



Good morning, Chairman Villano, Chairman Harris, and all other members of the committee, I'm Brenda Kelley, the state director of AARP Connecticut. AARP is a nonprofit, nonpartisan membership organization representing the interests of those, age 50 and above. Connecticut's over 611,000 AARP members comprise about 40 percent of all those who vote in the state.

Today, I want to voice AARP Connecticut's support for H.B. 5484, which will increase access to Medicare Part D low-income subsidies by expanding eligibility for Medicare Savings Programs. While Part D imposes an asset limits (\$6,000 to \$20,000), beneficiaries of Medicare Savings Programs (MSP) are automatically entitled to Part D subsidies regardless of assets or income.

Moreover, States are allowed to modify income and asset standards for MSP. By modifying eligibility for MSP, states can make Part D subsidies available to all Medicare beneficiaries with income up to 135 percent of poverty, regardless of assets. States also have the option of effectively increasing the income limits for MSP programs by disregarding some earned and unearned income. CT, for example, disregards \$183 per month in income; making MSP benefits available to those with net incomes up to 158 percent Federal Poverty Line.

In addition, states can increase or eliminate MSP asset limits. Four states (AL, AZ, DE, and MS) have already eliminated MSP asset limits and 17 additional states have expanded asset limits. Although there is a federal cap on annual QI funding, few states have reached their spending caps.

There are several benefits to expanding MSP eligibility:

- State costs for MSP benefits will be less than ConnPACE costs.
- Beneficiaries on ConnPACE will have co-payments of \$2.15 for generic/preferred drugs and \$5.35 for other drugs, and there will be no premiums, deductibles, or doughnut holes.
- Eliminating asset limits will reduce the state administrative costs associated with documentation collection and verification and eligibility determination.
- Those having access to Part D subsidized drugs will have better health care outcomes and will be less likely to need full Medicaid in the future.

AARP believes that the changes described in H.B. 5484 will effectively increase participation in MSPs, provide richer benefits for beneficiaries, and reduce Connecticut's ConnPACE expenditures. Therefore, we urge passage of H.B. 5484. Thank You.