

End the Two-Year Wait for Medicare

January 11, 2010

The Honorable Harry Reid
Majority Leader
United State Senate
Washington D.C. 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington D.C. 20515

Dear Majority Leader Reid and Speaker Pelosi:

The Coalition to End the Two-Year Wait for Medicare is grateful for your leadership in securing passage of health reform legislation in both the House and Senate. Although neither the House nor Senate bill ends the two-year wait for Medicare for people with disabilities—the ultimate goal of our coalition—both bills provide new coverage options for the uninsured, including people with disabilities waiting for their Medicare coverage to begin. Insurers will no longer be able to deny coverage based on the existence of a pre-existing condition or disability and the expansion of Medicaid and new tax credits will help make coverage more affordable. It is out of concern over the affordability of these new coverage options that we write to you today.

The two-year waiting period for Medicare inflicts considerable hardship on people with disabilities. By the second year of their wait for Medicare coverage, people with disabilities are more likely to live in poverty, more likely to go without insurance and to find cost to be a barrier in accessing care and more likely to see their health decline as a result. The burden of the waiting period is greatest for those living in or near poverty: they are the least likely to have health coverage from their former employer or the employer of their spouse and the most likely to be unable to afford the medical care they need.

As you work to reconcile the House and Senate legislation, we urge you to make sure that people with disabilities in the waiting period have access to health insurance that provides affordable medical care. Two important characteristics of people with disabilities in the waiting period should inform your efforts:

- Two-thirds of people in the waiting period live below 200 percent of the federal poverty level;
- Over half of people in the waiting period are over 50 years old.

While both bills have a Medicaid expansion as an essential element in providing coverage to the uninsured, the House bill extends eligibility to people not eligible for Medicare with incomes up to 150 percent of the federal poverty level. The Senate bill's ceiling on eligibility is set at 133 percent of the federal poverty level. Expanding eligibility for Medicaid will provide people with

disabilities living near the poverty level access to comprehensive health coverage with limited cost sharing. Compared to providing coverage through an exchange, expanding Medicaid is both cost-effective and provides a level of benefits that helps eliminate cost as a barrier to care. **We urge you to adopt the House bill's directive to set eligibility for Medicaid at 150 percent of the federal poverty level.**

The House and Senate bills also differ considerably in the help they provide with premiums and cost-sharing for individuals with limited incomes but above the Medicaid eligibility threshold. For example, under the Senate bill, individuals at 200 percent of the federal poverty level pay a higher share of income in premiums for plans that pay a smaller percentage of health care costs (lower actuarial value) than under the House bill. As a result, people with disabilities and limited incomes could face a combination of high premiums and large deductibles that make cost, even under the new coverage options available through the exchange, a continuing barrier to care. The Senate bill does provide valuable protections worth maintaining in the final bill, including overall caps on out-of-pocket spending and more generous premium subsidies for individuals between 250 percent and 400 percent of the federal poverty level. However, it is essential that the final bill provide affordable coverage to people with disabilities on limited incomes. **We urge you to adopt the actuarial values for exchange plans and the premium subsidies for people with limited incomes from the House bill.**

Both the House and Senate bills cap the amount that the insurers can charge older adults for coverage, with the House bill setting age-rating at 2:1 and the Senate at 3:1. The cap on age rating will be a key determinant of the affordability of coverage for older adults with disabilities in the waiting period. **We urge adoption of the 2:1 cap on age rating in the House bill.**

The passage of health reform legislation by both the House and Senate represents a milestone in the decades-long effort to provide health coverage to all Americans. Both bills are the product of difficult political compromises and the reconciliation of the House and Senate bills will similarly require a combination of practicality and political resolve. As you lead these negotiations, we urge you to bear in mind the needs of a particularly vulnerable group of your constituents—people with disabilities in the two-year wait for Medicare—and ensure that the coverage they will receive under the final bill allows affordable access to the medical care they need.

Sincerely,

AIDS Action Baltimore, Inc.

Alpha-1 Association

Alpha-1 Foundation

Alzheimer's Association

Alzheimer's Foundation of America

American Association for Geriatric Psychiatry

American Association of People with Disabilities (AAPD)

American Autoimmune Related Diseases Association

American Congress of Community Supports and Employment Services (ACCSES)

American Mental Health Counselors Association

American Network of Community Options and Resources (ANCOR)

American Psychosocial Oncology Society

Amputee Coalition of America
Amyloidosis Support Groups
APS Foundation of America
APSE
Arthritis Foundation
Association for Ambulatory Behavioral Healthcare
Association for Frontotemporal Dementias
Asthma and Allergy Foundation of America (AAFA)
Barrier Free Living, Inc.
Bazelon Center for Mental Health Law
Brain Injury Association of America
Breast Cancer Network of Strength
Brooklyn Center for Independence of the Disabled
Center for Disability Rights, Inc.
Center for Independence of the Disabled of New York
Center for Medicare Advocacy
Children's Tumor Foundation
Community Access National Network
Community Health Charities of America
COPD Foundation
Cystic Fibrosis Foundation
Disability Rights Education and Defense Fund
Disability Rights Wisconsin
Dystonia Medical Research Foundation
Easter Seals
Eastern Maine AIDS Network (EMAN)
Ehlers Danlos National Foundation
Epilepsy Foundation
Families USA
Friends of Jazz
Geriatric Mental Health Alliance of New York
Harlem Independent Living Center
Health Assistance Partnership
HIV Medicine Association
HIVictorious, Inc.
Incontinentia Pigmenti International Foundation
International Foundation for Alternative Research in AIDS (IFARA)
International Pemphigus and Pemphigoid Foundation
Kennedy's Disease Association
Long Term Care Community Coalition
Lupus Alliance of America, Inc
Lupus Foundation of America
Lupus Foundation of Mid and Northern New York, Inc.
Lymphoma Research Foundation
Medicare Rights Center
Mental Health America
Mississippi Coalition for Citizens with Disabilities

Music Therapy Association
Myasthenia Gravis Foundation of America (MGFA)
National Academy of Elder Law Attorneys (NAELA)
National Alliance of State and Territorial AIDS Directors (NASTAD)
National Alliance on Mental Illness (NAMI)
National Association of Councils on Developmental Disabilities
National Association of County Behavioral Health and Developmental Disability Directors
National Association of State Head Injury Administrators
National Association of State Mental Health Program Directors (NASMHPD)
National Committee to Preserve Social Security and Medicare
National Council for Community Behavioral Healthcare
National Council on Independent Living (NCIL)
National Disability Rights Network
National Health Council
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Organization of Social Security Claimants' Representatives
National Patient Advocacy Foundation
National Patient Advocate Foundation
National Respite Coalition
National Senior Citizen Law Center
National Spinal Cord Injury Association
New Yorkers for Accessible Health Coverage
NISH
North American Brain Tumor Coalition
Not Dead Yet
Parkinson's Action Network
Platelet Disorder Support Association
Positive East Tennesseans
Project Inform
Regional Center for Independent Living
Shwachman Diamond Syndrome Foundation
Sjögren's Syndrome Foundation
Special Needs Alliance
The AIDS Institute
The Arc of the United States
The Campaign for Mental Health Reform
The Resource Center for Accessible Living, Inc.
Treatment Access Expansion Project (TAEP)
United Cerebral Palsy
United Spinal Association
Westchester Independent Living Center