

Center for Medicare Advocacy, Inc.



www.medicareadvocacy.org

**TESTIMONY REGARDING AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET
RECOMMENDATIONS CONCERNING HUMAN SERVICES**

Governor's Bill No. 1013

March 4, 2011

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 country. The Center provides education and legal assistance to advance fair access to Medicare and quality healthcare. We represent Medicare beneficiaries throughout the state, respond to approximately 6,500 calls and emails annually, and host two websites. The Center also provides written and electronic materials, education, and expert support for Connecticut's CHOICES program, and provides an array of other services for Medicare beneficiaries throughout Connecticut and the United States.

The Center for Medicare Advocacy is greatly concerned about the Governor's proposals to ask more and provide less to those of us who can least afford it. In particular, we are alarmed about the Bill No. 1013's provisions that would increase prescription drug cost-sharing for Dually Eligible people and for impoverished people who are seeking community-based services in lieu of institutionalization.

-
- 1. DUALY ELIGIBLE PEOPLE WILL LOSE ACCESS TO MEDICATIONS IF YET HIGHER COST-SHARING IS IMPOSED. DUALY ELIGIBLE PEOPLE SHOULD NOT BE REQUIRED TO PAY MORE THAN OTHER MEDICAID RECIPIENTS.**

Since 2006 all dually eligible people have been required by federal law to obtain their prescription drug coverage from Medicare rather than Medicaid. In many states this was a good thing. But in Connecticut it meant that dually eligible people received less coverage, for fewer

medications, and with more cost-sharing than their counterparts who are only eligible for Medicaid, but not Medicare. Dually eligible people are by definition at least 65 years old and/or significantly disabled. Those in need of medications are also medically and/or mentally ill. Study after study shows that dually eligible people are among the most vulnerable of all citizens – living on very low incomes with multiple chronic conditions.¹

Nonetheless, again this year, when economic times are extraordinarily difficult –meaning that poor older and disabled people will be poorer and more people will become dually eligible – increased co-payments are proposed for dually eligible people in need of prescription medications.² Already dually eligible people, unlike other Medicaid participants, are responsible for a \$15 per month co-payment for covered medicines. The Governor's Bill would increase this cost-sharing to \$25 per month. This would be unjust and would limit access to necessary drugs.

Numerous studies have shown that when co-payments are required of low-income people they forego necessary medications. Connecticut's dually eligible population is already struggling with the \$15 monthly co-pay can ill afford an even greater financial barrier to their access to needed medicines. One of our clients, Ms. B., demonstrates the impact of what may seem like a modest co-pay increase to many of us:

Ms. B is a 47 year old dual eligible single woman who lives in a small bed-bug infested apartment in Hartford. Most of her possessions are stored in garbage bags in an effort to keep her belongings clean. She has severe respiratory problems, thyroid disease, diabetes, chronic pain, and mental health issues. Like all dual eligible people living Connecticut, Ms. B. has great difficulty managing on her very meager budget. She lives on \$784/month (consisting of the Medically Needy Income Limit plus a small income disregard). She also receives a small food stamp award. From these severely limited resources she must pay rent, utilities, food, transportation, clothing, a portion of her Part

¹ See, Information available through the Kaiser Family Foundation at www.kff.org and Administration on Aging, US Department of Health and Human Services.

² Governor's Bill no. 1013, §21(c).

D plan premium, and other essentials of daily life. The current \$15 per month prescription co-pay created great hardship for her, as it would for anyone living on such a small budget. A \$25 monthly prescription co-pay, along with \$3 co-pays on many preventive and essential medical services, will be devastating. Her health is already compromised living in infested quarters, and subsisting on a poor diet. With these additional costs she will necessarily have to make choices that will place her at further medical risk and at higher costs to taxpayers.

Fortunately, to date younger participants in Title 19, and those who are not disabled, have no such co-pay requirements. Unfortunately, the Governor's Bill seeks to impose a co-pay of up to \$20.00 per month on these individuals. As unfortunate as that is, and the Center for Medicare Advocacy goes on record in opposition this proposal, *it is simply unfair, and unjustifiable, to single out our poorest older and disabled citizens – those who are dually eligible for both Medicare and Medicaid – to shoulder the highest burden.*

We urge the Legislature to reject the proposed increase in prescription drug cost-sharing for dually eligible people.

2. IMPOVERISHED PEOPLE WHO ARE SEEKING COMMUNITY-BASED SERVICES IN LIEU OF INSTITUTIONALIZATION CAN NOT AFFORD THE PROPOSED COST-SHARING INCREASE FROM 6% TO 15% OF THE COST OF CARE.

Section 14(i)(1) of the Governor's Bill would increase cost-sharing for community-based services for low-income older people at risk of institutionalization. This increase, from 6% to 15% of the cost of the necessary care, is extraordinary and unaffordable. Even at 6%, many people have been forced to forego community-based care because they can not afford the cost-sharing. The proposed increase to 15% will be devastating and will mean that more people will need institutionalization, often at a greater cost to the state, and certainly at a human and economic cost to low-income older people and their families.

We urge the Legislature to reject this harmful proposal.

CONCLUSION

The Center for Medicare Advocacy urges the Legislature to reject the provisions of Governor's Bill No. 1013 that place a disproportionate share of the state's economic woes on our poorest, most vulnerable citizens. In particular, we urge no further increases to co-pays for prescription drugs for dually eligible people or for community-based services for low-income elders at risk of institutionalization. We are available to do anything we can to help.

Thank you for the opportunity to testify regarding these important matters.

Respectfully submitted,



Judith A. Stein, Esq.
Executive Director