

December 16, 2019

Majority Leader Mitch McConnell
Minority Leader Chuck Schumer
United States Senate
Washington, D.C. 20150

Speaker Nancy Pelosi
Minority Leader Kevin McCarthy
United States House of Representatives
Washington, D.C. 20515

Leaders McConnell, Schumer; Speaker Pelosi and Leader McCarthy:

The undersigned 72 national organizations write to urge you include several important Medicare and Medicaid provisions in the “Extenders” legislative package that is expected to be considered by December 20th, including: (1) relief for those Medicare beneficiaries who, without congressional action this year, would face even higher prescription drug out-of-pocket costs due to the January 1st increase in Part D catastrophic coverage eligibility thresholds from \$5,100 to \$6,350; (2) making permanent the Medicaid Home and Community-Based Services (HCBS) Money Follows the Person Program (MFP), and Spousal Impoverishment Protections; (3) an extension (preferably with permanent, increased funding) for Medicare low-income outreach and enrollment efforts; (4) needed improvements in the Medicare Part B enrollment process; and (5) an extension of Medicaid funding in US Territories.

Addressing the Scheduled Increase in Medicare Prescription Drug Costs

Under the current Part D program, once Medicare beneficiaries hit an annual out-of-pocket spending threshold they can access catastrophic coverage that allows them to pay significantly less for their prescription drugs. Slightly over 1 million beneficiaries had drug costs above the catastrophic threshold in 2017. However, the threshold is scheduled to jump by an unprecedented \$1,250 in 2020, increasing the amount beneficiaries with the greatest prescription drug needs must pay. At a time when these seniors and people with disabilities on Medicare were expecting legislation to pass this year that would decrease their prescription drug costs, for example with a much-needed out-of-pocket cap, they will be surprised and disappointed if their costs increase. According to initial estimates, failure to act would result in increasing prescription drug costs next year by over \$2 billion for people with Medicare.

For Americans who are retired or on a fixed income, any increase in their out-of-pocket costs can become a significant financial burden. The average Medicare Part D enrollee takes more than 4 prescriptions per month, and over two-thirds have two or more concurrent chronic illnesses, which often require costly prescription medications. At the same time, most Medicare beneficiaries live on modest incomes, with an annual median income of just over \$26,000. Something must be done this year to prevent these beneficiaries from facing the sticker shock of being forced to pay even more for medications they need to live healthier lives.

Making Permanent Programs that Help Medicaid Enrollees Remain in their Communities

We urge that two critical, expiring Medicaid HCBS programs be made permanent, consistent with the bipartisan Senate Finance Committee proposal released on December 6th. The Money Follows the Person (MFP) program provides enhanced funding to assist with the costs of

transitioning people back to the community, including identifying and coordinating affordable and accessible housing and providing additional services and supports to make successful transitions. The program has helped over 91,000 people with disabilities and older adults move from institutional settings back to their communities. In the first year of the program, the Centers for Medicare & Medicaid Services (CMS) found an average cost savings of \$22,080 in the first year per older adult participant, \$21,396 per person for people with physical disabilities, and \$48,156 per person for people with intellectual disabilities.

Medicaid's "spousal impoverishment protections" make it possible for an individual who needs a nursing home level of care to qualify for Medicaid while allowing their spouse to retain a modest amount of income and resources. Since 1988, federal Medicaid law has required states to apply these protections to spouses of individuals receiving institutional LTSS. Congress extended this protection to eligibility for HCBS in all states beginning in 2014, so that married couples have the same financial protections whether care is provided in a facility or in the community. Allowing the policy to expire could force people whose needs warrant a nursing facility level of care and who now receive such care in their homes, into more costly institutional care against their wishes. Further, not securing these protections could stall or even reverse progress states have made in helping people with disabilities and older adults remain at home and in the community.

Continuing Medicare Low-Income Outreach and Enrollment Assistance

We urge that a provision also be included to continue funding for Medicare outreach and enrollment efforts to low-income beneficiaries, many of whom are dually eligible for Medicaid. Funding supports community-based efforts through State Health Insurance Assistance Programs, Area Agencies on Aging, Aging and Disability Resource Centers, and a National Center on Benefits Outreach and Enrollment which provides grants to a network of 84 local Benefits Enrollment Centers (BECs) in 43 states. These efforts, originally authorized in 2008 and extended 7 times since then, enable Medicare beneficiaries with the least resources to access assistance for prescription drug coverage and other essential Medicare benefits for which they are eligible. We urge you to extend funding for as long as possible (ideally making the program permanent) and include the funding increase from \$37.5 to \$50 million that House committees approved.

Almost 3 million beneficiaries eligible for prescription drug low-income subsidies (LIS/Extra Help) are not enrolled. The LIS program helps low-income beneficiaries pay for their rising prescription drug costs. Improving enrollment in this important program is a critical component toward reducing out-of-pocket prescription drug costs for those who can least afford them.

Previous allocations for low-income outreach and enrollment activities have led to important, proven results, including: (1) assisting 2.5 million individuals in need; (2) increasing the number of low-income Medicare beneficiaries enrolled in the Medicare Savings Programs from 6.4 million in 2008 to 9 million as of June 2018; and (3) targeting rural communities and other hard-to-reach populations to improve access to help with Medicare prescription drug costs.

Improving the Part B Enrollment Process

We also support inclusion of the Beneficiary Enrollment Notification and Eligibility Simplification (BENES) Act (S. 1280; HR 2477) in the forthcoming legislation. Currently, far

too many people with Medicare are irreversibly harmed due to the cumbersome and confusing Part B enrollment system. The consequences of these missteps can be significant—often leading to a lifetime of higher premiums, substantial out-of-pocket health care costs, gaps in coverage, and barriers to accessing needed services. The bicameral, bipartisan BENES Act aims to prevent these costly mistakes by modernizing, simplifying, and improving the Medicare Part B enrollment process.

Extending Medicaid Funding in US Territories

Finally, we support extending critical funding for the Medicaid programs in US territories including American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the US Virgin Islands. The expiration of current enhanced federal funding allotments and matching rates for the territories poses a significant threat to the health and well-being of territory residents who face coverage losses, barriers to access, and cuts to important health care benefits. If these enhanced funds are allowed to expire, territories will revert to the inadequate capped allotment that would devastate their budgets, access to health care, and ultimately, patients' health.

We strongly urge you to take the steps outlined above to protect Medicare beneficiaries against further increases in out-of-pocket costs, improve enrollment, and extend critical Medicaid programs and funding for low-income Americans.

Sincerely,

ADAPT

ADvancing States

Aging Life Care Association

The AIDS Institute

Alliance for Aging Research

Alliance for Retired Americans

AMDA The Society for Post-Acute and Long-Term Care Medicine

American Academy of Physical Medicine & Rehabilitation

American Association on Health and Disability

American Association on Intellectual and Developmental Disabilities (AAIDD)

American Autoimmune Related Diseases Association

American Kidney Fund

American Network of Community Options & Resources (ANCOR)

American Physical Therapy Association

American Therapeutic Recreation Association

The Arc of the United States

Association for Gerontology and Human Development - HBCU

Association of People Supporting Employment First (APSE)

Association of University Centers on Disabilities (AUCD)

Autism Society of America

Autistic Self Advocacy Network

Bazon Center for Mental Health Law

Brain Injury Association of America

Caregiver Action Network
Caregiver Voices United
Caring Across Generations
Center for Medicare Advocacy
Center for Public Representation
Christopher & Dana Reeve Foundation
Coalition on Human Needs
CommunicationFIRST
Community Catalyst
Disability Rights Education and Defense Fund (DREDF)
Easterseals
Epilepsy Foundation
Family Voices
GO2 Foundation for Lung Cancer
Justice in Aging
Lakeshore Foundation
LeadingAge
Lupus and Allied Diseases Association, Inc.
Lutheran Services in America
Meals on Wheels America
Medicare Rights Center
National Academy of Elder Law Attorneys
National Adult Day Services Association (NADSA)
National Alliance on Mental Illness
National Association for Home Care and Hospice
National Association of Area Agencies on Aging (n4a)
National Association of Councils on Developmental Disabilities
National Association of Nutrition and Aging Services Programs (NANASP)
National Association of Social Workers (NASW)
National Association of State Directors of Developmental Disabilities Services
National Association of State Head Injury Administrators
National Association of State Long-Term Care Ombudsman Programs (NASOP)
National Caucus and Center on Black Aging, Inc.
National Committee to Preserve Social Security and Medicare
National Consumer Voice for Quality Long-Term Care
National Council on Aging
National Council on Independent Living
National Disability Rights Network
National Down Syndrome Congress
National Health Council
National Kidney Foundation
National Multiple Sclerosis Society
National Respite Coalition
Patient Access Network Foundation
Program to Improve Eldercare, Altarum
RetireSafe
Special Needs Alliance
United Spinal Association
The Women's Institute for a Secure Retirement (WISER)