

LEADERSHIP COUNCIL
of
AGING ORGANIZATIONS
James P. Firman, Ed.D., *Chair*

September 10, 2002

Dear Representative:

The undersigned members of the Leadership Council of Aging Organizations (LCAO) are writing to urge action this year to renew the Qualified Individual-1 (QI-1) program through any potential provider giveback bill. Enacted in 1997, the QI-1 program pays the Medicare premiums for persons with incomes between 120 to 135 percent of poverty (\$10,642 to \$11,964 for a single person). In spite of its clear benefit to low-income beneficiaries, the QI-1 program is currently set to end on December 31, 2002 when its five-year federal authorization expires. To prevent the erosion of existing low-income Medicare protections, we call on Congress to at a minimum assure the continuation of the QI-1 program for another five years. We also urge you to adopt the provisions of H.R. 5276, which provides important improvements for vulnerable, low-income Medicare beneficiaries.

The QI program is one of three related programs, collectively referred to as the Medicare Savings Programs or “buy-in programs,” which pay Medicare expenses for persons living just below and above the poverty level. The other Medicare Savings Programs include the Qualified Medicare Beneficiary (QMB) program, which pays all Medicare costs for persons with income up to the poverty level (\$8,868 in 2002), and the Specified Low-Income Benefit (SLMB), which pays the Medicare premiums for persons with incomes between 100 and 120 percent of poverty. Unlike the QMB and SLMB programs, which are permanent, the QI-1 program is scheduled to expire at the end of this year.

The QI-1 program provides essential financial relief to low-income Medicare beneficiaries. In 2002, the average Medicare beneficiary spent \$1,636 on Medicare premiums, co-insurance, and deductibles. These costs are especially burdensome for beneficiaries with modest incomes, who tend to have poorer health than their wealthier counterparts and spend over a third of their incomes overall on medical costs. The QI-1 program helps offsets

these Medicare expenses, providing savings of about \$650 per year, which persons can use to pay for other medical expenses, such as prescription drugs, or other life's necessities.

Our strong preference is to take this opportunity to address a number of serious problems with current Medicare low-income protections. To this end, we support and urge you to include H.R. 5276, which simplifies the confusing Medicare Savings Programs by making the QI-1 program part of the SLMB program in any potential provider giveback bill. We also strongly support provisions in H.R. 5276 that promote participation in Medicare low-income programs by removing the restrictive asset test, which is a major barrier to participation; improving outreach and enrollment procedures; and allowing for three-month retroactive QMB eligibility, which applies to all other federal low-income assistance programs.

In sum, we strongly urge you to prevent the expiration of existing low-income protections by continuing and improving the QI-1 and other Medicare Savings Programs this year. We look forward to working with you to preserve these important low-income protections for America's most vulnerable Medicare beneficiaries.

AFL-CIO
Alliance for Retired Americans
Alzheimer's Association
Families USA
International Union, UAW
National Adult Day Services Association
National Association of Area Agencies on Aging
National Association of Hispanic Elderly
National Association of Professional Geriatric Care Managers
National Association of Retired Senior Volunteer Program Directors
National Association of Senior Companion Program Directors
National Association of State Long-Term Care Ombudsman Programs
National Association of State Units on Aging
National Caucus and Center on Black Aged
National Committee to Preserve Social Security and Medicare
National Council on the Aging
National Hispanic Council on Aging
National Senior Citizens Law Center
OWL, the voice of midlife and older women
United Jewish Communities
Volunteers of America