

Attachments—Additional Questions for the Record

Subcommittee on Health Hearing on “Investing in America’s Health Care” June 4, 2019

Mr. Frederic Riccardi

The Honorable Debbie Dingell (D-MI)

1. Mr. Riccardi, can you explain why it is important for Congress to pass a long-term extension of these outreach programs, instead of a short-term extension?

Making these activities permanent is the best way to meet current and future needs.

From our experience assisting people with Medicare and their families, we know that health care and prescription drug affordability are ongoing challenges. Every day on our National Consumer Helpline, we hear from people who are struggling to cover their Medicare costs. For many—particularly those with low or fixed incomes—the program’s premiums and cost-sharing amounts are out of reach. As the population ages and economic trends persist, we are concerned an ever-growing number of beneficiaries will experience these financial challenges.¹

Already, half of all Medicare beneficiaries—nearly 30 million older adults and people with disabilities—live on \$26,200 or less per year, while one quarter have incomes below \$15,250 and less than \$14,550 in savings.² At the same time, health care costs are taking up a larger and more disproportionate share of beneficiaries’ limited budgets. In 2016, nearly 30% of Medicare households spent 20% or more of their income on health care, while only 6% of non-Medicare households did so.³ Out-of-pocket costs for prescription drugs represent a significant share of this amount, accounting for nearly one out of every five beneficiary health care dollars.⁴

Thankfully, help is available. The Medicare Part D Extra Help/Low-Income Subsidy (Extra Help/LIS) program, for example, helps eligible beneficiaries pay their Part D premiums and reduces their costs at the pharmacy counter,⁵ and Medicare Savings Programs (MSPs) can help

¹ MedPAC. “The next generation of Medicare beneficiaries,” (June 2015) available at: <http://www.medpac.gov/docs/default-source/reports/chapter-2-the-next-generation-of-medicare-beneficiaries-june-2015-report-.pdf?sfvrsn=0>.

² Jacobson, Gretchen et al., Kaiser Family Foundation. “Income and Assets of Medicare Beneficiaries, 2016-2035,” (April 21, 2017), available at: <https://www.kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-2016-2035/>.

³ Cubanski, Juliette et al., Kaiser Family Foundation. “The Financial Burden on Health Care Spending: Larger for Medicare Households than for Non-Medicare Households,” (March 1, 2018), available at: <https://www.kff.org/medicare/issue-brief/the-financial-burden-of-health-care-spending-larger-for-medicare-households-than-for-non-medicare-households/>.

⁴ Kaiser Family Foundation. “10 Essential Facts about Medicare and Prescription Drug Spending,” (January 29, 2019), available at: <https://www.kff.org/infographic/10-essential-facts-about-medicare-and-prescription-drug-spending/>.

⁵ Medicare Rights Center, Medicare Interactive. “Extra Help Basics,” available at: <https://www.medicareinteractive.org/get-answers/cost-saving->

beneficiaries in need pay their Part B premiums.⁶

But people don't always know about these programs or how to apply for them. As a result, they may not be getting the help—or the care—they need, which can lead to worse health outcomes and higher costs.

MIPPA seeks to change that. It provides targeted funding for community-based organizations—including State Health Insurance Assistance Programs (SHIPs), Area Agencies on Aging (AAAs), Aging and Disability Resource Centers (ADRCs), and the Benefits Enrollment Centers (BECs) supported by the National Council on Aging's (NCOA) National Center for Benefits Outreach and Enrollment—to help low-income Medicare beneficiaries apply for assistance programs that can make their health care more affordable, including Extra Help/LIS and MSPs.

However, uncertainties associated with temporary allocations can make it difficult for MIPPA grantees to meet current and growing needs. Static, short-term allocations and looming expirations not only fail to provide the assurances needed to hire and retain qualified full-time staff who can build community relationships and gain valuable experience, but also degrade the year-over-year stability necessary to conduct effective outreach.

This has contributed to far too many people who are eligible for these programs not getting the help they need:

- Almost three million Medicare beneficiaries eligible for the Extra Help/LIS are not enrolled—including over 72,000 Michiganders.⁷ This program is valued by the Social Security Administration as saving beneficiaries an average of \$4,900 a year.⁸ Improving enrollment is a critical component of reducing out-of-pocket prescription drug costs for those who can least afford them.
- Less than half of eligible low-income beneficiaries receive help for assistance paying Medicare Part B monthly premiums (\$135.50 in 2019) through an MSP.⁹ These programs save beneficiaries at least \$1,626 a year by putting the Part B premium back into their monthly Social Security check. Absent this assistance, many are left un- or under-insured.

MIPPA grantees uniquely work to identify low-income people with Medicare who may be missing out on these benefits. The infrastructure to successfully continue this much-needed outreach—including processes and a trained workforce—already exists. But without sufficient and reliable long-term funding, current capacity challenges will persist, and the program will remain subject to threats of suspended or unavailable resources.

[programs-for-people-with-medicare/the-extra-help-low-income-subsidy-lis-program/extra-help-basics.](#)

⁶ Medicare Rights Center, Medicare Interactive. "Medicare Savings Program basics," available at: <https://www.medicareinteractive.org/get-answers/cost-saving-programs-for-people-with-medicare/medicare-savings-programs-qmb-slmb-qi/medicare-savings-program-basics>.

⁷ National Council on Aging 2019 internal data.

⁸ Social Security Administration. "Extra Help with Medicare Prescription Drug Plan Costs," available at: <https://www.ssa.gov/benefits/medicare/prescriptionhelp/>.

⁹ MedPAC. "Medicare Savings Program Enrollees and Eligible Non-Enrollees," (June 2017) available at: <https://www.macpac.gov/wp-content/uploads/2017/08/MSP-Enrollees-and-Eligible-Non-Enrollees.pdf>.

In 2013, for example, a delay in reauthorizing MIPPA activities meant that SHIPs, AAAs, and ADRCs experienced a funding gap that led to staff layoffs, and these agencies had to halt or significantly scale back outreach efforts for these populations. Roughly 200,000 individuals¹⁰ went unserved during this gap, without the one-on-one assistance to navigate their options. Many may not have received the help they needed to afford their Medicare expenses.

Permanent funding would prevent this from happening again. It would allow for seamless continuation of MIPPA outreach activities, enable community organizations to dedicate the resources and staff needed to accomplish their goals, and support the establishment of a BEC in every state.

This consistency is critical. Enrollment counselors often must make multiple contacts with beneficiaries in order to build trust so that the beneficiary feels comfortable applying for health savings programs. Long-term funding would enable agencies to maintain outreach across several fronts to build these relationships, especially among vulnerable communities such as rural residents, veterans, and those with disabilities who may have trouble accessing online services or traveling to local offices for assistance.

In sum, permanence would bring much-needed assurances and stability to the program, allowing community-based organizations and state agency partners to conduct maximally effective outreach that is needed to best serve the growing number of older adults and people with disabilities who need help accessing affordable health care.

At a time when the Medicare-eligible population is growing rapidly,¹¹ and their economic security eroding, the continued availability of this assistance is more critical than ever.¹²

2. How would Medicare beneficiaries be impacted if these programs were not reauthorized?

MIPPA funding allows community-based organizations to target outreach and enrollment to vulnerable, hard-to-reach and low-income Medicare beneficiaries. Without MIPPA funding, these organizations would have to reduce staff and outreach efforts to this population—to the detriment of low-income older adults and people with disabilities who need help paying for care.

The consequences of health care and prescription drug unaffordability are significant, both for the Medicare program and those who rely on it. Beneficiaries who cannot purchase their medications or pay for coverage may be forced to go without care—leading to worse health outcomes and quality of life, hospitalizations, or even death. And the cost to the Medicare program is also extreme, as beneficiaries who forgo needed care and experience declining health as a result may need more costly interventions later, like emergency department or inpatient

¹⁰ The average annual number of those helped to submit MIPPA subsidy applications in years prior to FY13.

¹¹ Glenn Kessler, Washington Post. “Do 10,000 baby boomers retire every day?” (July 24, 2014) available at: https://www.washingtonpost.com/news/fact-checker/wp/2014/07/24/do-10000-baby-boomers-retire-every-day/?utm_term=.342861b35a79.

¹² MedPAC. “The next generation of Medicare beneficiaries,” (June 2015) available at: <http://www.medpac.gov/docs/default-source/reports/chapter-2-the-next-generation-of-medicare-beneficiaries-june-2015-report-.pdf?sfvrsn=0>.

care.¹³

Access to affordable care is a particular concern for Medicare beneficiaries, a group at high risk of developing one or more chronic conditions: approximately 80% of older adults have at least one chronic disease and 77% have at least two.¹⁴ This risk is greater for low-income beneficiaries, who face higher rates of many conditions—including kidney disease, congestive heart failure, heart disease, mental illness, and diabetes—than their middle- or upper-income peers.¹⁵

For those impacted and at-risk, the timely provision of needed care can be critical to health maintenance and improvement, as well as to controlling out-of-pocket and program costs. The Medicare Savings Programs and Extra Help/LIS in particular can help those who are eligible afford needed preventive care and medications. This increases prescription adherence, which in turn helps them better manage chronic conditions—representing a cost savings to Medicare in the long run. This is an important consideration, as these conditions are expensive to manage and treat, accounting for more than two-thirds of national health care costs.¹⁶ Despite the benefits, research indicates that many people with Medicare are unaware of these programs—making outreach and enrollment assistance essential.¹⁷

Connecting those in need with programs that increase affordability and access can truly be life-changing—helping them improve their health and better meet their needs of daily living.

Consider Ms. W, a recent Medicare Rights' client. She is legally blind and lives on a limited, fixed income. When she first became eligible for Medicare, she reached out to an enrollment counselor because she was confused about her Medicare coverage and unable to afford it. Working with the counselor, she applied for and was enrolled in the Medicare Savings Program and Extra Help drug subsidy—which now save her more than \$6,500 each year on health care costs.

While Ms. W was able to obtain financial and enrollment assistance relatively seamlessly, not all low-income beneficiaries share her experience—and she is far from alone in facing difficulty navigating and paying for Medicare.¹⁸ For many such beneficiaries, it is through MIPPA's outreach and enrollment efforts that they are able to better afford and access care. Absent this help, they would likely continue to face significant barriers that could cause them to forego needed coverage or meet basic needs—risking worse health outcomes and significant out-of-pocket costs.

¹³ Lee, Shinduk et al., "Attitudes, Beliefs, and Cost-Related Medication Nonadherence Among Adults Aged 65 or Older With Chronic Diseases," (December 6, 2018) *Prev Chronic Dis* 2018;15:180190, available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6292137/#>.

¹⁴ NCOA Compilation of data from the Centers for Medicare & Medicaid Services. "Chronic Conditions Prevalence State/County Table: All Fee-for-Service Beneficiaries," (2015) available at: <https://www.ncoa.org/blog/10-common-chronic-diseases-prevention-tips/>.

¹⁵ AARP. "Chronic Conditions Among Older Americans," available at: https://assets.aarp.org/rgcenter/health/beyond_50_hcr_conditions.pdf.

¹⁶ NCOA. "Chronic Disease Self-Management Facts," available at: <https://www.ncoa.org/news/resources-for-reporters/get-the-facts/chronic-disease-facts/>.

¹⁷ NCOA. "What the Research Says," available at: <https://www.ncoa.org/centerforbenefits/outreach-toolkit/what-the-research-says/>.

¹⁸ Year after year, calls about how to enroll in and afford Medicare present as top trends on Medicare Rights' National Consumer Helpline. See: Medicare Rights Center. "Medicare Trends and Recommendations: An Analysis of 2017 Call Data from the Medicare Rights Center's National Helpline," (April 2019) available at: <https://www.medicarerights.org/pdf/2017-helpline-trends-report.pdf>.

3. Can you summarize the successful track record we've already seen from these four outreach and enrollment programs?

Since its inception, MIPPA funding has allowed community-based organizations to connect low-income Medicare beneficiaries with programs that make their health care and prescriptions more affordable. MIPPA grantees also provide Part D counseling to Medicare beneficiaries who live in rural areas and promote Medicare's prevention and wellness benefits.¹⁹ Currently, grantees in 50 states and the District of Columbia are carrying out these activities, with evidenced success.²⁰ To date, MIPPA resources have enabled grantees to:

- Assist 2.7 million individuals in need;²¹
- Submit over 1.8 million applications on behalf of low-income seniors and persons with disabilities, worth a valued \$5 billion in annual savings on health and prescription drug costs;
- Help ensure that over 9 million low-income Medicare beneficiaries are now able to better afford rising health care costs thanks to enrollment in the Medicare subsidy programs;²²
- Target rural communities and other high-need, hard-to-reach populations to improve access to help with rising Medicare prescription drug costs.

Additionally, MIPPA-funded agencies do more than help low-income people with Medicare enroll in money-saving programs. They also help them to weigh their options to determine if the drug or health plan they are in provides the best coverage at the most affordable cost.²³ According to an August 2016 study by American Economic Review, only between 8-9% of Medicare beneficiaries chose the Part D plan that offered the best value. While 1-800-MEDICARE and the Medicare Plan Finder are valuable tools that can help some beneficiaries with their coverage choices, they are not available or helpful to everyone, especially those without reliable internet access. The combination of personalized assistance in the community, as well as online and call center resources, is essential to helping the nation's 60 million Medicare beneficiaries—as well as the 10,000 people who reach Medicare eligibility age each day—make optimal coverage choices. Through MIPPA, these organizations are able to establish initial connections with people who need assistance affording coverage—relationships that can beget future and long-term opportunities to help beneficiaries build health and economic security.

¹⁹ Medicare Rights Center. "Medicare-covered preventive services," available at: <http://www.medicarerights.org/fliers/Original-Medicare/Medicare-Covered-Preventive-Services.pdf?nrd=1>.

²⁰ National Council on Aging. "MIPPA at a Glance," available at: <https://www.ncoa.org/wp-content/uploads/MIPPA-at-a-glance-2018.pdf>.

²¹ Based on 2019 grantee reports submitted to the Administration for Community Living and Centers for Medicare & Medicaid Services; obtained by the National Council on Aging.

²² National Council on Aging. "Medicare Savings Program Enrollment Visualization," available at: <https://www.ncoa.org/economic-security/benefits/visualizations/medicare-savings-program-visualization/>.

²³ Jason Abaluck and Jonathan Gruber; Am. Econ Rev. "Evolving Choice Inconsistencies in Choice of Prescription Drug Insurance," (August 2016) available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5665392/>.