



**AARP Vermont Testimony on Section 9 Medicare Savings Program;  
Income Eligibility of H.721  
Charlie Gliserman, Advocacy Director, AARP Vermont**

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On behalf of AARP Vermont's 112,000 members, I want to thank you for the opportunity to provide written testimony in support of Section 9 (Medicare Savings Program; Income Eligibility) of H.721.

AARP is a nonprofit, nonpartisan organization dedicated to empowering Americans 50+ to choose how they live as they age. In doing so, we support policies that promote older adults' health and financial security, including Medicare affordability measures.

Medicare is not free care. Many people with Medicare struggle to pay their premiums, deductibles, and cost-sharing. According to a 2018 study, 1 in 10 people with traditional Medicare spent at least 52 percent of their income on health care.<sup>1</sup>

Medicare Savings Programs (MSPs) help address this problem by helping cover burdensome out-of-pocket costs for low-income people with Medicare. These programs save most individuals who enroll approximately \$2,000 or more in out-of-pocket costs each year.<sup>2</sup>

The income eligibility criteria for Vermont's MSP are extremely limiting, leaving many Vermonters without needed support in paying their medical bills. This can result in Vermonters forgoing or delaying care, resulting in costly complications and emergencies down the line.

AARP Vermont strongly supports raising the MSP income limits as outlined in Section 9 of H.721 to expand access to Vermont's MSP. This change would provide critical financial relief to low-income Vermonters – with disproportionately positive impacts for people of color, women, and individuals under age 65 with disabilities.<sup>3</sup>

To date, 17 states have chosen to use more inclusive income and/or asset criteria for MSPs than the federal standards.<sup>4</sup> This has enabled states like Massachusetts, Maine, and New York to take advantage of federal funding to expand residents' access to free and low-cost health care.

Expanding access to the MSP will enable more Vermonters to afford the health care they need, when they need it. Thank you again for the opportunity to provide testimony on this important issue.

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<sup>1</sup> Oliver, Tobey, Misty Williams, and Sari Siegel. Underused Medicare Savings Programs Can Help Many More Older Adults Afford Health Care. Washington, DC: AARP Public Policy Institute, January 9, 2023. <https://doi.org/10.26419/ppi.00181.001>.

<sup>2</sup> Oliver, Tobey, Wenjia Zhu, Erin Weir Lakhmani, and Andrea Wysocki. Medicare Savings Program Enrollment Increases When States Expand Financial Eligibility Criteria. Washington, DC: AARP Public Policy Institute, November 30, 2023. <https://doi.org/10.26419/ppi.00210.001>.

<sup>3</sup> <https://doi.org/10.26419/ppi.00181.001>.

<sup>4</sup> <https://doi.org/10.26419/ppi.00210.001>.