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COMMITTEE ON HUMAN SERVICES

Public Hearing - Proposed Bill No. 5056
An Act Concerning Eligibility for the Medicare Savings Program

February 5, 2009

INTRODUCTION

The Center for Medicare Advocacy, Inc. (The Center) is a private, non-profit organization headquartered in Mansfield, Connecticut with offices in Washington, DC and throughout the nation. The Center provides education and legal assistance to advance fair access to Medicare and health care. We represent Medicare beneficiaries throughout the state, respond to approximately 7,000 calls and emails annually, and host two websites. The Center also provides written and electronic materials, education, and expert support for Connecticut's CHOICES health insurance, counseling and assistance program, and provides a vast array of other services for Medicare beneficiaries throughout Connecticut and the United States.

ACT CONCERNING ELIGIBILITY FOR QUALIFIED MEDICARE BENEFICIARY AND SPECIFIED LOW-INCOME BENEFICIARY PROGRAM

The Center for Medicare Advocacy has extensive experience working directly and through CHOICES with Connecticut's low-income Medicare Part D enrollees. The ideas embodied in Proposed Bill 5056 are extremely important for low-income people. By increasing the state's income disregard levels for the federal Qualified Medicare Beneficiary and Specified Low-income Medicare programs (known together as the Medicare Savings Programs, or MSP) more of Connecticut's low-income people will get

help paying Medicare's cost-sharing expenses. Further, under federal law, people enrolled in a Medicare Savings Program automatically qualify for a Low Income Subsidy (LIS) under the new Medicare Part D prescription drug program. This means they pay less for prescription drugs then higher-income people and the Medicare program pays more toward their Part D cost-sharing responsibilities.

The automatic enrollment of MSP enrollees into the Part D Low Income Subsidy program is very important; without it low-income people have to complete an application process and are well known to be woefully under enrolled in LIS. It is also beneficial for the state. The LIS auto-enrollment will save money for Connecticut since the prescription drug cost sharing responsibilities for these ConnPACE individuals will be reduced. Thus, Proposed Bill No. 5056 is a win – win. It's good for Connecticut's low-income older and disabled people and it's good for the state.

In order to optimize the benefits proposed in Bill 5056, the Center for Medicare Advocacy recommends that the Legislature also consider waiving the asset test and estate recovery for those in the Medicare Savings Programs. If the law is to require ConnPACE people to enroll in a Medicare Savings Program, the estate recovery should be waived. We know from experience in Connecticut that fear of estate recovery may otherwise lead to people dropping ConnPACE rather than enrolling in MSP. Further, one of the reasons ConnPACE is such a success for participants and relatively easy to administer for the state is that it does not have an asset test.

Laura Summer at Georgetown Health Policy Institute has published research about the positive effects of eliminating asset tests: it reduces administrative costs associated with chasing down and verifying asset information of applicants and increases participation by otherwise qualified, needy individuals.

Finally, ConnPACE should develop a means of helping people apply for MSP if enrollment is made a precondition for ConnPACE. Perhaps a single application and renewal system can be created for both programs.

The Center for Medicare Advocacy enthusiastically supports this important, creative Bill. It will help many deserving older and disabled Connecticut citizens and it will be cost-effective for the state. Thank you for this opportunity to testify in support of this important bill.

Respectfully submitted,

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