



**Testimony of Frederic Riccardi**  
President  
Medicare Rights Center

“Investing in America’s Health Care”

United States House of Representatives  
Committee on Energy and Commerce  
Subcommittee on Health

June 4, 2019

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## Introduction

Chairwoman Eshoo, Dr. Burgess, and members of the House Committee on Energy and Commerce, Subcommittee on Health: I am Fred Riccardi, president of the Medicare Rights Center (Medicare Rights). Medicare Rights is a national, non-profit organization that works to ensure access to affordable health care for older adults and people with disabilities through counseling and advocacy, educational programs, and public policy initiatives. We provide services and resources to nearly three million people with Medicare, family caregivers, and health care professionals each year.

Thank you for the opportunity to speak with you today about several bipartisan initiatives that must be extended without delay if they are to continue to help Medicare beneficiaries' build their health and economic security.

## Supporting Low-Income Medicare Beneficiaries

One such program encompasses the federal outreach and enrollment efforts originally authorized under the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008.

MIPPA 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 for which they are eligible, including two that make Medicare more affordable:<sup>1</sup>

- 1) The Medicare Part D Extra Help/Low-Income Subsidy (LIS/Extra Help), which helps beneficiaries pay for their Part D premiums and reduces their out-of-pocket prescription drug costs,<sup>2</sup> and
- 2) The Medicare Savings Programs (MSPs), which help eligible beneficiaries afford their Medicare Part B premiums and, if other requirements are met, may also pay additional cost-sharing.<sup>3</sup>

Currently, grantees in 50 states and the District of Columbia are carrying out MIPPA outreach and enrollment activities, with evidenced success.<sup>4</sup> Since 2009, MIPPA grantees have helped nearly three million Medicare beneficiaries with limited incomes obtain much-needed assistance with prescription drug and health care costs.<sup>5</sup>

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<sup>1</sup> National Council on Aging. "MIPPA at a Glance," available at: <https://www.ncoa.org/wp-content/uploads/MIPPA-at-a-glance-2018.pdf>.

<sup>2</sup> Medicare Rights Center, Medicare Interactive. "Extra Help Basics," available at: <https://www.medicareinteractive.org/get-answers/cost-saving-programs-for-people-with-medicare/the-extra-help-low-income-subsidy-lis-program/extra-help-basics>.

<sup>3</sup> 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-gi/medicare-savings-program-basics>.

<sup>4</sup> National Council on Aging. "MIPPA at a Glance," available at: <https://www.ncoa.org/wp-content/uploads/MIPPA-at-a-glance-2018.pdf>.

<sup>5</sup> 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.

Similarly, the Limited Income Newly Eligible Transition (LI NET) Program also helps low-income people with Medicare access the care they need, by providing them with temporary prescription drug coverage while they apply for Medicare Part D.<sup>6</sup> The program, which expires in September 2019, in 2018 alone helped almost 800,000 low-income beneficiaries avoid gaps in coverage.<sup>7</sup>

Together, these programs and resources support the health and well-being of older adults and people with disabilities. Absent this assistance, many people with Medicare would have no choice but to forego needed coverage and risk exposure to significant out-of-pocket costs.

Consider Ms. W, who is legally blind and receives around \$1,000 a month from Social Security. When she first became eligible for Medicare, she reached out to an enrollment counselor because she was confused about her Medicare coverage and having difficulty affording it. Working with the counselor, she applied for the Medicare Savings Program (MSP) and Extra Help drug subsidy and was enrolled in the benefits—which now save her more than \$6,500 each year on health care costs.

While Ms. W was able to obtain affordable coverage relatively seamlessly, not all low-income beneficiaries, including Mr. R, share her experience.

Mr. R, a recent Medicare Rights' client, could not afford Medicare Part B or Part D premiums—leaving him without coverage for outpatient care or prescription drugs. Facing a health crisis, he sought treatment at the ER, which he assumed his Part A would cover. Unfortunately for Mr. R, Medicare Part B, not Part A, pays for outpatient emergency room care. Though he has since applied for Medicare's low-income assistance programs, he's still on the hook for the full cost of his ER visit and remains uninsured while his applications are being processed.

### **Unmet and Growing Need**

Ms. W and Mr. R are not alone in facing difficulty navigating and affording coverage. Health care and prescription drug affordability consistently present as top trends on Medicare Rights' National Consumer Helpline.<sup>8</sup> Given that many people with Medicare live on limited incomes that cannot keep pace with high and rising drug prices, the perennial nature of these calls is alarming, but not surprising. Medicare costs can be especially burdensome to low-income individuals, particularly those living on fixed incomes.

Currently, 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

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<sup>6</sup> Centers for Medicare & Medicaid Services. "Medicare Limited Income NET Program," available at: <https://www.cms.gov/Medicare/Eligibility-and-Enrollment/LowIncSubMedicarePresCov/MedicareLimitedIncomeNET.html>.

<sup>7</sup> Rep. Pete Olson office press release. "Reps. Olson, Barragan, Marchant & Lewis Act to Ensure Affordable Prescriptions for Low-Income Families," (May 28, 2019) available at: <https://olson.house.gov/media-center/press-releases/rebs-olson-barrag-n-marchant-lewis-act-to-ensure-access-to-affordable>.

<sup>8</sup> 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>.

and less than \$14,550 in savings.<sup>9</sup> 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.<sup>10</sup> 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.<sup>11</sup>

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 care.<sup>12</sup>

Troublingly, many low-income beneficiaries are not getting the assistance they need, and for which they are eligible:

- Almost three million Medicare beneficiaries eligible for the Part D Low-Income Subsidy (LIS/Extra Help) are not enrolled.<sup>13</sup> The LIS/Extra Help program helps low-income beneficiaries pay for their prescription drugs and is valued by the Social Security Administration as saving beneficiaries an average of \$4,900 a year.<sup>14</sup> 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.
- Less than half of eligible low-income beneficiaries receive help for assistance paying Medicare Part B monthly premiums (\$135.50 in 2019) through a Medicare Savings Program (MSP).<sup>15</sup> These programs, including the Qualified Medicare Beneficiary [QMB] Program, Specified Low-Income Medicare Beneficiary [SLMB] Program, and Qualifying Individual [QI] Program help pay Medicare costs for people with limited income and savings.<sup>16 17</sup> Absent this assistance, many are left un- or under-insured.

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<sup>9</sup> 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/>.

<sup>10</sup> 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/>.

<sup>11</sup> 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/>.

<sup>12</sup> 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/#>.

<sup>13</sup> National Council on Aging 2019 internal data

<sup>14</sup> Social Security Administration. "Extra Help with Medicare Prescription Drug Plan Costs," available at: <https://www.ssa.gov/benefits/medicare/prescriptionhelp/>.

<sup>15</sup> 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>.

<sup>16</sup> For more information: <https://www.medicareinteractive.org/get-answers/cost-saving-programs-for-people-with-medicare/medicare-savings-programs-qmb-slmb-qi/medicare-savings-program-basics>.

<sup>17</sup> Medicare Rights Center. "Medicare Savings Program financial eligibility guidelines," available at: <https://www.medicareinteractive.org/pdf/MSPFinancialEligibilityGuidelines.pdf>.

With health-related expenses projected to consume a greater share of beneficiaries' income over time, if left unaddressed these affordability challenges will only worsen.<sup>18</sup> At the same time, the pressures of a rapidly growing Medicare-eligible population, increasing amounts of debt among seniors, and a retiree savings shortfall are likely to further amplify the problem and underscore the importance of programs like MIPPA and LI NET.<sup>19</sup>

## Improving Quality

I'd also like to speak to the importance of high-quality care in Medicare, which the National Quality Forum (NQF) helps to ensure.

A non-profit membership organization—of which the Medicare Rights Center is a longtime member and active participant—NQF recommends best-in-class quality measures for use in federal and private systems. Highly vetted and trusted NQF-endorsed measures operate in key Medicare programs, such as the Merit-based Incentive Payment Systems (MIPS), Accountable Care Organizations (ACOs,) and other reporting initiatives across settings.

NQF's critical work directly impacts national health outcomes. Federal improvement programs that use NQF-endorsed quality measures have reduced patient harm in hospitals by 21%, saving 125,000 lives and \$28 billion in costs. The 3.1 million fewer harms to patients achieved from 2010-2015 include a 91% decrease in central line infections and a 16% decrease in surgical site infections. Hospital readmission rates for Medicare patients have decreased by 8% since 2012.<sup>20</sup>

As the health care landscape continues to evolve, it will be ever-more important that the right quality measures are in place across all payers and systems. The NQF is uniquely positioned to ensure the quality measures used in care delivery and payment reform continue to be reliable and effective.

## Medicare-Related Extenders Legislation

*H.R. 3039, a bill to provide for a 5-year extension of funding outreach and assistance for low-income programs*

H.R. 3039 would extend Medicare outreach and enrollment efforts to low-income beneficiaries for five years and increase annual funding from \$37.5 to \$50 million. We commend Reps.

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<sup>18</sup> Cubanski, Juliette et al., Kaiser Family Foundation. "Medicare Beneficiaries Out-of-Pocket Health Care Spending a Share of Income Now and Projections for the Future," (January 26, 2018), available at: <https://www.kff.org/report-section/medicare-beneficiaries-out-of-pocket-health-care-spending-as-a-share-of-income-now-and-projections-for-the-future-report/>.

<sup>19</sup> 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>.

<sup>20</sup> National Quality Forum press release. "Reps. Chu, Engel, Carter Introduce Bipartisan Legislation to Continue Funding for National Quality Forum," (May 29, 2019) available at: [http://www.qualityforum.org/News\\_And\\_Resources/Press\\_Releases/2019/Reps\\_Cheng\\_Engel\\_Carter\\_Introduce\\_Bipartisan\\_Legislation\\_to\\_Continue\\_Funding\\_for\\_National\\_Quality\\_Forum.aspx](http://www.qualityforum.org/News_And_Resources/Press_Releases/2019/Reps_Cheng_Engel_Carter_Introduce_Bipartisan_Legislation_to_Continue_Funding_for_National_Quality_Forum.aspx).

Gomez (D-CA) and Dingell (D-MI) for recognizing the need for additional program funding and urge you to also pursue a permanent authorization.

As discussed earlier, the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008 allocated funding for 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.<sup>21</sup> This work has led to important, proven results. To date, MIPPA resources have enabled grantees to:

- Assist 2.7 million individuals in need;<sup>22</sup>
- Help increase 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;<sup>23</sup>
- Target rural communities and other high-need, hard-to-reach populations to improve access to help with rising Medicare prescription drug costs.

The infrastructure to successfully continue this work, including processes and a trained workforce, already exists. However, static, short-term funding allocations and looming program expirations fail to provide the assurances and stability necessary to conduct maximally effective outreach.

Adequate, stable funding would allow the community-based organizations and state agency partners who conduct these activities—including SHIPs, AAAs, ADRCs, and BECs—to dedicate the sufficient resources and permanent staff that is needed to best serve the growing number of older adults and people with disabilities who need help accessing affordable health care.

Earlier this month, thirty-five national organization members of the Leadership Council of Aging Organizations (LCAO)—including the Medicare Rights Center—endorsed additional, permanent funding.<sup>24</sup> Again today, we urge you to establish permanent annual funding of \$50 million for these activities. Doing so is the best way to ensure the continued availability of critical supports that help Medicare beneficiaries with the greatest needs maintain and improve their health and financial well-being.

### *The Improving Low Income Access to Prescription Drugs Act (H.R. 3029)*

Introduced by Reps. Olson (R-TX), Barragán (D-CA), Marchant (R-TX) and Lewis (D-GA), the Improving Low Income Access to Prescription Drugs Act (H.R. 3029) would permanently

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<sup>21</sup> Medicare Rights Center. "Medicare-covered preventive services," available at: <http://www.medicarerights.org/fliers/Original-Medicare/Medicare-Covered-Preventive-Services.pdf?nrd=1>.

<sup>22</sup> 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.

<sup>23</sup> National Council on Aging. "Medicare Savings Program Enrollment Visualization," available at: <https://www.ncoa.org/economic-security/benefits/visualizations/medicare-savings-program-visualization/>.

<sup>24</sup> Leadership Council on Aging Organizations. "LCAO Letters on Medicare Outreach and Enrollment," (available at): <https://www.lcao.org/lcao-letters-on-medicare-outreach-and-enrollment/>.

authorize LI NET. The Medicare Rights Center is pleased to support this legislation, which would provide much needed certainty and assistance to low-income Medicare beneficiaries.

LI NET ensures that people with Medicare’s Low-Income Subsidy who are not yet enrolled in a Part D prescription drug plan are still able to obtain immediate prescription drug coverage. The program provides these individuals with temporary Part D prescription drug coverage, covering all of a beneficiary’s prescriptions—at any pharmacy—as long as the medication is not excluded from Part D coverage. Qualifying beneficiaries are covered by LI NET until they are enrolled in a standalone Medicare Part D prescription drug plan.

LI NET also offers retroactive prescription drug coverage for new “dual eligibles”—those individuals who are newly eligible for both Medicare and Medicaid, or Medicare and Supplemental Security Income (SSI).

*H.R. 3031, a bill to amend title XVIII of the Social Security Act to extend funding for quality measure endorsement, input, and selection under the Medicare program*

Introduced by Reps. Chu (D-CA), Engel (D-NY), and Carter (R-GA), H.R. 3031 would reauthorize for five years current-level (\$30 million) funding for the National Quality Forum for quality measure endorsement, input, and selection under the Medicare program. We endorse this legislation.

Through its multi-stakeholder membership of more than 430 organizations, NQF facilitates an open and thorough dialogue across the public and private sectors on health care measurement and improvement strategies, with the goal of improving health and health care quality for all Americans.

As an active member of NQF, the Medicare Rights Center urges this Committee and Congress to continue federal funding for the National Quality Forum so that we can continue to build upon the advancements already underway to create a high-quality, high-impact, and cost-efficient health care system.

## **Conclusion**

Based on our work with 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 older adults and people with disabilities who are struggling to cover these costs.

While an array of significant reforms to the current health care and drug pricing systems are needed to meaningfully lower prices and increase affordability, there are steps Congress can take right now to improve the health and economic security of current and future Medicare beneficiaries. This includes ensuring the permanent availability of resources and programs that

support outreach and assistance to Medicare beneficiaries with limited incomes, as well as continued funding for those that promote high-quality care.

Thank you again for the opportunity to be here today. We look forward to working together to ensure that all people with Medicare have access to affordable, high-quality care.