



Real Possibilities

**TESTIMONY BEFORE THE
SENATE SPECIAL COMMITTEE ON AGING**

**“Celebrating Medicare: Strengthening The Program For The
Next 50 Years”**

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Five Star Senior Center - 2832 Arsenal Street, St. Louis, MO

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Chairman Collins, Ranking Member McCaskill, and members of the Committee, thank you for holding this hearing to celebrate Medicare and look towards its future. My name is Ron Sergent, and I am a former AARP Executive Council member and a volunteer here in Missouri.

As we commemorate Medicare's 50th Anniversary, it is essential that we not only celebrate what it's meant to so many people, but we must also be honest about what Medicare means today – what it covers and what it doesn't cover. We must recommit ourselves to keep this vital lifeline strong for current and future generations.

From the beginning, AARP's founder, Dr. Ethel Percy Andrus supported the creation of a federal health insurance program for *all* older Americans tied to Social Security – the essence of what became Medicare.

Back in 1965, three out of four Americans *under* age 65 had adequate private hospital insurance – but only about one in four Americans *over* age 65 were as fortunate. If you were an older person, getting sick meant you risked losing not only your health, but your financial independence.

Today, fifty years later, Medicare provides guaranteed, affordable coverage for roughly 45 million Americans 65 and older and about 9 million people with disabilities. Medicare is largely responsible for the poverty rate among older Americans dropping to less than one of every ten.

The program has transformed the lives of millions by helping them to pay for many vital health care services including hospitalizations, physician visits, and prescription drugs. And, most recently, essential preventive services have been added to Medicare by the Affordable Care Act.

While the program offers important benefits, Medicare is NOT a “free ride. It is not a Cadillac plan. More like a reliable Chevy.

There are premiums, deductibles and co-pays which people have to pay for. And there's a lot that Medicare simply doesn't cover.

It *does not* cover the cost of care for dental, vision, or hearing problems. The need for eyeglasses and hearing aids is particularly common among older people. Moreover, Medicare does NOT cover long-term nursing home care.

It is important to remember that half of all Medicare beneficiaries live on incomes of less than \$23,500 per year. Beneficiaries pay an average of about \$4,500 each year out of their own pockets for cost-sharing and services not covered by Medicare. For the typical beneficiary, this amounts to over 17 percent of their income.

Medicare's golden anniversary is a time to think ahead about how we can ensure that the program continues to fulfill its essential role.

Medicare today faces a number of challenges, including the rising cost of health care and a growing aging population. Some say the answer to these challenges is simply to cut benefits or force seniors to pay more. AARP believes there's a better way. There are responsible solutions that will stabilize the system.

We can start to put Medicare on stable ground by clamping down on drug companies' high prices; improving coordination of care; and using technology to make care more accessible and efficient.

Looking forward, we must recognize that the way people receive care is changing. For instance, more people are receiving care from non-physician providers, and are using telemedicine to access care more conveniently.

Additionally, almost 9 in 10 seniors say they want to remain in their home as they age. We should do everything we can to let that happen. Aging in place helps maintain a better quality of life and is less costly than institutional settings. This means funding community based services, such as meals on wheels, which help older Americans live independently. It also means supporting family caregivers through tax policies and workplace programs which recognize the economic contribution made by individuals taking care of loved ones.

AARP stands ready to help keep Medicare strong for the next 50 years. Thank you for the invitation to testify today. I'm happy to answer any questions.