



**MACPAC**  
Medicaid and CHIP Payment and Access Commission



# **Improving Enrollment and Eligibility for the Medicare Savings Programs**

Katie Weider

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