National Council on Aging

Improving Medicare Low-Income Beneficiary Enrollment

Federal programs aid our nation's most vulnerable, low-income Medicare beneficiaries to access assistance for health programs for which they are determined eligible. These seniors and people with disabilities on Medicare generally have annual incomes below $18,090 and non-housing assets of less than $7,390. They need assistance paying for rising health care costs, but, in many cases, they are not getting that needed help:

- Almost 1.8 million individuals eligible for the Medicare Part D Low-Income Subsidy (LIS/Extra Help) are not enrolled. The LIS/Extra help program helps low-income beneficiaries pay for their prescription drug costs.
- Many Medicare beneficiaries are not aware that free counseling is available to choose the best Part D plan to meet their needs, which could save them up to $500 in out-of-pocket costs each year, while reducing Medicare spending and improving market competition.
- More people enrolled in Part D improve the risk pools and lower premiums for all enrollees.
- Less than half of eligible low-income beneficiaries receive help for assistance paying Medicare Part B premiums through a Medicare Savings Program (Qualified Medicare Beneficiary [QMB] Program, Specified Low-Income Medicare Beneficiary [SLMB] Program, and Qualifying Individual [QI] Program).
- A significant number of beneficiaries living in rural communities are not enrolled in Part D.
- The lingering impact of the economic downturn, a rapidly growing Medicare-eligible population, and a retiree savings shortfall highlight the increased need for these assistance programs.

We urge your support to make funding permanent for community-based organizations to conduct outreach and enrollment of low-income Medicare beneficiaries, consistent with Section 209 of several bipartisan Senate SGR bills, including the SGR Repeal and Medicare Beneficiary Access Improvement Act of 2013 (S. 1871), as well as Chairman Hatch's 2014 bill S. 2122.

This request is not to expand eligibility, but merely to improve assistance and outreach to those already eligible under current law.

Originally funded for three years under the 2008 Medicare Improvements for Patients and Providers Act (MIPPA), these outreach efforts have proven successful in expanding beneficiary access to prescription drugs and other needed services, and have done so in a cost-effective manner. To continue these crucial and important activities, Congress has provided continued funding since MIPPA's initial investment expired in FY11.

Previous allocations for these critical low-income outreach and enrollment activities have led to

important, proven results. MIPPA resources enabled state-agency partners and community-based organizations to:

- Assist 2.1 million individuals in need.
- Help make the competitive market work better through improved information for consumers making complex choices, thereby fostering objective yet personalized plan selection and decision-making.
- Target rural communities and other high-need populations to improve access to Medicare Part D.
- Increase the number of low-income Medicare beneficiaries enrolled in the Medicare Savings Programs from 6.4 million in 2008 to 8.5 million in 2016.

In recognition of the growing need for low-income assistance as 10,000 Americans turn 65 every day, Section 208 of MACRA included a small but important increase in annual funding for these activities from $25 million to $37.5 million for FY16 and FY17. Our request is to make funding permanent.

Resources for these Medicare low-income outreach and enrollment efforts has been shared among State Health Insurance Assistance Programs (SHIPs), Area Agencies on Aging (AAAs), Aging and Disability Resource Centers (ADRCs), and the national Center for Benefits Access (Center). In addition to providing technical assistance to the grantees, the Center offers competitive grants to develop state and local Benefits Enrollment Centers (BECs) to support and identify the most innovative, cost-effective, person-centered outreach and enrollment strategies for low-income beneficiaries, which can be replicated by all entities. Through these resources, the Center is supporting 59 BECs serving 31 states, with grants of up to $100,000 per year, as well as up to $270,000 for several regional pilots.

New funds will enable organizations to dedicate sufficient resources and permanent staff to accomplish their goals, while also supporting establishing a BEC in every state. One-year allocations and looming funding expirations have failed to provide the stability needed to hire full-time staff, and degrades the year over year stability necessary to conduct effective outreach.

The infrastructure to successfully continue this work, including processes and a trained workforce, already exists. But without increased permanent funding, this infrastructure will gradually erode, leaving millions of seniors and people with disabilities unable to afford and access needed health care.

Assisting low-income beneficiaries to receive the extra help they are eligible for contributes to increases in local community economic output and growth. If a low-income beneficiary gets an extra dollar, it's very likely that he or she will spend that dollar quickly to meet their needs, which multiplies as it filters through the economy. Such a fiscal multiplier effect occurs when an initial injection into the economy causes a bigger final increase in Gross Domestic Product (GDP).

We urge you to support <u>permanent, annual funding</u> for low-income outreach and assistance activities that provide critical supports to vulnerable Medicare beneficiaries at the current level of $37.5 million.