

Human Services Committee PUBLIC HEARING

March 4, 2008

Testimony by House Speaker James Amann

in SUPPORT of

HOUSE BILL NO. 5796 AN ACT CONCERNING ELIGIBILITY FOR THE FEDERAL SPECIFIED LOW-INCOME MEDICARE BENEFICIARY PROGRAM AND THE QUALIFYING INDIVIDUAL PROGRAM.

H.B. 5796 - enable more seniors to qualify for the Specified Low-Income Medicare Beneficiary Program and the Qualifying Individual Program, thereby entitling such persons to the low-income subsidies available under the Medicare Part D program. This will reduce ConnPACE program expenditures by maximizing the number of ConnPACE enrollees who obtain federal low-income subsidies.

Representative Villano, Senator Harris, and members of the committee:

I would like to express my support for **House Bill No. 5796, An Act Concerning Eligibility For The Federal Specified Low-Income Medicare Beneficiary Program And The Qualifying Individual Program.**

This bill requires the Department of Social Services (DSS) to increase the income disregards for two Medicare Savings Programs to income limits in effect for the ConnPACE program. This change will allow certain people currently eligible for ConnPACE to access pharmaceuticals under the Low Income Subsidy portion of the federal Medicare Part D program.

Therefore, it is estimated that the eligibility changes in this bill, by shifting current state costs to a combination of federal and state funds, will save the state \$4,500,000 annually.

Unfortunately, many of our seniors and disabled have to choose between paying for their needed medications, heating their homes, or putting food on the table. I believe this bill can help alleviate their costs. The bill maximizes prescription drug benefits for seniors and people with disabilities while having the potential to save the state millions of dollars. It will help more seniors and the disabled with low incomes get help paying for Medicare's cost sharing programs. More people enrolled in a Medicare savings program means that more people will qualify for a low-income subsidy under the new Medicare Part D program. Consequently, these folks will pay less for their prescription drugs and the Medicare program pays more towards their Part D cost

sharing obligations. With the Medicare Part D program paying more towards their Part D cost sharing obligations, ConnPACE expenditures should be reduced.

As a result, Connecticut will be maximizing federal funds, while reducing the cost to the state. It is a potential win – win for Connecticut.

In the past the Department of Social Services has had some doubts on the potential savings to Connecticut. Even if the savings from Connecticut are not as much as predicated in this bill, our seniors will still benefit greatly.

Overall, this concept has merit. It is worth further consideration and analysis to weight the potential saving and costs.

I strongly urge the Committee's support on H.B. 5796 so it may move on in the legislative process and be further examined. I thank you for your consideration.