

# Expanding Medicare Saving Programs

## A Sweet Deal for Cost Containment Support Amendment #120 to Expand MSPs (Senator L'Italien)



Massachusetts seniors are more likely to face economic insecurity than seniors in other states.

- 6 in 10 MA elders living alone, and 4 in 10 elder couples, do not have the income to meet basic needs.
- Nationally, Massachusetts is among the states with the greatest percentage of economically insecure elders, second only to Mississippi.

Healthcare is the second largest expense for seniors with limited opportunities for assistance.

- 1 in 3 low-income seniors in MA (under 200%FPL), and 1 in 5 of all MA seniors, spends more than 20% of their income for healthcare.
- Massachusetts offers assistance with healthcare costs for individuals age 19-64 with incomes up to 300% FPL through Connector Care.
- Individuals over the age of 65 must have incomes below 135% FPL to access similar assistance in Massachusetts.
- Seniors are also the only group in Massachusetts who face asset limits to access assistance with health care costs.

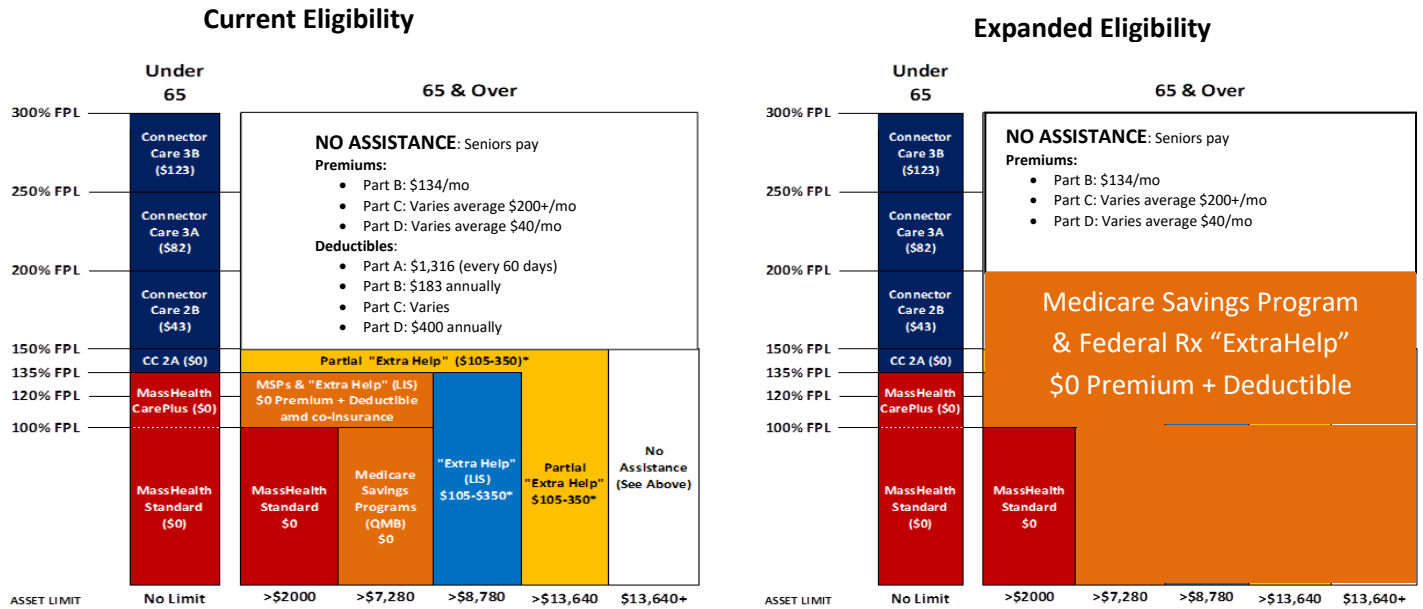
### A Sweet Deal To Contain Costs: Amendment #120

- Expands eligibility from 135% FPL (\$16,281) to 200%FPL (\$24,120) and eliminates the asset test.
- \$38m State Funds gets \$278m Federal Benefits (\$44.5m FFP, \$204m Rx Benefits, \$30m SNAP)
- Provides robust benefits for 51,091 “near-poor” seniors

A Quick Glance				
	Select Medicare Expenses	Rx Advantage 2007	Rx Advantage 2017	Medicare Savings Programs & Rx Low income Subsidy
<b>Part B Premium</b>	\$1,608	NO	NO	Yes
<b>Part D Premium</b>	\$415	Yes	NO	Yes
<b>Part D Deductible</b>	\$400	Yes	NO	Yes
<b>Part D co-payments</b>	25% of Rx cost	\$7/\$18	NO	\$3/\$8
<b>Part D Donut Hole</b>	40% of Rx cost	\$7/\$18	\$7/\$18	\$3/\$8
<b>Aprox. Benefit Value</b>		~\$3,800	~\$2,000	\$5,608
<b>State Expense</b>		100%	100%	\$804 (50% of Part B) Feds pays remainder (50% Part D +100% Rx Cost)
Individuals with incomes under 165%FPL would get additional benefits at no additional state cost)				

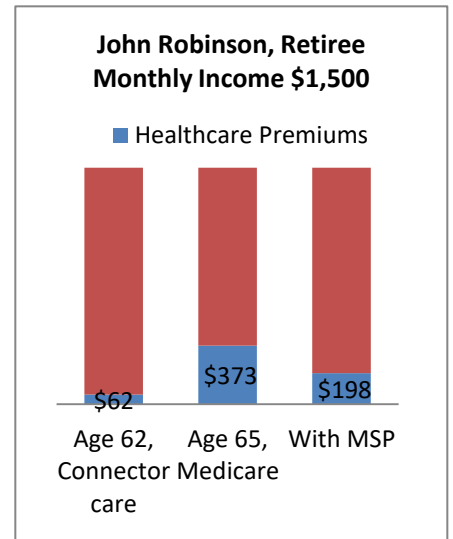
For more info contact call 617-435-1926 or CVillers@MassSeniorAction.org

# Massachusetts Healthcare Assistance At-A-Glance: The Cliff



## Real Story from the Cliff:

John Robinson retired from the railroad at the age of 62 to help his aging parents. His monthly income was approximately \$1,500 a month and therefore he qualified for Commonwealth Care, paying a monthly premium of \$62 a month. When John turned 65 he fell off the “senior healthcare cliff. His income did not change, but as John signed up for Medicare his premiums went from \$62 a month to \$373 a month. Nothing changed except he turned 65. With MSP his Premiums could be reduced by \$75-\$300/mo



## Reinvesting State Funds – where is it coming from:

- Prescription Advantage used to provide valuable assistance for seniors to access prescriptions. Today it offers limited assistance to individuals once they reach the Medicare Part D “donut hole”.
- By reinvesting these funds into expansion of Medicare savings programs we can leverage Part B premium assistance and a much more comprehensive federal prescription assistance program.
- This takes state dollars to leverage a federal match and access expanded benefits.
- Expanding Medicare Saving program would also reduce Health Safety Net Spending
  - Seniors account for 14% of HSN spending = \$64m annually

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