

**The Maine Heritage Policy Center  
Testimony to Support LD 1106  
“An Act To Improve the Health and Economic Security of Older  
Residents”**

Senator Gratwick, Representative Hymanson and distinguished members of the Committee on Health and Human Services, my name is Adam Crepeau and I serve as a policy analyst at The Maine Heritage Policy Center. Thank you for providing me an opportunity to testify in opposition to LD 1106.

Currently, Mainers who are 62 years of age or older are eligible for the elderly low-cost drug program if they earn below 175 percent of the federal poverty level (FPL) for their family size. In addition, individuals may not have more than \$50,000 in liquid assets and a couple may not have more than \$75,000. LD 1106 would eliminate the liquid asset limit and increase the income eligibility level to 185 percent of the FPL.<sup>1</sup>

By increasing income eligibility and eliminating asset limits for the low-cost drug program, the state would expand coverage to a larger population. Individuals could receive these benefits despite having an abundance of liquid assets. This program was not meant to subsidize individuals and couples that may already be able to afford medication. Asset tests are necessary to determine eligibility and to ensure people who truly need services are receiving them.

LD 1106 would also increase the income eligibility levels for the Medicare savings program back to pre-2012 levels and eliminate the liquid asset requirement.<sup>2</sup> Maine’s eligibility requirements are already more generous than most states.<sup>3</sup> In fact, 45 other states use the federal guidelines, which have a narrower perview, to determine eligibility. Maine is one of only six states, including the District of Columbia, that has expanded the population that is eligible for the Medicare savings program beyond the federal guidelines. Also, only nine states eliminated the asset limitation to be eligible for the Medicare savings program.<sup>4</sup>

It is clear that increasing eligibility and eliminating asset limits are unpopular in most of the nation. If the state of Maine eliminated asset limitations, individuals could have as much as they

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<sup>1</sup> <http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=HP0810&item=1&snum=129>

<sup>2</sup> <http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=SP0600&item=38&snum=125>

<sup>3</sup> <https://www.ncoa.org/wp-content/uploads/medicare-savings-programs-coverage-and-eligibility.pdf>

<sup>4</sup> Ibid.

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want in liquid assets and still qualify for the Medicare savings program. In addition, augmenting the income eligibility requirements would allow more people to be eligible, which would increase the cost of the program. Taxpayers cannot afford to expand the scope of these programs, especially with the recent expansion of Medicaid to able-bodied, childless adults up to 138 percent of the FPL.

In sum, this bill would skirt the primary goal of the Medicare savings program and the elderly low-cost drug program -- to help the truly needy. Instead, it would expand the scope of coverage to individuals who may not need these services. Therefore, The Maine Heritage Policy Center urges the committee to vote, "Ought Not to Pass" on LD 1106. Thank you