Good evening, Senator Flexer, Representative Abercrombie, and distinguished members of the Appropriation Committee’s Subcommittee on Human Services. My name is Mona Friedland, and I am an AARP Connecticut volunteer. On behalf of the nearly 600,000 AARP members in Connecticut, I am here to urge you to support a State Budget that protects older Connecticut residents, continues support for the Money Follows the Person, and does not apply an asset test to eligibility for the Medicare Savings Program.

Money Follows the Person
The Governor’s proposed Human Services budget contains proposals that will both help and harm older Connecticut residents. We would like to applaud the Governor’s proposal to support 800 additional transitions into the community through Money Follows the Person (MFP). MFP helps states rebalance their long-term care systems and transition people from nursing homes and other institutions back into the community. An overwhelming majority of older adults and people with disabilities want to live in home and community-based settings and receive services in the most integrated setting appropriate to their needs. MFP has successfully transitioned more than 5,000 Connecticut residents into the community, which both provides people services in their preferred setting and results in a cost savings to the state. We are please that the Governor wants to build on this success.

Medicare Savings Program
We are very concerned that the Governor’s proposed budget would apply an asset test to eligibility for the Medicare Savings Program (MSP). MSP is funded 50/50 by states and the federal government and helps Medicare recipients pay for their Medicare expenses. There are three levels of MSP benefit. All three levels cover an individual’s Medicare Part B premiums, and the Qualified Medicare Beneficiaries program also helps pay for Medicare Part A premiums, deductibles, and copays. In addition, when an individual enrolls in MSP, they are automatically enrolled in a federally administered program called the Low Income Subsidy (also called “Extra Help”), which pays for a Medicare Part D benchmark plan, a portion of a non-benchmark plan, deductibles, coinsurance, and copays. The proposed asset test would align with the federal minimums for MSP: $7,560 for singles and $11,340 for couples. Countable assets would include money in a checking or savings account, stocks, and bonds. It would exclude an individual’s home, one car, a burial plot, up to $1,500 in a burial account, and household and personal items. While the Governor’s proposal rightly notes that Connecticut is only one of eight states to not apply an asset test to MSP eligibility, it does not appear to take into consideration that Connecticut has some of the highest housing prices, property taxes, an energy expenses in the nation. For older residents on fixed incomes, the additional expense associated with losing a benefit can be difficult to absorb.

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1 Qualified Medicare Beneficiaries, Special Low Income Medicare Beneficiaries, and Additional Low Income Medicare Beneficiaries.
2 Medicare Part B (medical insurance) covers visits to the doctor, preventative care, ambulance services, medical supplies, and durable medical equipment.
3 Medicare Part A (hospital insurance) covers inpatient hospital stays, surgery, skilled nursing facilities, home health care, hospice, and lab work.
4 Medicare Part D provides prescription drug coverage.
We have several concerns about the proposed asset test:

- Asset tests are burdensome to administer. They typically require additional staff resources at state agencies, and they are invasive and time-consuming for potential benefit recipients.
- Asset tests disincentivize savings and keep people on the edge of financial hardship. The proposed asset limits represent enough savings for a minor home repair or a used vehicle. Without money in the bank, routine home maintenance or needing to replace a vehicle can become a catastrophic event for low middle-income seniors.
- Because the cost of MSP is split 50/50 between states and the federal government, having fewer MSP enrollees means that Connecticut will lose out on federal funding that is currently coming into the state.
- Enrolling in MSP automatically enrolls a person in the Low Income Subsidy (LIS or “Extra Help”). As previously mentioned, LIS pays for expenses associated with Medicare Part D. LIS is federally administered and saves enrollees an estimated $4,900 per year on expenses related to prescription drugs.\(^5\) If Connecticut imposes an asset test on MSP, not only will up to 18,000 lose that important benefit, they will also lose their Extra Help. Older Americans take an average of 4.5 prescription medications, and without assistance, the cost can add up quickly. The money that it took seniors a lifetime to save will go straight into the pockets of pharmaceutical companies.

We appreciate that Connecticut is in a difficult financial position and that elected officials will be required to make tough decisions with this budget. As budget negotiations unfold in the coming months, we hope that Connecticut’s older residents will be considered, valued, and supported. Thank you for the opportunity to participate in this important conversation.

Mona Friedland
AARP Volunteer
Mansfield Center, CT

AARP is a nonpartisan, social mission organization that advocates for individuals age 50 and older. We have a membership of 38 million nationwide and nearly 600,000 in Connecticut. We advocate at the state and federal level for the issues that matter most to older adults and their families, and we support policies that help Connecticut residents age with dignity.

\(^5\) [https://www.ssa.gov/benefits/medicare/prescriptionhelp/](https://www.ssa.gov/benefits/medicare/prescriptionhelp/)