

**Testimony on Behalf Maine Elder Law Attorneys to the Joint Standing Committees on
Appropriations and Financial Affairs and Health and Human Services
Testifying in opposition to the cuts of the Medicare Savings Plans in the Governor's
Supplemental Budget**

Greetings Senators Rotundo and Baldacci, Representatives Sachs and Meyer, and members of the Committees on Appropriations and Financial Affairs and Health and Human Services.

As elder law attorneys in Maine, every day we see older Mainers struggling to afford the rising cost of living on their fixed incomes. We were heartened when in last year's supplemental budget Governor Mills incorporated increases to the Medicare Savings Plans (MSPs) to enable 30,000 more Mainers to afford health care.

We are alarmed to hear that the Governor has removed the new income eligibility limits for the MSPs from the supplemental budget. These cuts come at a time when we have surplus revenues, and they do nothing more than increase the State's rainy-day fund at the cost of older Mainers' health. We're asking older Mainers to pay the price.

The recipients made eligible for MSPs by the increased income threshold are able to use the savings to pay for basic necessities. In Maine, 80% of people 65 and older own their homes, and 37% of these homeowners have a mortgage. This percentage of homeowners with mortgage debt is significantly higher than the national average of 24%. Of the 20% of Mainers who rent, 46% are rent-burdened, spending more than 30% of their household income on rent.

One client said if the expansion of income was retained so she could qualify for QI, she could "use the \$165 per month to address some of the deferred maintenance" on her home that she has been unable to afford previously. Older Mainers face high rents and mortgages, and they should not have to struggle to afford health care costs because their income is 180% not 150% of the Federal poverty level, especially where increased Federal funding is available to defray the cost.

When the expansion of MSPs was brought before the Legislature last session as LD 1522, testimony was heard from the healthcare sector, community organizations, the AARP, citizens, affinity groups, and others. No stakeholders opposed the bill, and the testimony was universally in favor of the expansion.

Five thousand Maine public employee retirees who would have qualified under the expanded income limits now have to choose between paying for health care and other basic necessities. Many teachers who have worked hard educating Mainers benefitted from the increased income expansion, but due to the cuts to the MSPs, their pensions will put them slightly above the MSP limit.

Not having older Mainers qualify for this program will cause those Mainers to seek coverage from MaineCare and Home-Based Care and Supports, a more expensive proposition. The extra \$174 per month that eligible older Mainers would save helps keep those older Mainers at home, involved in their communities, and living independently. When older Mainers can't afford prescriptions, medical supplies, heat, or nutritious food due to the high costs of medical coverage, they are more likely to need expensive emergency care or care in a facility in the future.

We, as Maine elder law attorneys, are asking you to reject the Governor's proposal to repeal increased eligibility for the Medicare Savings Plans and stand by the critically important work done last session to reduce the financial insecurity of older Mainers.

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