



Members of the Human Services Committee
CC: Senator Hwang, Representatives Devlin, Leeper, and McCarthy Vahey

RE: HB 6446: New Asset Test for the Medicare Savings Program

March 3, 2021

Dear Members:

I am submitting this testimony as Coordinating Director of Fairfield Senior Advocates (FSA), an organization dedicated to retaining our senior residents in the town of Fairfield and the State of Connecticut. Our focus is to make Connecticut more affordable for seniors, whether it be in the areas of taxation, housing, or in this case, medical costs.

This proposed Bill imposes a new asset test, in addition to the existing income eligibility test, which would further restrict access to the existing Medicare Savings Program (MSP). This legislation – proposed in the Governor’s budget – has the appearance of balancing the budget at the expense of some of our most vulnerable seniors.

It is important to recall some history here:

Some of you will remember that in 2017 Governor Malloy had also proposed a very restrictive asset test, which also reduced the income levels for MSP eligibility. The reaction by the public, and by senior advocate organizations such as AARP, SWCAA, and FSA, and by so many of the CT legislative body, was so strong that, in January of 2018, a special session of the CGA had to be called to restore the existing eligibility rules, without an asset test, and to secure the funding to make this happen.

Even earlier, in 2011, there was a state program in place called ConnPACE – Connecticut Pharmaceutical Assistance Contract for the Elderly (and disabled). According to a report issued by your Office of Legislative Research (cf. <https://www.cga.ct.gov/2011/rpt/2011-R-0299.htm>) it was decided that moving as many eligible seniors away from the State’s PACE program and over to the 50-50 Federal/State funded MSP program was the right thing to do. To make this change as compelling as possible, the CGA introduced attractive income qualification levels and no asset test. Today there are some 180,000+ moderate income seniors who use this program to help with their costs for Medicare and its deductibles, co-pays, and prescription costs. Some of these seniors have tried to protect their retirement independence through modest investments in retirement accounts such as IRA’s. Now is not the right way to penalize their actions.

Experience shows that having an asset test requires a process that is complicated, requires additional staffing by government employees and others to do the vetting process, and is not easily comprehensible to many of the potential applicants, many of whom are from minority groups. Consider the experience of New York State. They had an MSP asset test several years ago and found it so

cumbersome, time-consuming, and expensive that they eliminated it, which remains the case today (http://medicarerights.org/pdf/asset_test_elimination.pdf).

Lastly, we hear multiple messages from our Governor and legislative body about the importance of protecting those of our citizens with moderate incomes, particularly our seniors. Rising medical costs strongly impact this segment and we need to continue to provide relief in this area.

For these reasons, we urge you **not** to approve an asset test to qualify for the Medicare Savings Program.

Sincerely,

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