



**Testimony of Jess Maurer on Behalf of  
the Maine Council on Aging to the Committee on  
Health and Human Services**

**In Favor of LD 1522 - An Act to Provide Economic  
Justice to Historically Disadvantaged Older Citizens  
by Amending the Laws Governing the Medicare  
Savings Program**

Delivered on April 20, 2023

Greetings, Senator Baldacci, Representative Meyer, and the members of the Joint Standing Committee on Health and Human Services.

My name is Jess Maurer, and I am the Executive Director at the Maine Council on Aging (MCOA). The MCOA is a broad, multidisciplinary network of 135 organizations, businesses, municipalities, and older community members working to ensure we can all live healthy, engaged and secure lives with choices and opportunities as we age at home and in community settings. I am testifying in favor of LD 1522.

Liberty and justice for all. These are words that have deep meaning to us, and yet sometimes we have blind spots that make it hard to see that some people who have experienced a lifetime of economic disparities and inequities have never had justice. LD 1522 is fueled by the belief that it's never too late to secure justice for all.

Economic justice is the idea that the economy will be healthier if we *create meaningful opportunities for everyone to succeed*. This concept often fails to reach back to provide justice for those who were not given a fair chance to succeed and are struggling to survive later in life.

LD 1522 grew out of the report on the Economic Status of Older Women in Maine and our work on Equity and Healthy Aging. Here are just a few reasons we seek justice for older people:

- Maine women over 60 are nearly two times more likely than men to live at or below 150% of the Federal Poverty Level (FPL). 12% of women 80+ live in poverty as opposed to 6% of men.<sup>1</sup>
- 2018 data shows Black or African American Mainers are more than 3 times as likely to experience poverty as white Mainers.<sup>2</sup> Nationally, women of color over 80 years old live in poverty at a rate of 20%.
- Nationally, 17% of LGBTQ+ individuals have incomes below the Federal Poverty Level versus 12% in straight people.<sup>3</sup>
- 52% of working-age Mainers with a disability live in or near poverty as opposed to 22% with no disability. In later life, women experience higher rates of disability than men.<sup>4</sup>

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<sup>1</sup> (Snow, 2022)

<sup>2</sup> (Maine Equal Justice, 2021)

<sup>3</sup> (Wilson, 2023)

<sup>4</sup> Maine Department of Labor: Maine Workers with Disabilities 2021 Data Update

One way to deliver economic justice to older people is to increase eligibility for the Medicare Savings Program (MSP), a program that offers older people with lower incomes help to pay for some or all of their Medicare premiums, deductibles, copayments, and coinsurance.

While states must implement the minimum eligibility for this program, they are free to set higher eligibility levels. Indeed, a November 2021 memo from CMS entitled “Opportunities to Increase Medicare Savings Program Enrollment”, the federal government seems to be encouraging elimination of asset tests and increased income eligibility for the program.<sup>5</sup>

The federal government pays 100% of the cost for MSP Qualifying Individuals (QI). The federal government has never met the allocation for this program. States share the cost for the other two MSP Programs, the Specified Low-Income Medicare Beneficiary (SLMB) and Qualified Medicare Beneficiary (QMB).

The QMB Program provides payment of Medicare Part A monthly premiums (when applicable), Medicare Part B monthly premiums and annual deductible, and co-insurance and deductible amounts for services covered under both Medicare Parts A and B. SLMB and QI Programs provide payment of Medicare Part B premium for the calendar year. Beyond eligibility levels and state cost-sharing, there is no distinction between SLMB and QI. People enrolled in MSP are automatically entitled to the full Part D Low-Income Subsidy, saving them thousands of dollars a year in Part D drug expenses.

Eligibility for MSP must be set using the FPL, which is a simplified version of the poverty threshold measure and *only includes the cost of food*. While we cannot use any other standard, we can look to other reliable indicators to help us understand where to set eligibility levels to best provide economic justice and real help to older lower income people in Maine. While we cannot eliminate SLMB as we had originally thought, we can effectively eliminate it by setting the QMB level higher than the minimum income level for SLMB, essentially subsuming SLMB members.

LD 1522 proposes to use the National Elder Economic Security Standard Index (Elder Index), developed by the Gerontology Institute at the University of Massachusetts Boston in 2006, as a more comprehensive measure of income needed to pay for food, healthcare, housing, transportation, and other essential needs for people over 65. The data is available for each state and county in the country and is updated every 4 years with COLAs on years the Elder Index isn't adjusted. The National Council on Aging maintains the Elder Index, which has been adopted by New Jersey, California and Massachusetts to supply minimum income data for policy development.

The methodology for creating the Elder Index has been published and peer-reviewed. The Elder Index considers whether an older person lives alone or in a couple, whether they rent or own their home with or without a mortgage, and their health status. For reasons described below, we believe Maine should look to the Elder Index to help establish the right MSP eligibility level, using the region of Maine, for a single person, in poor health who owns a home with a mortgage as the eligibility level for QI, and a single person in poor health who owns a home without a mortgage for QMB.

People of color and from different ethnic origins experience higher rates of illness and death across a wide range of health conditions in the United States when compared to their white counterparts.

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<sup>5</sup> <https://www.medicaid.gov/federal-policy-guidance/downloads/cib11012021.pdf>

Structural gender inequalities in the allocation of income, education, and health care are also strongly associated with poor health. LGBTQ+ people are at higher risk of certain conditions, have less access to health care, and have worse health outcomes nationally.

From an economic justice standpoint then, it makes sense to consider the income needed for older people in poor health, as they generally need higher levels of income to cover needed medical and health expenses in addition to their other daily needs. There is also strong evidence that policies promoting economic equity may have broad positive health effects.

In Maine, 80% of people 65+ own their homes and 37% of these homeowners have a mortgage. This 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. As a significant number of older Mainers require additional income to meet their housing needs, it is appropriate to use the highest income threshold in the Elder Index, home owner with a mortgage, to set the highest eligibility limit.

Our current minimum wage in Maine is equal to \$28,704; this is the minimum amount of income we’ve said Mainers need to earn to live. All three current eligibility levels for QMB, SLMB and QI fall under the minimum wage. A livable wage in Maine is \$34,382.

Using the Elder Index, an older person in poor health in Maine who owns their home with a mortgage needs \$36,444 *to meet their basic needs, not their long term care needs*. An older person in poor health who owns their home with no mortgage needs \$26,592. LD 1522 directs the Department to establish eligibility for the MSP using these figures as a guide to set the eligibility to the nearest FPL number, in this case, QI would be set at 250% FPL.

The bill also directs the Department to eliminate the asset test. As noted above, the Elder Index includes only the necessities and does not include what a person needs to meet their long term care needs. Older women in Maine are more likely to need long term supports and services than men, and less likely to be able to afford to pay for them. People who have done the right thing and saved for the eventuality that they will need to pay out of pocket for home care and home repair in later life should not be forced to spend down these savings to qualify for help that is available to others like them with lower incomes.

Over the last 100 years, all racial groups have gained longevity in this country. For far too many who have been economically disadvantaged, this means having to live longer with fewer resources. Increasing eligibility for the MSP creates an opportunity for all older people to thrive and it will make our economy fairer. We urge you to join us in saying it’s never too late for justice by passing LD 1522.

There are a few flaws in the way the bill is currently drafted. We are happy to work with the Department on new language that will clarify the intent of this bill to provide economic justice by raising eligibility levels while complying with all of the federal rules. The Medicare Rights Center stands ready to assist.

Thank you.

# OLDER MAINE WOMEN & ECONOMIC SECURITY

Thousands of older Maine women **lack the economic security to meet their basic needs** because of a **lifetime of economic disparities**. The effects are significant and will continue to grow.



Women are more likely to:

be **outside the labor force**.

be **paid less** when they work.

work in industries with **low wages**.

work **part-time jobs without benefits** (health insurance/retirement plans).

**provide unpaid labor** (childcare/other unpaid family responsibilities).

## ↑ INCREASING WAGE DISPARITIES

2016    2017    2018    2019    2020

(\$7,592)

Maine women earned **\$7,592 less** than Maine men in 2016. The difference grew to **\$12,584** in 2020.

Women are more likely to live in **poverty** than men. And - the intersection of race, ethnicity, and gender have compounding effects: **women of color face even higher rates of poverty compared to white women - across all ages.**

**RACE, ETHNICITY, & GENDER**

## PAID & UNPAID CARE

Caregivers are in **high demand**, in **short supply**, and **underpaid** (when they are paid at all). They're also **mostly women**.

### MAINE CAREGIVERS ARE WOMEN

85%

54%

said caregiving is financially straining

21%

went from full- to part-time/cut back hours

58%

changed schedule/took time off to provide care

# OLDER MAINE WOMEN & ECONOMIC SECURITY

Maine women 60+ are over

**2x** more likely than men to live alone AND make **<\$12,880/year**



Older women have increasing rates of disability with age compared to older men. As a result, they have a **higher need for long-term care**.

Women 80+ are **2x more likely to live in poverty** than men 80+.



## CARE COSTS

Despite caregivers' unpaid labor and direct support workers' underpaid work, long-term care costs are significant. Maine's 2020 estimated median private pay long-term care annual costs include:

**\$65,483**

in-home homemaker health aid

**\$71,298**

private, one-bedroom assisted living facility

**\$115,705**

semi-private room nursing home facility

**At least half of older Maine women who live alone have difficulty covering their basic needs** and will not be able to afford to pay for the support and care they need as they age.

## RECOMMENDATIONS

Economic disparities over the course of a woman's lifetime mean that older Maine women are far more likely to live in poverty than Maine men. Due to higher rates of disability and the likelihood of living alone, older Maine women are more likely to need long-term supports and services. However, their higher rates of poverty make it less likely they will be able to afford those services.

Policymakers, Maine state agencies, and Maine municipalities must work with experts and advocates to:

- **Create better statewide systems to support care** like paid family medical leave and childcare improvements (birth through school age), and find additional ways to support unpaid caregivers.
- **Fairly value and compensate professional caregivers** including direct support workers and childcare providers, who are overwhelmingly women.
- **Continue to address gender-based discrimination** in wages and workplaces.
- **Improve our long-term care systems**, such as addressing gaps in long-term support and services, and expanding eligibility for programs that help people pay for those services.
- **Fund supports to help people live alone:** aging in place home modification, home alert systems, increased access to accessory dwelling units, and targeted and consistent outreach to older Mainers who live alone.

This summary is based on a report written by the Cutler Institute for Health & Social Policy for the Maine Women's Lobby Education Fund and the Maine Council on Aging. For the full report and citations, visit: [bit.ly/OlderEcoSecReport](http://bit.ly/OlderEcoSecReport).



Maine Women's Lobby

[mainewomen.org](http://mainewomen.org)



10th ANNIVERSARY

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