

STATEMENT OF SENATOR GORDON H. SMITH

U.S. Senate Special Committee on Aging
“Seniors at Risk: Improving Medicare for Our Most Vulnerable”
May 22, 2008

Good morning and thank you all for being here today.

We have an impressive list of witnesses, all of whom will share with us their perspective on the improvements that are needed to ensure the Medicare program provides help to America’s most vulnerable seniors.

I want to extend a personal welcome to Judy Korynasz and Lisa Emerson both of whom flew all the way from Oregon to be with us today. I always enjoy having Oregonians testify before our Committee.

I am especially grateful to Mrs. Korynasz for sharing her mother’s story, which sadly demonstrates the need for improvements to the Medicare program. It also should serve as notice to Congress that we need to act now to adopt the recommendations offered by our witnesses.

All too often, seniors and their needs get lost in the flurry of debate over spending priorities and a race to finish legislation. I want everyone to know that I will not let that happen. I intend to fight for seniors and will work to ensure that the Medicare package includes policies that make health care more affordable for our most vulnerable.

It was just two years ago that the Medicare program began offering seniors the option of receiving coverage for their prescription drugs. Since that time, the program has been highly successful, with 85 percent of eligible seniors receiving some form of coverage for their medication. Every good program, however, always has room for improvement.

As of January 2008, the Centers for Medicare and Medicaid Services estimated that of the 12.5 million beneficiaries eligible for the low income subsidy, 2.6 million eligible seniors still have not enrolled. In addition, the Social Security Administration has reported a significant percentage of those applying for the subsidy who qualified based on their income were determined ineligible because their assets exceeded the eligibility requirement.

We also must look at other Medicare assistance programs that, like the Part D low income subsidy, are intended to help our poorest and most vulnerable seniors afford their health care. Sadly, low utilization, overly restrictive asset limits and poor coordination among our agencies are just a few of the reasons these programs also aren’t being utilized by those who need help. Congress must consider creating parity between Medicare’s different programs. Right now, the low income assistance programs under Part B are significantly more restrictive than the help offered under Part D. Even the congressional advisory panel, MedPAC, recommends that the programs’ eligibility criteria should be the same.

We also need to look at policies that ensure the agencies are doing a better job of sharing information and coordinating application processes. We can and should do better to ensure that seniors with the greatest need are eligible and receiving assistance.

Last year, Senator Bingaman and I introduced a package of bills to improve Medicare Part D for our most vulnerable seniors. One important aspect of our legislation would help us target beneficiaries who might be eligible for LIS by allowing the Internal Revenue Service to share tax filing information with the Social Security Administration. My legislation also raises the asset test limits to allow seniors, like Ms. Korynasz's mother, to qualify for the low income subsidy.

As Congress continues to develop the Medicare package needed to stave-off the 10 percent physician payment cut, I hope my colleagues will remember that the most vulnerable of our seniors also need help.

I hope today's discussion will provide some valuable information to guide us as we make Medicare successful and beneficial for all seniors.

With that, I turn to Chairman Kohl.