5056

National Alliance on Mental Illness

Testimony before the Human Services Committee

February 5, 2009

Support for HB 5056

Good afternoon, Senator Doyle, Representative Walker, and members of the Human Services Committee. My name is Alicia Woodsby, and I am the Public Policy Director for the National Alliance on Mental Illness, CT (NAMI-CT). NAMI-CT is the largest member organization in the state of people with psychiatric disabilities and their families. I am here today to testify on behalf on NAMI-CT in support of HB 5056 An Act Concerning Eligibility for Medicare Savings Programs.

HB 5056 will raise the income standard for Medicare Saving Programs (MSP) to the same level as our state's prescription assistance program for low-income seniors and people with disabilities called ConnPACE. The income eligibility standard for ConnPACE is currently about 230% of the Federal Poverty Level or $25,100 per year for an individual. MSPs are programs that assist people with Medicare in meeting the cost of Medicare premiums and deductibles. Anyone enrolled in an MSP is automatically eligible for the Part D Low Income Subsidy, which helps to pay for some of the costs associated with their drug plans, including premiums, deductibles, and co-pays.

We believe that this is a good bill that will help many people. Those who qualify for an MSP automatically qualify for the full Medicare Low Income Subsidy (Extra Help). That should more than offset the cost associated with more people qualifying for the Medicare Savings Programs. The MSP programs mostly pay for the Medicare Part B premium, which was $96.40/month in 2008. The state's share is $48.20/month or $578.40/year. If someone on ConnPACE, who isn't on a subsidy already, becomes eligible for the full subsidy through the MSP, the state should save **at least** $578.40/year per person. The subsidy would cover the Part D premiums that ConnPACE currently pays, formulary drugs with lower co-pays than ConnPACE, and provide drug coverage during the donut hole. Furthermore, all of this is paid for by the federal subsidy and is of significant relief to the beneficiary.

Some of our members have expressed great distress and hardship from being denied eligibility for MSPs and the Low Income Subsidy. In one case, the person was not able to get any assistance or coverage during the "donut hole" in their Part D prescription drug plan. She has to pay 100 percent of her drug costs up to over $4,000 before reaching the catastrophic coverage

NAMI-CT 241 Main Street, 5th Floor, Hartford, CT 06106
PHONE: 860-882-0236 FAX: 860-882-0240 www.namict.org

level. She lives on $23,000 per year. Three of her many prescriptions are psychiatric medications all at about $1,000 a month or more. She had to stop taking their psychiatric medications because she could not afford to pay for it out of pocket. This situation is devastating for the individual and more costly to the state when people with psychiatric disabilities wind up in inpatient treatment and emergency rooms due to the reemergence of their symptoms and/or psychotic episodes.

Thank you for your time and attention to this important issue.