



## **INADEQUATE PREMIUM SUPPORTS FOR VULNERABLE MEDICARE RECIPIENTS COULD DIMINISH HEALTH AND CONTRIBUTE TO DISABILITY**

A briefing was held at the Brookings Institution on Medicare Premium Supports. Presenters at the forum were scholars on health care policy and budget experts.

**Summary** The Medicare “premium support” system is a market based health care system with choice among private health care plans subsidized by the federal government and fee for service Medicare. The Medicare population includes people with mental and physical impairment who undergoing age related decline and need more health premium support than the normal population. Low income Medicare recipients may receive additional support from Medicaid and Part D. Additional assistance could be provided for needed access to health care insurance plans. Health plans for vulnerable Medicare recipients need a premium supplement to control cost and prevent rigging of deductibles, coinsurance and catastrophic medical expenses. Proposals have been described that are to do more for low income people and people with disability. However, for the most part, this may not be the case for vulnerable populations, especially for those who are the sickest. The premium support initiatives fall short on specificity of how these fiscal resources will be provided.

**Disability Prevention Issues** Inadequate premium supports for vulnerable Medicare recipients could diminish their health that could lead to disability and secondary disabling conditions. Some proposals would result in deep cuts for vulnerable Medicare populations. One vulnerable population is dual eligible’s who receive health care benefits from both Medicaid and Medicare to enable them to maintain adequate health care. Without adequate premium supports for medically necessary services for the vulnerable, plans may fall short of needed health services which may contribute to diminished health and disability. One premium support proposal would no longer provide help with Medicare premiums and cost sharing with Medicaid. Instead, recipients would be given a lump sum amount in a medical savings account to help pay for out of pocket costs. This plant would be substantially less than what is needed to pay for their premium and cost sharing. As a result, the sickest would incur the highest health care costs and would not be able to afford needed health care because they are unable to afford premiums. Limited fiscal capability to access needed health care for the vulnerable elderly can diminish health and contribute to disability.

**Activity** There is ongoing study of the impact of Medicare premium supports on diminished health bad disability. There is study of cost shrinking by insurance plans through tailoring their benefits to attract healthier than average beneficiaries and regulations to prevent attraction of healthier beneficiaries.

**Principle** There should be provisions for needed health care services for all people who are elderly.