



# Improving Participation in the Medicare Savings Programs

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**Medicaid and CHIP Payment and Access Commission**

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# Overview

- MSP enrollees and eligible non-enrollees
- State policies affecting MSP enrollment
- Policy options to increase MSP participation

# Selected Characteristics of Individuals Enrolled in the Medicare Savings Programs and Individuals Eligible but not Enrolled, 2009 and 2010

Characteristic	Percentage enrolled	Percentage eligible, but not enrolled
Age 18-64	42%	29%
Age 65 and older	58%	72%
Private health insurance coverage	12%	36%
Enrollment in SNAP	43%	12%
Enrollment in SSI	39%	12%
Full-benefit Medicaid	70%	16%
Eligible for Medicaid on the basis of a disability	49%	11%

**Notes:** SNAP is Supplemental Nutrition Assistance Program. SSI is Supplemental Security Income. Statistics in this table are based on a sample of person-month observations.  
**Source:** Urban Institute analysis using the Survey of Income and Program Participation (SIPP) 2008 panel and the Medicaid Statistical Information System (MSIS), executed at the U.S. Census Bureau, Research Data Center in 2016.

# State Policies Affecting Enrollment

- States can set more generous income and asset levels than federal limits
  - 12 states and DC do so for one or more MSP categories
  - States with more generous levels have enrolled higher share of eligible beneficiaries and reduced state administrative burden
- Differences with Part D Low-Income Subsidy (LIS) program
  - SSA transfers LIS application information to states, which must use that data to initiate MSP applications
  - In many states, LIS data not comparable to those used by state for MSPs

# Policy Options

- Use same rules for Part D LIS and MSP eligibility
- Simplify MSP eligibility, enrollment, and renewal
- Improve outreach and create state enrollment incentive
- Federalize MSPs

# Use Same Rules for Part D LIS and MSP eligibility

- Require states to use LIS income, asset, and household size policies for MSPs
  - States already have authority to do this under Section 1902(r)(2) but few use it
- Enables states to automate enrollment and renewals
- May reduce administrative costs, but higher enrollment will increase costs

# Simplify Eligibility

- Use modified adjusted gross income (MAGI) for counting income and household size
  - Already used for children, pregnant women, parents, new adult group, and exchange tax credits
- States are accustomed to using this approach, but may prefer to keep current income and asset rules
- Could reduce state administrative burden, but higher enrollment will increase costs

# Simplify Enrollment

- Extend express lane eligibility (ELE) to the MSPs
  - Allows states to accept eligibility findings from other public programs
  - States currently need waiver to use ELE for adults
- Create a demonstration program
  - Test the effects of streamlined eligibility process



# Simplify Renewal

- Allow three-year recertification
- Encourage passive recertification
- Require use of prepopulated renewal forms
- Could reduce burden and increase retention rates, but potentially renew some individuals no longer eligible

# Improve Outreach and Create State Enrollment Incentive

- Increase outreach funding
  - Could boost enrollment, but increase state costs
- Create state incentive to enroll partial-benefit dually eligible beneficiaries
  - Increased FMAP would reduce state costs

# Federalize MSPs

- Medicare would assume responsibility for MSPs
  - Requires change in Medicare statute
- Potentially uneven effect on states
  - Reduces state burden, but enrollment could decline in states with more generous income and asset limits
- Potentially costly to federal government

# Next Steps

- Staff can draft specific recommendations for review at February meeting
- Commissioners can vote on recommendations and review draft chapter for June report at April meeting



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