

July 24, 2024

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles “Chuck” Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Johnson, Minority Leader Jeffries, Leader Schumer, and Minority Leader McConnell:

I write on behalf of the National Hispanic Council on Aging (NHCOA), the leading organization working to improve the lives of older Hispanic adults, their families, and caregivers. I am reaching out to express our members' concern regarding recent trends in the Medicare Part D market that are negatively impacting Low-Income Subsidy (LIS) plans.

The LIS program is a lifeline for over 13 million low-income Medicare beneficiaries. The program helps seniors and individuals with disabilities cover the costs of their prescription medicines. The program is typically available to individuals with incomes at or below 150% of the federal poverty level, equal to about \$22,500 for individuals or \$30,500 for couples in 2024. The LIS program has an estimated annual value to patients of \$5,300. Subsidized drug coverage allows low-income seniors and people with disabilities to use their limited resources on other essentials such as food, housing, and transportation.

LIS participants are generally eligible to enroll in certain \$0-premium prescription drug plans known as LIS "benchmark" plans. However, due to a shrinking number of benchmark plan options, more LIS participants are being forced to enroll in plans with monthly premiums. In some states with a high Hispanic population, seniors enrolled in the LIS program have just one or two \$0-premium plans to choose from. If available benchmark plans do not offer the coverage low-income seniors need, they may have no choice but to enroll in a plan with premiums.

[A recent study](#) from the nonpartisan research firm Avalere highlighted several trends in the LIS program. These trends are alarming and may accelerate under the 2022 Inflation Reduction Act (IRA). Some of the key findings include:

- More LIS enrollees are paying premiums. The number of LIS enrollees who pay a premium increased by more than **one million** from 2023 to 2024. Currently, **over half of LIS enrollees** are in a plan where they are responsible for a premium.
- LIS benchmark plans are steadily declining. From 2023 to 2024, the number of \$0-premium plans plummeted by over **one-third**.

- In 2024, over **120,000 LIS enrollees** with monthly premiums pay **\$50 or more**, and about **25,000** pay **\$75 or more**.

These trends are especially concerning for Hispanic, African American, and Asian/Pacific Islander seniors, who disproportionately rely on the LIS program. As the number of \$0-premium plans declines, many beneficiaries may be forced onto plans they cannot afford. This could mean making heart-wrenching choices between medications and other basic necessities. We all want our parents to be here for their grandchildren's birthdays, graduations, and quinceañeras, but these trends threaten their ability to do so.

While the IRA aimed to reduce out-of-pocket drug costs and expanded the LIS program, the law's changes to Part D -- which are not fully implemented yet -- are contributing to the decrease in the number of LIS benchmark plans available and increased premiums for many beneficiaries.

A recent study from the Council for Affordable Health Coverage found that premiums have already increased by 21% this year among standalone prescription drug plans, and the IRA is partly to blame. We are concerned these effects could be exacerbated as the most significant IRA Part D benefit changes go into effect in 2025.

NHCOA urges Congress to investigate these trends and conduct thorough oversight. We respectfully call on lawmakers to encourage the Centers for Medicare & Medicaid Services (CMS) to take immediate steps to protect the availability of LIS benchmark plans. It is crucial to ensure that low-income seniors and individuals with disabilities continue to have access to affordable drug coverage.

We look forward to working with you to find solutions that safeguard the health and well-being of our elders. Thank you for your attention to this critical matter.

Sincerely,

Yanira Cruz, MPH, DrPH
President and CEO
National Hispanic Council on Aging (NHCOA)

CC:

The Honorable Ron Wyden, Chairman, Senate Finance Committee
The Honorable Mike Crapo, Ranking Member, Senate Finance Committee
The Honorable Cathy McMorris Rodgers, Chairwoman, House Energy and Commerce Committee
The Honorable Frank Pallone, Ranking Member, House Energy and Commerce Committee
The Honorable Jason Smith, Chairman, House Ways and Means Committee
The Honorable Richard Neal, Ranking Member, House Ways and Means Committee