



Medicare Savings Programs

Policy Options



Medicaid and CHIP Payment and Access Commission

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Overview

- Coverage for dually eligible beneficiaries
- MSPs
 - Eligibility and benefits
 - Enrollment and participation
- Factors affecting enrollment
- Policy options

Medicare and Medicaid coverage

- Where benefits overlap, Medicare is primary
- Medicare out-of-pocket costs (2019)
 - Part B
 - monthly premium = \$135.50
 - annual deductible = \$185
 - after meeting the deductible, typically pay 20% of the Medicare-approved amount for most doctor services
 - Part A (premium-free for most people)
 - monthly premium = \$437
 - annual deductible = \$1,364
 - coinsurance after 60 days

Medicare Savings Programs (MSPs)

- Four separate MSPs provide different types of assistance and have different eligibility criteria
 - Qualified Medicare Beneficiary (QMB) program
 - Specified Low Income Medicare Beneficiary (SLMB) program
 - Qualifying Individual (QI) program
 - Qualified Disabled and Working Individuals (QDWI) program

MSP eligibility and benefits

- QMB
 - 100% FPL (or below)
 - Part A and B premiums, coinsurance, deductibles, copayments
- SLMB
 - 101% - 120% FPL
 - Part B premiums, coinsurance, deductibles, copayments
- QI
 - 121% - 135% FPL
 - Part B premiums
- QDWI
 - 200% FPL (or below)
 - Part A premiums

MSP enrollment

- Using CY 2018 Medicare data:
 - QMB: 7.8 million beneficiaries
 - SLMB: 1.5 million beneficiaries
 - QI: 0.7 million beneficiaries
 - QDWI: about 500 beneficiaries

MSP participation

- In a 2016 study, MACPAC found that about 51 percent of eligible enrollees participated in the QMB and SLMB programs in 2009 and 2010
- Enrollment has been historically low
- Congress enacted several changes in MIPPA (P.L. 110-275) designed to increase enrollment
 - SSA application transfer
 - Outreach funding

Factors affecting enrollment

- Low-income Medicare beneficiaries must apply to their state Medicaid program to enroll in the MSPs; no automated process
- States determine eligibility; eligibility must be redetermined at least every 12 months
 - Different from the Part D Low-Income Subsidy (LIS) program, in which the federal government determines eligibility through the Social Security Administration (SSA)
- Outreach grants to increase beneficiary awareness

Policy options

- Better alignment with the Medicare Part D Low-Income Subsidy (LIS) program
 - Align income and asset disregard and exclusion policies using section 1902(r)(2)
 - Align family size policies
 - Encourage or require states to automatically process MSP applications using data received from SSA
 - Expand eligibility for the QI program to 150% FPL

Policy options

- Streamline eligibility redeterminations
 - Encourage states to use ex parte renewal
 - Encourage states to use a prepopulated form
- Improve outreach
 - Increase funding for MSP education and outreach
 - Encourage states to clarify notices and provide improved MSP information for individuals covered by Medicaid who are turning 65 and for adults with disabilities

Policy options

- Create state incentives to enroll partial-benefit dually eligible beneficiaries
 - Provide states with an enhanced FMAP
- Federalize the MSPs
 - While MACPAC could not recommend that Medicare assume the costs of the MSPs, it is a policy option that has been discussed as a way of increasing enrollment.

Next Steps

- Staff can further develop policy options of interest to Commissioners, including any we might not have included here



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