Improving Enrollment and Eligibility for the Medicare Savings Programs

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February 26, 2015
Overview of Recent Commission Work

- October and December 2014 meetings

- March 2015 chapter on Medicaid payment of Medicare cost sharing
Program Participation

• Enrollment in the Medicare savings programs (MSPs) has been historically low:
  • In 2004, the Congressional Budget Office estimated that only 33 percent of eligible beneficiaries were enrolled in the qualified Medicare beneficiary (QMB) program; and
  • Only 13 percent of eligible beneficiaries were enrolled in the specified low-income Medicare beneficiary (SLMB) program.
Barriers to MSP Enrollment

• Lack of program awareness

• Complicated application process

• Financial eligibility

• Expiration of Qualifying Individual (QI) program eligibility
Why Improve the MSPs?

• MSPs can increase access to care

• MSPs can reduce out-of-pocket expenses

• Simplifying the MSP application process can reduce burden on states and beneficiaries
Support of MSP Education and Outreach

• Raising awareness of the MSPs could increase the number of MSP beneficiaries
• State Health Insurance Assistance Programs (SHIP) funding in 2006
• Additional legislative efforts in 2008
• MedPAC 2008 recommendation
• Funding extension, but no appropriation beyond $13 million for FY 2015
QI Program Funding

• Entirely federally funded
• Dependent on periodic appropriations and reauthorizations
• Currently set to expire March 31, 2015
• President’s budget proposes to extend the QI program to December 31, 2016 (estimated to cost the federal government $975 million)
MSP Application Availability

• Some states do not allow electronic submission of MSP application

• Some have limitations on use of authorized representatives to submit applications
Aligning MSP Eligibility with Medicare Policy

• Aligning MSP eligibility with Medicare policy could potentially:
  • Increase enrollment in the MSPs and the Part D Low-Income Subsidy (LIS) program
  • Simplify the application process for MSP-only beneficiaries
  • Shift responsibility for MSP administration
Challenges with Aligning MSP Eligibility with Medicare Policy

- However, aligning MSP eligibility with Medicare policy could also result in:
  - Loss of medically needy Medicaid eligibility
  - Misalignment of MSP and full-benefit Medicaid eligibility criteria and application process
  - Loss of MSP benefits if state-expanded levels are not maintained
  - Increased federal and state costs from increased enrollment
Next Steps

• Feedback from Commission

• Staff can provide additional information and evidence at an upcoming meeting