

LEGISLATIVE ALERT!
THE CT STATE LEGISLATURE WILL BE CONSIDERING CHANGES TO THE MEDICARE SAVINGS PROGRAM. ONE PROPOSAL IS TO INSTITUTE AN "ASSET TEST". SEE DESCRIPTION OF THE PROPOSED ASSET TEST AND CONTACT YOUR STATE LEGISLATOR WITH YOUR OPINION. THE INFORMATION BELOW REPRESENTS THE THINKING OF THE FIVE CT AREA AGENCIES ON AGING.

IF YOU DO NOT KNOW YOUR STATE LEGISLATOR BUT WISH TO MAKE CONTACT, CALL THE WCAAA AT 203-757-5449 FOR NAME AND TELEPHONE NUMBER.



The Facts about the Proposed Medicare Savings Program Asset Test. The dark bullet in each grouping comes from the proposed budget narrative describing the Asset Test for Connecticut's Medicare Savings Program. The open bullets include the advocate's response.

Connecticut is proposing an asset test that will limit eligibility for the Medicare Savings Program (MSP) to individuals with assets of \$7,560 or couples with assets of \$11,340. This proposal will limit access to healthcare and prescription drugs for over 10,000 Connecticut residents.

- Connecticut is one of only eight states that does not have an asset test. There are 40 states with an asset test equal to the federal minimum (currently, \$7,560 for singles and \$11,340 for couples), two states with limits that are higher than the federal minimum (Maine and Minnesota) and eight states that have no asset test (Alabama, Arizona, Connecticut, Delaware, Mississippi, New York, Oregon, and Vermont).
 - *However*, the cost of living in Connecticut is higher than the national average. The consumer price index (CPI) in Connecticut is 9.39% higher than the U.S. city average CPI.² Connecticut's low income and low asset residents will be forced to choose between medication and food.

- This proposal aligns Connecticut with the majority of other states by instituting an asset test equal to the federal minimum.
 - *However*, all types of retirement income are subject to Connecticut's income tax, although Social Security is exempted for some low/moderate income seniors. The State has a sales tax near the national average and some of the highest property taxes in the U.S. High cost of energy and housing add to the financial pressure on Connecticut's older residents. At the recommended asset limits, a home repair or high prescription co-payment could impoverish a fixed-income resident. This fear will keep many from spending on their own healthcare and drive residents to higher cost interventions such as hospitals and nursing facilities. By Commissioner Bremby's own statement, Medicaid expenses have gone up at a rate of 1.2%, far below the national average. When considering how Connecticut has managed to control expenses, we must look at the role of Medicare Savings Program in preventive care that has allowed dually eligible participants access to care without higher costs.

- To avoid excessive administrative costs, the asset test will be effective July 1, 2020, in order that the asset verification system under ImpaCT is in place prior to implementation. Savings figures include the State's share of Medicaid.
 - *However*, any asset verification system needs a human touch when questions arise, when an error is found, when the participant has special needs related to language, cognition or literacy. The time between application and enrollment could leave the individual at risk without the means to pay for medication and care.

- **RECOMMENDATION - Align the asset eligibility limits with the CT Home Care for Elders, State-Funded Program (\$37,926 for individual and \$50,568 for couples). Minimal assets of \$7,560 do not allow residents the ability to maintain their housing and emergency funds while optimizing health and reducing high cost interventions.**

1. <https://www.beckershospitalreview.com/finance/average-cost-per-inpatient-day-across-50-states.html>

2. <https://www.cityrating.com/cost-of-living/connecticut/>
3. <https://www.cga.ct.gov/2011/rpt/2011-R-0239.htm>

Connecticut Association for Agencies on Aging

WHAT CAN YOU DO?

Take Action! Call your legislators' offices and tell them that the asset test is too low! If there must be an asset test, align the eligibility limits with the CT Home Care for Elders, State-Funded Program (\$37,926 for individual and \$50,568 for couples). Allow residents the ability to maintain their housing and emergency funds while optimizing health and reducing high cost interventions. Tell your legislators how this will affect you!

Government Contacts who should hear from you:

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MORE BACKGROUND - CONNPACE

- Prior to FY 2010, Connecticut's income levels were in line with other states and, similarly, an asset test was in place.
 - *However*, in 2010, low-income Connecticut residents who are at least age 65 or have disabilities and meet income standards qualified for ConnPACE regardless of their eligibility for Medicare. The 2011 Human Services budget implementation act closed the program to Medicare-eligible applicants who qualify for Medicare (PA 11-44, §§ 88-90). One way to qualify for LIS is to enroll in the Medicare Savings Program (MSP). In 2009, the legislature liberalized the income and asset limits for the MSP as an alternative to ConnPace, which no longer exists. ³