



**Testimony in Support of LD 1522,
*An Act to Provide Economic Justice to Historically Disadvantaged Older Citizens by Amending
the Laws Governing the Medicare Savings Program***

April 20, 2023

Senator Baldacci, Representative Meyer, and members of the Committee on Health and Human Services. My name is Alex Carter, I use she/her pronouns, and I am a Policy Advocate at Maine Equal Justice, a nonprofit civil legal aid provider working to increase economic security, opportunity, and equity for people in Maine. I'm pleased to testify in support of LD 1522.

In this committee, we often hear about the challenges older Mainers experience accessing health care and navigating ever increasing costs to meet their basic needs. One of those challenges for older adults and Mainers with disabilities who have Medicare is paying for out-of-pocket medical costs. LD 1552 takes common-sense steps to address that issue and help improve the financial stability of older Mainers.

At Maine Equal Justice we work with many people who encounter challenges with Medicare. Out-of-pocket costs, even small co-pays, can present a significant burden for people living on a fixed income or working in a low-wage job. The Medicare Savings Program (MSP) is a critical resource for these individuals as it can help pay for some of the costs associated with Medicare, including co-pays, co-insurance, premiums, and prescriptions, so they don't have to choose between getting the health care they need and paying for other necessities like rent, food, or maintaining their home or vehicle.

However, the current asset limit is a significant barrier to accessing MSP. The asset limit is for liquid assets, which includes retirement accounts like IRAs & 401Ks (you count the net amount available upon liquidation), bank accounts (including CDs), and annuities (you count the current cash value available to the individual minus any penalty). For many older Mainers, these assets are necessary to remain independent – they are the financial foundations they built over many years to support their lives after retirement. They don't want to liquify and spend down these assets because they need them. However, that means they are not able to get assistance with their health care costs through MSP.

When people cannot afford out-of-pocket health care costs, they are more likely to forgo needed medical appointments, limit needed doses of prescriptions, and make other

constrained choices to cut costs that negatively impact their overall health and wellbeing. Removing the asset limit in the MSP program would help many older Mainers and Mainers with disabilities fully access the health care they need.

Moving to the Elder Economic Security Index to determine eligibility would better reflect the financial lives of those who need to access MSP. Developed by the Gerontology Institute at the University of Massachusetts Boston with Wider Opportunities for Women (WOW) and maintained through a partnership between the Gerontology Institute and the National Council on Aging, the Elder Economic Security Index measures the real income that older adults require to meet their basic needs. It is adjusted based on household size, location, housing, and health status and includes costs for housing, health care, transportation, food, and miscellaneous essentials. This is a more realistic picture of someone's economic status than the Federal Poverty Level that is based on a 1960 subsistence food budget, adjusted for inflation. Other states have begun to use the Elder Economic Security Index in their state policies, and this is a chance for Maine to make a real positive change for our residents with Medicare coverage.

These improvements to MSP also address economic disparities that some people experience over their lifetimes. Older BIPOC Mainers, women, and LGBTQ+ people have lower incomes and less access to wealth throughout their lives which impacts their financial stability as they age. For example, 7,000 more older Maine women live with incomes below the Federal Poverty Level compared to older men.¹ 2018 data from the U.S. Census showed that 37% of Black or African American Mainers lived below the poverty level as compared to 11.6% of white Mainers. That figure is 34% for American Indians (and Alaska Natives – the census combines these groups nationally), 21% for Hispanic or Latinos, and 11% for Asians in Maine.² Looking at national data, 17% of LGBTQ+ individuals have incomes below the Federal Poverty Level compared to 12% of straight, cisgender people.³ A report from the National Disability Institute found that the poverty rate for adults with disabilities is more than twice the rate of adults with no disability.⁴ Requiring people who have experienced inequities throughout their lives to spend down what little savings and other liquid assets they have managed to acquire or go without needed health care only deepens disparities for populations that experience systemic oppression. This bill would help close those gaps and increase equity in Maine.

For all these reasons, and the many others you have heard today, we urge you to pass LD 1522 and make the Medicare Savings Program more accessible for Mainers who need it. Thank you.

¹ <https://mainecouncilonaging.org/wp-content/uploads/2022/02/Economic-Security-Older-Women-in-Maine-Report-FINAL.pdf>

² <https://data.census.gov/table?t=Income+and+Pover-ty&g=040XX00US23&tid=ACSST5Y2018.S1701&hidePreview=true>

³ <https://williamsinstitute.law.ucla.edu/publications/lgbt-poverty-us/>

⁴ <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2019/02/disability-race-poverty-in-america.pdf>