Testimony on HB 5115 An Act Concerning an Asset Test for Medicare Savings Program (MSP)

Thank you for the opportunity to submit my testimony in Opposition to HB 5115. My name is Christina Crain, I am the Executive Director of the Stamford Senior Center, a non-profit Senior Center serving over 1,000 older adults annually.

I respectfully ask the state legislature to reconsider the asset limits that are proposed in Governor’s Lamont’s FY20 budget. Although I am not opposed to implementing asset limits for the MSP program in these tough fiscal times, the amounts of $7,560 and $11,340 are extremely low and will adversely affect thousands of seniors who rely on this program to survive. As you know, CT is one of the highest cost of living states and in particular Fairfield County where the cost of living is among the highest in the country. The cost of healthcare is an enormous financial burden for older adults with limited incomes. Even with the MSP, seniors have high out of pocket costs for non- Medicare covered services such as dental care, vision and hearing aids.

Raisa is a 70 year old senior who lives on just $1,008 / month in Social Security benefits. She worked all her life in a grocery store and has $30,000 in savings. After paying her monthly expenses she is left with less than $100 to spend on things other than rent, utilities, food and healthcare co-pays. She had to give up her car because she could not afford to pay the insurance on it. She relies on her savings to pay for things like dental care, eye glasses and clothing and hopes to have enough left when she passes to cover her burial expenses, which even with the most basic burial will cost $10,000. If she loses MSP, she will drain her savings in no time and wind up on Medicaid which will come at a greater financial cost to the state. She is just one of thousands of seniors who have worked hard, saved what they could to supplement their social security and not be a burden to the state.

Furthermore, imposing an asset limit would significantly complicate the application process, cause even greater delays at DSS and result in higher costs if DSS needs to hire additional eligibility workers to verify the assets and process applications. States that have eliminated the asset test found that savings on administrative costs related to documenting assets equaled the costs of benefits for those persons who would be eligible for program with no asset test.

I ask you to consider a more fair asset test that does not punish those who have worked hard to build a modest savings in order to take care of their basic needs in retirement. A more equitable asset limit would be the asset limits the state of Maine has of $58,000/$87,000. I ask that you consider adopting asset limits more in line with those of Maine, a state that is comparable to Connecticut with regards to cost of living. Thank you.