

Urges Medicare Prescription Drug Benefit That Provides Real Help to Low-income Seniors and Persons with Disabilities

November 3, 2003

Dear Representative/Senator:

The undersigned members of the Leadership Council of Aging Organizations urge you to ensure that the Medicare prescription drug benefit legislation before Congress will provide real help to low-income seniors and people with disabilities who are those least likely to have drug coverage and who are in the greatest need of assistance.

With limited resources available to spend on a Medicare prescription drug benefit at a time when seniors will be spending more than \$1.8 billion on prescription drugs, a wise course would be to give priority to the one out of three Medicare beneficiaries with incomes below 160 percent of the federal poverty level (\$14,368 for an individual). Indeed, the bill passed by the Senate did offer significant assistance to low-income seniors and people with disabilities.

Sadly, the agreement emerging from the Medicare prescription drug bill conference is unraveling the Senate bill's safety-net for low-income seniors and people with disabilities.

- The conference agreement prevents many needy low-income seniors and people with disabilities from receiving any help by applying an unreasonable asset test. This asset test could cut by 1 to 2 million the number of people with incomes under 150 percent of poverty who qualify for any low-income subsidy. Unfortunately, an earlier agreement to permit self-attestation of assets has apparently been dropped.
- The conference agreement is reducing the income limit for the low-income subsidy from the Senate's 160 percent of poverty to 150 percent of poverty (\$13,470 for an individual), leaving 1.1 million beneficiaries without adequate coverage for affordable prescription drugs.
- The conference agreement is reported to take prescription drug coverage away from some of the very lowest income and neediest seniors and people with disabilities who are also eligible for Medicaid services by failing to require states to continue providing Medicaid coverage for drugs or costs not included in the Medicare drug benefit. Moreover, reports indicate the conferees may worsen the situation by taking the unprecedented step of actually prohibiting states from providing a "wrap-around" of Medicaid prescription drug coverage to the Medicare benefit, which would cover drugs and costs that Medicare may not cover. Thus, the conference agreement will harm the lowest-income and sickest seniors by eliminating coverage they currently have.
- The conference agreement offers very meager assistance to beneficiaries between 135 and 150 percent of poverty, asking them to pay a \$420 annual premium, a \$50 deductible, and a 15 percent co-payment that will be financially difficult for those who need many prescriptions. These costs are certain to cause many low-income individuals to forgo or skimp on prescriptions they need.
- The conference agreement reportedly does not allow for enrollment at Social Security offices for beneficiaries who are eligible for Medicare low-income assistance, even though this provision is in both the House and Senate bills. Rather, the conference agreement may require seniors who have worked all their lives for a Medicare benefit to go to state Medicaid and welfare offices to apply for assistance paying for Medicare's new drug benefit. The current low-income assistance programs (QMB, SLMB and QI-1)

have had dismal levels of enrollment (only 15 percent of people not eligible for Medicaid enroll, and only 50 percent of those eligible for Medicaid enroll) because they use state Medicaid and welfare offices.

We had hoped that the Medicare conferees—Republicans and Democrats—would unite to achieve the goal of effective assistance for low-income seniors. However, with these recent changes the conference is failing.

We urge all the conferees to reconsider these recent low-income changes and restore the bill to the bright promise that was in the original Senate legislation.

Sincerely,

AFSCME Retiree Program
Alliance for Retired Americans
Alzheimer's Association
American Association for International Aging
American Federation of Teachers Program on Retirement and Retirees
American Foundation for the Blind
American Public Health Association
American Society on Aging
Association for Gerontology and Human Development
in Historically Black Colleges and Universities
Association of Jewish Aging Services of North America
B'nai Brith
Eldercare America
FamiliesUSA
National Academy of Elder Law Attorneys
National Association of Area Agencies on Aging
National Association of Professional Geriatric Care Managers
National Association of Senior Companion Project Directors
National Association of State Long-Term Care Ombudsman Programs
National Caucus and Center on Black Aged
National Citizens' Coalition for Nursing Home Reform
National Committee to Preserve Social Security and Medicare
National Council on the Aging
National Hispanic Council on Aging
National Indian Council on Aging
National Senior Citizens Law Center
OWL, the voice of midlife and older women
United Jewish Communities
Volunteers of America