



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
APPROPRIATIONS COMMITTEE
Wednesday, March 3, 2021**

HB 6439, An Act Concerning The State Budget For The Biennium Ending June Thirtieth, 2023, And Making Appropriations Therefor

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 6439, An Act Concerning The State Budget For The Biennium Ending June Thirtieth, 2023, And Making Appropriations Therefor**. CHA opposes Section 3 of this bill, which imposes an asset test under the Medicare Savings Program.

Before commenting on this bill, it is important to acknowledge that, since early 2020, Connecticut's hospitals and health systems have been at the center of the global public health emergency, acting as the critical partner in the state's response to COVID-19. Hospitals expanded critical care capacity, stood up countless community COVID-19 testing locations, and are a critical component of the vaccine distribution plan. Through it all, hospitals and health systems have continued to provide high-quality care for everyone, regardless of ability to pay. This tireless commitment to the COVID-19 response confirms the value of strong hospitals in Connecticut's public health infrastructure and economy and reinforces the need for a strong partnership between the state and hospitals.

First and importantly, CHA wishes to acknowledge and thank the Governor for proposing a budget that reflects the 2019 hospital agreement, including hospital supplemental payments, and the hospital tax rate. CHA also thanks the members of the Appropriations Committee, as well as all legislators, for their support of the hospital agreement.

The state of Connecticut offers financial assistance to low-income Medicare enrollees through the Medicare Savings Programs. Those who qualify for the Qualified Medicare Beneficiary (QMB) level receive assistance with Medicare Part B premiums, deductibles, co-insurance, and Medicare Part D drug costs. Those in the Specified Low-Income Medicare Beneficiary (SLMB) and Additional Low-Income Medicare Beneficiary (ALMB) levels receive assistance with Medicare Part B premiums and extra help with Part D drug costs. The financial assistance that Connecticut provides is eligible for federal match under the Medicaid program. Under the proposed budget, the state would establish an asset test for eligibility based on countable assets less than or equal to two times the amount of allowable assets for Medicare Savings Programs as identified by the Centers for Medicare and Medicaid Services.

Connecticut has historically based eligibility for this program solely on income and has thus far avoided imposition of an asset test. This helps ensure that a large number of people qualify for and can easily enroll in this important program. Connecticut has wisely avoided the imposition of an asset test, which would substantially reduce the number of individuals who qualify and, importantly, would complicate the application process by imposing new documentation verification requirements. This new barrier in the application process would reduce participation in the program even among individuals who might qualify for the program under the new asset test.

For older Americans, adding verification requirements is daunting, particularly if they cannot locate the required documents or must copy them or access them electronically. In addition, older applicants also have misperceptions about eligibility rules regarding assets. Some people do not know that certain assets, such as the home, are not counted in determining eligibility. As a result, they may not apply for benefits even though they are eligible. Others are reluctant to apply because they incorrectly believe that they may have to give up their homes or other assets to receive benefits.

Those individuals who no longer apply or qualify for the Medicare Savings Program are at greater risk of failing to continue to pay their Medicare Part B premiums, which can result in the loss of essential Medicare coverage and access to healthcare services. Even with such coverage, responsibility for deductibles and cost-sharing will lead some older adults to avoid or delay seeking care, such that their conditions worsen to the point of needing emergency department or hospital inpatient services. Equally important, the substantial drug cost-sharing in the Medicare Part D program will lead some adults to skip or discontinue essential medications.

The use of asset tests also complicates program administration. Reviewing asset information is the most time-consuming task in the enrollment process. Eligibility workers often have to help applicants identify and obtain the needed documents, and then must duplicate, review, and return the documents. Difficulties related to producing and reviewing asset verification documents occur both upon the initial application and later when beneficiaries must reenroll in the programs. The Commonwealth Fund has noted that the savings achieved by imposing an asset test roughly equaled the costs related to documenting assets, resulting in a state expending funds on administrative activity rather than assistance to individuals.

This provision of the proposed budget would clearly result in reduced access to and use of essential healthcare services, thus endangering the health of countless older adults in Connecticut.

For this reason, CHA opposes the imposition of an asset test for the Medicare Savings Program under HB 6439.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.