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Medicare Savings Programs: Eligibility and Enrollment

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Overview

- Medicare Savings Programs (MSPs) overview
- Prior MACPAC work
- Policy changes affecting the MSPs
- Next steps



MSPs Overview

- Four different types of MSPs
 - Qualified Medicare beneficiary (QMB)
 - Enacted in 1986 as a state option; made mandatory in 1988
 - Most expansive in terms of enrollment and benefits; entitlement
 - Specified low-income Medicare beneficiary (SLMB)
 - Enacted in 1990; entitlement
 - Qualifying individual (QI)
 - Enacted in 1997
 - Fully federally funded; made permanent by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA, P.L. 114-10)
 - Qualified disabled and working individual (QDWI)
 - Enacted in 1989; pays the Medicare Part A premium for people who are disabled and under age 65 who lost premium-free Part A because they returned to work

Types of MSPs – Eligibility and Benefits, 2023

Program		Medicaid benefits	Income threshold as % of FPL	Helps pay for	Federal asset limits	
					Individual	Couple
QMB	Only	Partial	At or below 100%	Medicare Part A and Part B premiums, coinsurance, deductibles, and copayments	\$9,090	\$13,630
	Plus	Full		Medicare Part A and Part B premiums, coinsurance, deductibles, and copayments All Medicaid-covered services	\$2,000	\$3,000
SLMB	Only	Partial	101% - 120%	Medicare Part B premiums	\$9,090	\$13,630
	Plus	Full		Medicare Part B premiums; Medicare coinsurance, deductibles, and copayments All Medicaid-covered services	\$2,000	\$3,000
QI		Partial	121% - 135%	Medicare Part B premiums	\$9,090	\$13,630
QDWI		Partial	At or below 200%	Medicare Part A premiums	\$4,000	\$6,000

Notes: FPL is federal poverty level. MSP is Medicare Savings Program. QMB is qualified Medicare beneficiary. QDWI is qualified disabled and working individual. QI is qualifying individual. SLMB is specified low-income Medicare beneficiary.

Source: MACPAC 2023.

MSP Eligibility and Enrollment

- Eligibility determinations
 - States determine eligibility for the MSPs
 - Automatic link with Medicare Part D Low-Income Subsidy (LIS) program
 - Anyone eligible for the MSPs is eligible for LIS
- Enrollment
 - Focus on QMB and SLMB because they are the largest in terms of enrollment and offer the most benefits
 - In 2020, just over 10 million people were enrolled in the MSPs; most, 9.5 million, were enrolled in the QMB and SLMB programs

MSP Enrollee Demographics

- QMB and SLMB enrollee demographics
 - Primarily residents of urban areas
 - Compared to Medicare beneficiaries who are not dually eligible
 - More likely to be younger
 - More likely to be Black or Hispanic
 - More likely to be female

MSP Enrollee Demographics as Share of Total, 2020

Characteristic	All duals	QMB		SLMB		Non-dual Medicare beneficiaries
		QMB only	QMB plus	SLMB only	SLMB plus	
Total	100%	14%	52%	9%	3%	-
Age						
Under age 65	37%	37%	37%	36%	42%	8%
65 and older	63%	63%	63%	64%	58%	92%
Race/ethnicity						
White, non-Hispanic	52%	53%	45%	61%	70%	80%
African American, non-Hispanic	21%	24%	20%	23%	18%	8%
Hispanic	17%	18%	20%	12%	8%	6%
Other	10%	6%	14%	4%	4%	3%
Residence						
Urban	79%	76%	82%	73%	72%	80%
Rural	21%	24%	18%	27%	27%	20%
Sex						
Male	41%	39%	40%	42%	41%	47%
Female	59%	61%	60%	58%	59%	53%

Notes: MSP is Medicare Savings Program. QMB is qualified Medicare beneficiary. SLMB is specified low-income Medicare beneficiary.

Source: MACPAC analysis of T-MSIS data.

Prior MACPAC Work

- June 2020 report chapter and recommendations
 - States should use the same definitions as the Social Security Administration for purposes of eligibility determinations to align with the LIS program
 - SSA should transfer continuing LIS eligibility data to states on an annual basis for purposes of MSP eligibility renewals
- Urban Institute study on participation
 - Estimated about 50 percent of eligible individuals enrolled in QMB and SLMB programs across 2009 and 2010
 - Conducted in 2016 using the 2008 panel of the Survey of Income and Program Participation and data from the Medicaid Statistical Information System

Policy Changes Affecting MSPs

- Recent rulemaking and legislation
 - Centers for Medicare & Medicaid Services notice of proposed rulemaking on streamlining eligibility and enrollment
 - Inflation Reduction Act – changes to LIS income eligibility
- Enactment of the Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended)
- Growth in Medicare Advantage
- State treatment of assets
 - State option to be more generous than the federal standard by increasing asset limits or eliminating asset tests

Next Steps

- Interviews with federal and state officials
 - better understand MSP enrollment and participation including the role of federal funding for area agencies on aging and State Health Insurance Assistance Programs
 - efforts to facilitate enrollment
- Develop potential policy options for Commissioner consideration


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