Date: March 5, 2019
To: Appropriations Committee
Senator Osten, Representative Walker
From: R.D.
Re: H.B. 7176, An Act Implementing the Governor’s Budget Recommendations for Human Services

Members of the Appropriation Committee:

I'm starting my comments with a quote found on Twitter from Edwin Park, Research Professor at the Georgetown University McCourt School of Public Policy (posted Feb 25):

"CT has been leader in increasing participation in Medicare Savings Programs. Reimposing asset test = huge step backwards for low-income #Medicare beneficiaries, especially b/c CT MSP participation still below 50% per MACPAC estimates"

I oppose the proposal to apply an asset test to the Medicare Savings Program ("MSP") because this would hurt people like me. I was born and raised in CT, and I'm a long-time resident and taxpayer. I am currently enrolled in MSP. I have a small, older condo and no car, no cell phone, no TV, no vacations. I haven't been to a dentist in ages. I have found as a lower-income senior, it is difficult to have stability and get by in CT. The taxes and condo fee alone leave me with a few thousand to live on for the entire year, including everything from laundry, groceries, utilities, home insurance, transportation, and emergencies like a plumber. Having MSP has been a help to help stabilize costs for medical. I have some savings, that I have already been spending down, so I would no longer qualify for MSP with an asset test.

I see that with this asset test, if a person who is income eligible for MSP whereby some of the income comes from a pension, they would remain eligible for MSP with the asset test, because they are getting a monthly distribution. However, a person who has an equivalent IRA, the value of that IRA is considered an asset and would cause them to be ineligible for MSP. This is an unintended, unfair consequence that discriminates against source of retirement income. People who have been independent contractors or had no retirement from their employer and had to provide their own retirement source will be penalized in that others who were lucky to have a pension or other non-personal asset will not.

The cost of living is so high in CT most people wouldn't be able to pool enough income to pay the minimum bills in order to keep an auto and a humble property, never mind maintain the property/auto, and stay under the asset limit, by their having enough money in a bank account to pay these costs. I do not see that the proposed asset correlates appropriately with the income limit for an extremely high tax state like CT.

Some people move to other states where the cost of living is much lower; I have noticed properties where I have relatives in NC and FL the taxes are $600-$900 annually for a nice house with a garage, the same in CT adding a zero at the end of each to be $6000-$9000 (or more). Yet many, (like me) would find it inappropriate to move out of state for essential reasons. Many have an elderly relative they are caring for, such as a sibling, spouse, or grandchild, or they are alone with perhaps mobility problems, and have a son or daughter watching out for them.

I have been seeing talk among legislators about doing away with the estate tax, that it would cost the state approximately $200 million annually in revenue. I've seen the anticipated savings by applying an asset test to MSP to be between $15-25 million. I do not understand how the state would be willing to forgo
$200 million to make the extreme wealthy even more wealthy, while justifying eliminating MSP from lower-income seniors who have come to rely on it, a tiny fraction of the amount they are willing to forgo for the rich. The willingness to deplete already low income seniors so they are destitute to become Title 19 eligible is boggling. The jeopardy of staying in CT if you are elderly and low income, so you are able to be in a supportive environment where there are relatives, is a horrible bind to be in, bleak and scary. It is something now on the forefront of my mind every day. The MSP has made an appreciable difference, but have not been able to feel secure because of efforts to defund.

I'd like to let you know about my relative turning 65 in a couple of months. She had been taking care of a patient as a live-in aide for over a decade, and the patient recently went into hospice, so she no longer has that job. She had managed to save a small amount of money, but has no assets (no home, no car, no pension, no IRA, etc.), but had managed to save a little as an aide, and which she has been dipping into, trying to get settled. Her social security check is very tiny, the entire amount not enough to rent a room, so she has been casting about looking to where to live. Yet being this low income, she will not qualify for MSP if an asset test is applied.

The Affordable Care Act does not apply an asset test, can you imagine how few people would be eligible for a subsidy if the same asset test was applied to anyone who would apply on the exchange? Also, there would be a huge administrative burden to apply this asset test to MSP applicants, and the ongoing work of it. It is a bear to deal with DSS, long wait times on the phone, they lose paperwork (my town will only send correspondence via registered mail because DSS has so often claimed they never received), and DSS often makes typos inputting your data, which means documents have to be redone and re-sent (and sometimes more than once) - it is not once and done with DSS for the application. In the meanwhile, it causes a crisis with getting signed up on a timely basis. There would also be much less net savings by having the asset test for MSP because many people will fall into an informal or formal spend down and become Title 19 recipients, and/or subsidized housing, more SNAP, etc - everywhere I looked, the anticipated savings did not factor in the impact it will have with the new costs to the state, especially as more and more seniors fall into destitution. It also does not factor the cost many seniors on MSP are giving as unpaid care to other family members, that when the MSP recipient loses his/her basic stability, will no longer be able to provide that care, destabilizing entire unpaid family support systems, and even more people needing care from state coffers that was not previously provided.

I cannot fathom people with large assets willfully using MSP so they have would Medicaid for their health insurance - Medicaid is not regarded as compared to having a regular health plan (i.e., any non-Medicaid plan). When you need an operation, people of means often shop around for the "best." And many providers do not want or accept Medicaid patients. The asset test will be a huge waste, at the tragic expense of our state's elderly poor, and instead add a new layer of administrative costs that diminishes greatly the hope of finding budget monies, especially going forward. And the unfairness of this decision when you realize the impact to our very vulnerable, who all their lives contributed to the well being of our state. It is hard for people to really understand the GIANT difference of CT from almost all other states due to taxes and cost of living, it eats up almost every cent you have, no matter how much you give up, and the medical costs without MSP will be a horrible blow for lower income seniors. You can try to work as old an age as you are able, and many start having health problems that make it hard to work in a grocery store, or similar low-wage job after career-type doors have closed to you, in order to make enough money to pay the medical bills, that is how spend down starts.

Seniors in CT are not only finding it harder at the state level, but at the federal level, with changes in deductions. Also, at my local level, due to budget conundrums, the town has considered getting rid of Dial-a-Ride; and for me, having no car, that is an additional new scare on an annual basis. Every year it is becoming a ferocious battle for things that are helping lower-income seniors make do (local, state and
There are plenty of seniors in CT living large with huge pensions, plump social security checks, fancy cars, fancy vacations - but the flip side is that there are many elderly struggling. It has disproportionately impacted older women, who, during the course of income-producing years, left full-time jobs to care for children, parents and possibly a spouse, and then were not able to get back to a good job after age 50ish, and found their potential retirement income truncated, and have only a tiny, diminished pension, if any, or social security, and rely on anything they managed to save for themselves, and for that, will be punished further by being callously eliminated from MSP because of any savings.

I know that CT is a caring state, and tries to do much for many. The fact that MSP has been coming up every year on the chopping block in one form or another makes it unsettled and worrisome to be a lower income senior in CT; it is hard find a sure footing. Every year that you are older, you are more vulnerable, and less able to fight for yourself as time goes on. I'm wondering how will I fight this fight if I live to be 80? It would be appropriate to set this funding in the budget permanently (without an asset test) so that it does not have to be written in (or not) every year. The MSP program, as it is now, has made a difference to help seniors in a very costly state. I cannot live "lower on the food chain," I joke to people who know me, "if I can't eat it, I don't buy it." I am very grateful that I have MSP, it has felt like a warm hug of caring in a hostile world where you have to fend for yourself, even though you have spent a lifetime stretching yourself to help others, and now you need a little bit for it to come back to you. I'm a proud Yankee, it is hard to have to speak up and admit all these things. But I worry for me, for my family, and for so many people who have no idea this is coming, unless compassionate brakes are put on to stop it.

I respectfully urge you to oppose this bill; also, do not lower the income limits, and do not add an asset test. Kindly regard my heartfelt plea on behalf of many, including those who are no longer strong enough to fight, or not aware, or not financially savvy enough to realize the impending implications of this change. Please protect the basic security of lower income elderly and disabled in Connecticut. I do not think you will ever regret it, and many will be very grateful.

Thank you for your consideration for this matter.