

## January 2014 DRAFT MIPPA Funding Letter

Dear Member of Congress,

The undersigned organizations are writing to urge you to make permanent funding for community-based organizations for outreach and enrollment activities for low-income Medicare beneficiaries. This request is not to expand eligibility, but merely to assist those already eligible under current law.

Previous outreach efforts have been successful at improving access to prescription drugs and other needed services. In 2008, Congress enacted the MIPPA, which provided \$25 million to fund outreach and enrollment efforts for low-income beneficiaries under Section 119. Recognizing the crucial importance of these activities, Congress authorized appropriations that were available for obligation through FY2012. Section 610 of the American Taxpayer Relief Act (ATRA) extended funding through FY2013. Most recently, Section 1110 of the Pathway for SGR Reform Act extended funding to March 31, 2014.

On December 12<sup>th</sup>, the Senate Finance Committee in Section 209 of the SGR Repeal and Medicare Beneficiary Access Improvement Act voted on a bipartisan basis to permanently appropriate current level funding (\$25 million each fiscal year) for these critical low-income outreach and enrollment activities.

Previous allocations have led to important, proven results. Return on investment is estimated to be \$23 for every dollar spent. MIPPA resources enabled grantees to:

- Assist about 700,000 individuals in need;
- Generate \$1.9 billion in local economic activity;
- Reduce by almost 12% the number of beneficiaries without access to needed benefits for which they are eligible;
- Target rural communities to improve access to Medicare Part D; and
- Help thousands of beneficiaries save money and make the competitive market work better through improved information for consumers making complex choices, thereby fostering objective yet personalized plan selection and decision-making.

According to a recent Government Accountability Office (GAO) report, new Medicare Savings Program (MSP) enrollees almost doubled from 2009 to 2010 – from 192,963 to 377,151 new enrollees – and increased further 388,733 in 2011 and 393,465 in 2012 (according to preliminary estimates which will likely increase). This is due in large part to successful outreach and enrollment efforts under MIPPA. This important work improves overall economic conditions by increasing consumption and spending in communities to meet basic needs; mitigating individual debt, credit damage, or bankruptcy caused by large out-of-pocket medical expenses; reducing the occurrence of hospital bad debt and its accompanying costs; and lessening financial burdens on family members.

Despite these successful efforts, vulnerable Medicare beneficiaries continue to struggle to access the health care benefits for which they are eligible. Specifically:

- Approximately 2.3 million individuals eligible for the Medicare Part D Low-Income Subsidy (LIS/Extra Help), which helps pay for prescription drug costs, are not enrolled in the program. This represents nearly two-thirds of eligible low-income beneficiaries who are not automatically enrolled.
- Many beneficiaries are not aware that free counseling is available to choose the best Part D plan to meet their needs, which could save them up to \$500 in out-of-pocket costs each year, reduce Medicare spending, and improve market competition.
- A significant number of beneficiaries living in rural communities are not enrolled in Part D.
- Less than one-third of beneficiaries eligible for assistance paying Medicare Part B premiums through a Medicare Savings Program (QMB, SLMB and QI programs) receive that needed help.
- The economic downturn and a growing Medicare-eligible population highlight the increased need for these assistance programs.
- Continued education and outreach targeting this population is particularly urgent given the significant changes dual eligible individuals will soon be facing in states implementing new integration initiatives.

Our request is intended to reflect a straight extension of the same level of funding using the same ratios for funded entities as those used in previous years. Funding for outreach and enrollment efforts has been shared among State Health Insurance Assistance Programs (SHIPs), Area Agencies on Aging (AAAs), Aging and Disability Resource Centers (ADRCs), and the National Center on Benefits Outreach and Enrollment (NCBOE), which included competitive grants to develop state and local Benefits Enrollment Centers (BECs).

The Center has been able to fund 29 BECs in 22 states, enabling nonprofits and state agencies to provide cost-effective, person-centered strategies to provide outreach and enrollment into benefits for low-income seniors and younger adults with disabilities. Grants have primarily ranged from \$45,000 - \$100,000 a year. During the recent competitive proposal cycle, there were numerous quality proposals from states which do not currently have a BEC that were not funded but could be awarded grants should additional funds be available. Since their inception in 2009, BECs have helped over 500,000 seniors and younger adults with disabilities, helping them to apply for over \$550 million in benefits, while also making systems for accessing those programs more efficient for government and more seamless for consumers.

The infrastructure, including processes and trained workforce, already exists to continue this work. Without extended funding, this infrastructure will erode, leaving millions unable to afford and access essential health care. We urge you to continue this critical support for vulnerable Medicare beneficiaries before the end of this year.

Groups signing earlier 12/12 letter

AARP

Alliance for Retired Americans

American Association on Health and Disability

American Society on Aging

Association for Gerontology and Human Development in Historically Black Colleges and Universities

B'nai B'rith International

Brain Injury Association of America

Center for Medicare Advocacy

Community Access National Network

Easter Seals

Families USA

GIST Cancer Awareness Foundation

HealthHIV

Leading Age

Lupus Foundation of America

Lutheran Services in America

Medicare Rights Center

Mental Health America

National Alliance on Mental Illness

National Asian Pacific Center on Aging

National Association for Home Care and Hospice

National Association of Area Agencies on Aging

National Association of Professional Geriatric Care Managers

National Association of Social Workers (NASW)

National Association of States United for Aging and Disability

National Caucus and Center on Black Aged

National Committee to Preserve Social Security and Medicare

National Consumer Voice for Quality Long-Term Care

National Council on Aging

National Hispanic Council on Aging

National Senior Citizens Law Center

OWL-The Voice of Midlife and Older Women

RetireSafe