social Security benefits. But more significantly, Act 12 removes Medicare Part B premiums from countable income. The Pennsylvania Department of Aging estimates that nearly 8,200 additional seniors will qualify as a result of reducing the effective countable income by the Medicare Part B premium (\$104.90 for most persons). Since as Representative Seth Grove pointed out, seniors never actually receive the "income" since the Part B premium is deducted from their Social Security payment, this enables more people to have "countable" income in the eligibility ranges. Being just over the income limits can be very frustrating to those seniors who previously qualified; this will be a huge help to many in affording their prescription medications.

Seniors interested in PACE or PACENET should contact their local Office of Aging for forms. Even if you were told in January that you no longer qualified, be sure to check in again as this new law is effective immediately. Do not assume that you do not qualify based on previous years' attempts either since the elimination of the Medicare Part B premium can make all the difference.

Thank you to Jeffrey Marshall CELA of Marshall, Parker & Weber and Robert Clofine CELA of the Elder Law Firm of Robert Clofine for noting the passage of this law and passing the word to other elder law attorneys so that we could inform our clients. Spread the word so that all who are eligible can take advantage of PACE or PACENET.