

Memorandum

To: Lori Houghton, Chair, House Health Care Committee

From: Don Tinney, President, Vermont-NEA

Date: January 16, 2024

RE: Written Testimony in Support of Section 9 Medicare Savings Program; Income Eligibility of H.721: Medicaid Expansion Act of 2024

Dear Chair Houghton and Members of the House Health Care Committee:

As President of the Vermont-National Education Association, and on behalf of our 12,000 public school members and their families, thank you for the opportunity to provide written testimony in support of **Section 9 (Medicare Savings Program; Income Eligibility) of H.721**.

Vermont-NEA expresses its unqualified support for raising the Medicare Savings Program (MSP) income limits as provided for in Section 9 of H.721. Our union has been at the forefront of health care reform efforts since the early 1990s and remains steadfast in its commitment to resolving the affordability and access crises in health care for school employees, active and retired, and for all Vermonters.

Additionally, as one of the founding members of the Vermont Education Health Initiative (VEHI), the risk pool that provides health care benefits and services to all active, public-school employees, our staff advocate routinely on behalf of older employees and their spouses who face health care affordability and access challenges. **This is most acutely the case for low-income school employees – paraeducators, clerical staff, bus drivers, custodians and maintenance personnel, and food service workers – for whom Medicare is their primary source of health insurance in retirement.** Unlike licensed teachers and administrators, these employees do not have access to a subsidized and defined health care benefit plan through the Vermont Municipal Employees' Retirement System.

It is not uncommon for many low-income workers to be shocked by the totality of annual Medicare Part B costs when first enrolling. Some, understandably, have the perception that Medicare, because it's a federal program, is subsidized entirely by the government. In fact, not only is Medicare not free, but the impact of premium and out-of-pocket cost sharing, individually or combined, means many low-income Vermonters see a significant increase in their health insurance costs when they enroll in Medicare. The standard Medicare Part B premium in 2024, for example, is **\$2,096**. This annual charge alone can have dire financial consequences for people with low incomes.

The second shock for many is learning that once they become eligible for Medicare by virtue of age or a disability, they no longer qualify for enrollment in state and federal programs that provide low or no-cost health care coverage, such as Medicaid and subsidized, Vermont Health Connect insurance plans.

There is often a third surprise in store. The Affordable Care Act, which broadened coverage for non-disabled people under 65, did not address the urgent health care needs of seniors and others with disabilities. This inequity ultimately leaves many Vermont seniors and people with disabilities struggling to live securely when they are subsisting on lower and fixed incomes in retirement.

I want to speak next to the gender dimension of this critical issue. This is of deep concern to us because our union membership is composed overwhelmingly of women. Approximately 75 percent of the school employees who educate, protect, and care for the physical and social well-being of our children, and who provide support services to their families, are female. Tragically, and inexcusably, women generally during their active work years suffer greater economic hardship than their male counterparts; consequently, they transition in larger numbers than men to Medicare and retirement with lower Social Security incomes and personal savings. According to the [Change the Story 2019 Status Report: Women, Work, and Wages in VT](#), 44 percent of Vermont's senior women do not have enough income to meet their basic expenses, which is tied to the fact that the social security benefits of women are 59 percent of those of Vermont men.

[National research](#) by the Social Security Administration further indicates that people of color, aged 60 or older, have markedly lower median social security benefits than white (non-Hispanic) people. Closer to home, a study by the [Vermont Department of Health](#) reveals that Vermonters with disabilities also have fewer economic opportunities, which, not surprisingly, produces poorer health outcomes.

As a union, we are committed to economic and health care justice, which means eradicating barriers of inequity and inequality in wage earnings and other conditions that block access to affordable, high-quality health care. This requires a heightened awareness and tenacity in our advocacy on behalf of those who are female, identify as people of color, live with physical and cognitive disabilities, and struggle with poverty during their work lives and afterward. We know from credible research that MSPs provide substantial benefits to these individuals and families.

In closing, Vermont-NEA strongly supports making Medicare more accessible and affordable for older and disabled Vermonters by raising the income limits of MSP.

Thank you for making this a priority during this legislative session.

Sincerely,



Don Tinney
President, Vermont-NEA