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Testimony in Support of H-7094

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The Economic Progress Institute supports passage of H-7094 which would increase the income eligibility limits for the Medicare Premium Savings Programs and eliminate the asset test. This would allow more low-income seniors and people with disabilities who rely on Medicare for most of their health care needs to be relieved of the cost of at least their monthly Medicare premium, thus freeing up their limited income to meet other basic needs. Eliminating the asset test is not likely to make many more individuals eligible for the programs, since the income limit would remain fairly low, but would streamline the eligibility process since DHS case workers would not need to review applicants' assets.

Under current law, seniors and people with disabilities who have income at or below 100% of the federal poverty level (\$12,384 for an individual) and assets below \$4,000 are eligible for full Medicaid coverage as "categorically needy. As a full Medicaid recipient, the senior's Medicare premium is paid, she does not have out-of-pocket costs for health care services, she is eligible for non-emergency medical transportation, home and community based services, dental care and all other Medicaid covered services. If the senior has higher income, but the same amount of resources, she will only be eligible to have her Medicare premium, co-pays and deductibles covered by Medicaid (as a Qualified Medicare Beneficiary, "QMB") or just her Medicare premium covered (Specified Low Income Beneficiary "SLMB").

As an example: Laura has social security retirement benefits of \$14,000 (115% FPL) and \$500 in the bank. Under current rules, Laura is not eligible for full Medicaid, and she is only eligible for the SLMB program – so only her monthly Medicare premium is covered. She needs to pay all of her other costs for health care and dental care out of limited income. Increasing the QMB limit would at least give Laura some financial relief by covering her Medicare co-pays and deductibles.

Consideration of this bill should be part of a much-needed larger conversation about the health care and other needs of Rhode Island's fast-growing senior population.