Medicare Savings Programs in New York State

Policy Recommendations from the Medicare Rights Center

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About the Medicare Rights Center

Based in New York, the Medicare Rights Center is a national, nonprofit consumer service organization that works to ensure access to affordable health care for older adults and people with disabilities through counseling and advocacy, educational programs, and public policy initiatives. Since 1989, Medicare Rights has helped people with Medicare understand their rights and benefits, navigate the Medicare system, and secure the quality health care they deserve.

Introduction

The COVID-19 public health emergency (PHE) and the resultant economic fallout has highlighted longstanding barriers affecting Medicare beneficiaries, older adults and people with disabilities, especially individuals with low incomes and people of color. However, the pandemic has also provided an opportunity to address these challenges with renewed purpose and vigor. It is imperative that New York State act to support older adults and people with disabilities by continuing to invest in state and local programs that meaningfully improve health and economic well-being.

Each year, Medicare Rights answers thousands of questions about the Medicare Savings Programs (MSPs) on its helpline and witnesses the obstacles that people with Medicare encounter when applying. Based on consumer experiences in New York State and lessons learned during the COVID-19 pandemic, Medicare Rights has identified strategies to reduce several obstacles that beneficiaries face when trying to access MSPs. Medicare Rights hopes that policymakers will consider immediate action to improve access to the Medicare Savings Programs in New York.

Background

Today, nearly 3.7 million New Yorkers rely on Medicare, a federal health program that guarantees access to health care for older adults and people with disabilities regardless of income. Most Medicare beneficiaries will pay a monthly premium for Medicare Part B ($170.10 in 2022), a 15% increase from 2021, and are also responsible for copays and coinsurance when they receive health services and prescription drugs.

For beneficiaries with limited incomes, MSPs help pay Medicare costs—primarily the Part B premium. MSPs are administered by each state's Medicaid agency and funded by both the states and the federal government.

There are three types of MSPs: Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLIMB), and Qualifying Individual (QI-1). To qualify for enrollment into an MSP, Medicare beneficiaries must meet stringent state income requirements.[i] Enrollment in any MSP also automatically enrolls a Medicare beneficiary into the Part D Low-Income Subsidy (LIS), or Extra Help program, which helps pay prescription drug costs. On average, LIS saves beneficiaries $5,000 per year.

In addition to reducing a person's Medicare costs, MSPs can also help individuals obtain Medicare coverage via direct enrollment into Medicare's Part A hospital and/or Part B outpatient benefit. Obtaining Medicare coverage for these individuals also reduces spending by the state's Medicaid agency for uncompensated care.

New York State has made several efforts to help beneficiaries maintain coverage during the pandemic. Previously, applying for Medicaid or MSPs meant burdensome paperwork, inaccurate screenings, and a complex renewal process that could cause beneficiaries to lose a benefit for which they were eligible. Due to the pandemic, New

York State implemented accommodations that have eased the application process and allowed beneficiaries to remain enrolled in these benefits.

Medicare Rights supports maintaining many of the flexibilities implemented by New York State during the public health emergency.

Recommendation

Expand Medicaid and MSP Eligibility

Medicare Rights supports expanding Medicaid and MSP eligibility for people 65 and older and people with disabilities. We recommend easing access to Medicaid through expansion to individuals with incomes up to 138% of the federal poverty level and a simultaneous expansion of MSP eligibility from 135% to 200% of the federal poverty level.

Half of all people with Medicare live on $29,650 or less per year. One quarter live on $17,000 or less, and nearly 30% have incomes between 100% and 200% FPL. They also have limited savings.

This comprehensive approach would improve affordability, promote equity, align programs, and achieve administrative efficiencies. MSP modernizations are long overdue—the existing thresholds simply fail to reflect the financial realities of older adults and people with disabilities. At the same time, this action would help New York State reduce expenditures in the Elderly Pharmaceutical Insurance Coverage (EPIC) program. Improving this critical assistance program would directly and tangibly respond to the needs of New Yorkers.

The following administrative actions can also be taken immediately.

1. **Allow self-attestation for Medicaid and MSP applications:** During the COVID-19 PHE, the New York State Department of Health (NYSDOH) allowed for self-attestation for all eligibility criteria on MSP applications.[ii] Continuing to accept self-attestation in New York State would eliminate burdens that applicants face when they are required to send proof of identity and income—such as copies of their Medicare card, Social Security card, government-issued ID, utility bills, and income documentation—to their local Department of Social Services. New York would join several states that accepted self-attestation for MSP applications before the pandemic, including Arkansas, Louisiana, Hawaii, Vermont, and Washington. The Centers for Medicare & Medicaid Services (CMS) has also recommended that states use self-attestation to increase MSP enrollment.[iii]

2. **Implement automatic renewal in New York City:** During the COVID-19 PHE, NYSDOH has automatically renewed MSP cases that were set to expire without the need for clients to manually renew their benefit. All New York counties other than New York City provide automatic renewals for MSP clients who have a fixed income from the Social Security Administration (SSA). The systemic MSPs extensions provided during the PHE have allowed the New York City Human Resources Administration (HRA) to do the same. **New York State must implement legislation permanently allowing for statewide automatic recertification. Medicare Rights fully supports the previously proposed bill NY A07578A which would provide automatic MSP recertification to MSP recipients living on a fixed income from SSA.**[iv]

3. **Allow electronic faxing of MSP applications statewide:** The e-faxing of MSP applications during the pandemic has streamlined the MSP application process and removed the physical burdens that clients previously faced (being required to either walk an application to their Local Departments of Social Services (LDSS) office or send it via mail).

4. **Upgrade technology for equitable access:** During the COVID-19 PHE, NYSDOH suspended the work-around transition from NYSOH to the local Medicaid offices to process eligibility determinations for the Aged, Blind, and Disabled (ABD) category of Medicaid. Currently, LDSSs are using decades-old technology to administer ABD eligibility and enrollment. One system should be used for eligibility and enrollment.

5. **Use SSA data to automatically enroll people into the MSP and eliminate the paper application:** The Medicare Improvement for Patients and Providers Act (MIPPA) requires an application for the federal LIS program to be considered an application for the MSPs.[v] Unfortunately, there is no evidence indicating that New York State uses LIS applications submitted through SSA to automatically enroll beneficiaries into the MSPs. Instead, New York State sends a paper Request for Additional Information (RFAI) application to residents that have applied for LIS through SSA. Medicare Rights urges New York State to take steps to ensure that the MSP enrollment process aligns with federal MIPPA guidelines. CMS has also recommended that states process MSP applications using this data.[vi]

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[i] While federal law sets MSP income and asset limits, states have flexibility to provide less restrictive income and asset requirements. (42 CFR 916 (b)). For example, five states have higher income limits, and eight states—including New York—do not have asset limits. More information about New York MSPs is available here: http://www.medicarerights.org/fliers/Medicare-Savings-Programs/MSP-Info-Sheet-(NY).pdf?nrd=1

[ii] https://www.health.ny.gov/health_care/medicaid/publications/docs/gis/20ma04.pdf

[iii] CMS memo: https://www.medicaid.gov/federal-policy-guidance/downloads/cib11012021.pdf

[iv] https://assembly.state.ny.us/leg/?default_fld=&bn=A07578&term=2019&Summary=Y&Actions=Y&Text=Y&Committee%26nbspVotes=Y&Floor%26nbspVotes=Y

[v] https://www.health.ny.gov/health_care/medicaid/publications/docs/adm/10adm-3.pdf

[vi] CMS memo: https://www.medicaid.gov/federal-policy-guidance/downloads/cib11012021.pdf