Improving Participation in the Medicare Savings Programs: Recommendation for the June Report to Congress

Medicaid and CHIP Payment and Access Commission

Kate Kirchgraber & Kirstin Blom

Overview

- Prior Commission discussions
- Draft chapter for the June report to Congress
- Draft recommendation
- Rationale
- Implications

Prior Commission Discussions

- Low enrollment in the Medicare Savings Programs (MSPs) is a concern because cost sharing assistance can affect beneficiary use of services

- Barriers to enrollment include varying state approaches to program administration, conflicting requirements between the MSPs and similar federal programs, and lack of awareness among eligible beneficiaries

Draft Chapter

- Coverage for dually eligible beneficiaries
- Overview of the MSPs
- Enrollment and participation rates
- Factors affecting MSP enrollment
- Recommendation for Congressional action

Overview of the MSPs: Eligibility and Benefits, 2020

Program	Federal income threshold[1]	Helps pay for	Federal asset limits[1]	
			Individual	Couple
QMB	100% FPL (or below)	Part A premiums, Part B premiums, coinsurance, deductibles	$7,860	$11,800
SLMB	101%-120% FPL	Part B premiums	$7,860	$11,800
QI	121%-135% FPL	Part B premiums	$7,860	$11,800
QDWI	200% FPL (or below)	Part A premiums	$4,000	$6,000

Notes: QMB is Qualified Medicare Beneficiary. SLMB is Specified Low-Income Medicare Beneficiary. QI is Qualifying Individual. QDWI is Qualified Disabled and Working Individuals. Asset limits are for 2020.
[1]The income thresholds and asset limits shown above are the federal standards but states can choose to be more generous. In 2020, 15 states had income or asset limits that are higher than those listed above.
Source: CMS 2020 and MACPAC and MedPAC, 2018. Data book: Beneficiaries dually eligible for Medicare and Medicaid, Table 1. https://www.macpac.gov/publication/data-book-beneficiaries-dually-eligible-for-medicare-and-medicaid-3/

Enrollment and Participation Rates

- Majority of dually eligible beneficiaries participating in the MSPs are enrolled in the QMB program
- Participation rates are low across all MSPs
  - QMB program had highest participation – 53 percent
  - QI program had lowest participation – 15 percent

Factors Affecting MSP Enrollment

- Conflicting enrollment and eligibility requirements between the MSPs and related federal programs
- Varying state approaches to program administration
- Lack of awareness among eligible beneficiaries

Draft Recommendation

- Congress should amend Section 1902(r)(2)(A) of the Social Security Act to require that when determining eligibility for the Medicare Savings Programs (MSPs), states use the same definitions of income, household size, and assets as the Social Security Administration (SSA) uses when determining eligibility for the Part D Low-Income Subsidy (LIS) program. To reduce administrative burden for states and beneficiaries related to MSP redeterminations, Congress should amend Section 1144 of the Social Security Act to require SSA to transfer continuing LIS program eligibility data to states on an annual basis.

Rationale

- Requiring states to adopt Social Security Administration (SSA) definitions of income, household size, and assets for the MSPs eliminates the need to re-verify SSA LIS data
- Enables states to process applications transferred from SSA without requiring additional information from beneficiaries that can create a barrier to enrollment

Federal Implications

- Increased enrollment in the MSPs would increase federal costs related to matching payments to state Medicaid programs and potential increased enrollment in Medicare and the LIS program
- CBO was unable to provide an estimate of the specific budgetary effects
  - Comprehensive data on the number of eligible but not enrolled beneficiaries in each state are not available

State and Other Implications

- State
  - Increased MSP enrollment would increase state Medicaid costs
  - Simplifying eligibility determinations would reduce state administrative burden and related costs
- Beneficiary
  - Reduces burden of submitting additional paperwork
  - Enables more beneficiaries to obtain assistance with Medicare cost sharing and improves access to care
- Plans and providers
  - No direct effects

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