

United States House of Representatives  
Committee on Ways and Means Subcommittee on Health  
Hearing on the President's and Other Bipartisan Proposals to Reform Medicare

June 4, 2013

Mr. Chairman and Members of the Committee:

My name is Pamela Casper. I am a Medicare beneficiary, an advocate for persons with disabilities, and I previously worked as a registered nurse. Thank you for the opportunity to comment on the Medicare reform cost-sharing proposals that your committee is reviewing. As you consider possible cost-sharing changes to Medicare, it's vital that you ensure Medicare beneficiaries have access to affordable and appropriate health care!

I will be addressing the proposal to increase the Medicare Part B deductible. Medicare Part B covers physicians services, outpatient care, etc.

A significant increase in the Part B deductible will be especially detrimental for Medicare beneficiaries who don't have a Medicare supplemental policy and for those with low incomes who don't have Medicaid. If these populations are required to pay upfront costs beyond their means, they are likely to put off needed medical care. This could lead to more serious conditions that are more expensive to treat and result in poorer medical outcomes. Significantly increasing the Medicare Part B deductible will limit access to healthcare for these beneficiaries. Additionally, it may result in higher costs for individuals and the Medicare program.

In 2013, there are approximately 4.1 million Medicare beneficiaries who *do not* have Medicare supplemental policies (commonly referred to as Medigap" policies) ["Policy Options to Sustain Medicare for the Future" January 2013, page 136 <http://kaiserfamilyfoundation.files.wordpress.com/2013/02/8402-section-four.pdf>] Individuals who have received Social Security Disability Insurance (SSDI) benefits for 24 months are eligible for Medicare. However, Federal law doesn't require insurance companies to sell Medigap policies to Medicare beneficiaries less than 65 years old. In some states, people under age 65 with disabilities can't buy a Medigap policy. Furthermore, companies that sell Medigap policies to persons under the age of 65 are allowed to charge those individuals more for the coverage. ["Medigap Policies For People Under Age 65 With A Disability or End-Stage Renal Disease (ESRD)", page Last Updated: May 7, 2012 [www.medicare.gov/medigap/under65.asp](http://www.medicare.gov/medigap/under65.asp)]

Many low income Medicare beneficiaries can't afford to buy a Medigap policy. Particularly, SSDI beneficiaries such as myself. My income is currently \$1,094 per month. I'm not eligible for Medicaid because my income is approximately 114% of the Federal Poverty Level (FPL).

I am very concerned about the recommendation by the National Commission on Fiscal Responsibility and Reform (Bowles-Simpson) to establish a single combined deductible of \$550 for Medicare Part A (hospital) and Medicare Part B (physician and related services).  
[[www.ncpssm.org/PressRoom/NewsReleases/Release/ArticleID/1157/Hearing-on-the-President%E2%80%99s-and-Other-Bipartisan-Proposals-to-Reform-Medicare](http://www.ncpssm.org/PressRoom/NewsReleases/Release/ArticleID/1157/Hearing-on-the-President%E2%80%99s-and-Other-Bipartisan-Proposals-to-Reform-Medicare)]

For individuals who have not used Medicare Part A, the single combined deductible results in raising the Part B deductible by more than \$400. This prohibitive up front cost will limit access to necessary health care for low income Medicare beneficiaries who don't have Medicaid or a Medigap policy.

It is important to keep in mind, that the majority of Medicare beneficiaries have low or moderate incomes. In 2012 the distribution of Medicare beneficiaries by income level was:

- 25% had incomes below \$14,000
- 50% had incomes below \$22,500

["Distribution of Medicare Beneficiaries by Income Level, 2012"; May 01, 2013; <http://kff.org/medicare/slide/distribution-of-medicare-beneficiaries-by-income-level-2012>]

The Medicare Part B deductible is \$147 in 2013. Currently, Medicare beneficiaries whose incomes are below 100% of the FPL have assistance with the Part B deductible. Poor Medicare beneficiaries can't budget for a \$550 Medicare deductible. The prohibitive upfront costs will make health care unaffordable for me and other low income Medicare beneficiaries who don't have Medicaid or a Medigap policy.

Thus, if a \$550 single combined deductible is established, stronger beneficiary protections will be needed to ensure poor beneficiaries have access to affordable and appropriate health care. To achieve this, the Medicare Part B deductible would need to be subsidized similar to the "Extra Help" low income subsidy for Medicare Part D.

Thank you for the opportunity to comment on the proposal to increase the Medicare Part B deductible. When you consider possible cost-sharing changes to Medicare, it's vital that you ensure Medicare beneficiaries have access to affordable and appropriate health care!

Sincerely,  
Pamela Casper