Medicare Snapshot:

Stories from the Helpline

Improving New York State Access to Medicare Savings Programs

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General Information for Policymakers

Medicare is a federal health program that guarantees access to health care for older adults and people with disabilities regardless of income. However, Medicare is not free for those who have it. Most Medicare beneficiaries—in New York and nationally—pay monthly premiums for at least one part of Medicare (e.g., Part B doctors' services or, less commonly, Part A hospital services) and are responsible for copays and coinsurance when they receive health services and prescription drugs.[i]

Medicare costs can be especially burdensome to low-income individuals, particularly those living on fixed incomes. Half of all people with Medicare live on incomes of $24,150 or less per year.[ii] Given that people with Medicare spend 15 percent of their household incomes on health care (compared to five percent in the non-Medicare population), many older adults and people with disabilities need financial help to maximize their Medicare coverage.[iii] Fortunately, programs exist to help low-income Medicare beneficiaries pay their Medicare premiums and cost-sharing.

Medicare Savings Programs (MSPs), also known as Medicare Buy-In programs or Medicare Premium Payment programs, are administered by each state's Medicaid agency and funded by both states and the federal government.[iv] In order to qualify for enrollment into an MSP, Medicare beneficiaries must meet state income and asset requirements.[v] Enrollment in an MSP allows the state Medicaid agency to pay an individual's monthly Part B premiums[vi] and, if other requirements are met, the state may also pay additional cost-sharing as well as the Part A premium (if the individual has one). Enrollment in an MSP also automatically enrolls a Medicare beneficiary into another program called the Part D Low-Income Subsidy or Extra Help program, the federal program that helps pay most of a Medicare beneficiary's prescription drug costs, which on average total about $4,000 per year.[vii]

Although these programs can help low-income Medicare beneficiaries save thousands of dollars in health care costs each year, MSPs are consistently under-enrolled and under-utilized. According to the U.S. Government Accountability Office (GAO), "low enrollment in the MSPs is

attributed to lack of awareness about the programs and cumbersome enrollment processes through state Medicaid programs."[viii] The Medicare-Medicaid Coordination Office (MMCO) at the Centers for Medicare and Medicaid Services (CMS) reports MSP enrollment in New York State reached 851,872 enrollees in 2016.[ix] Yet the MSP remains under-enrolled,[x] and tens of thousands of New Yorkers with Medicare are eligible for the MSP but not receiving it.[xi]

Each year, the Medicare Rights Center fields more than 2,000 questions about MSPs and successfully processes more than 1,000 MSP applications on behalf of low-income Medicare beneficiaries in New York. Some states, including New York, recognize the challenges inherent in this work: the New York State Department of Health, for instance, has in the past significantly improved the MSP enrollment process by eliminating the MSP asset test, simplifying the paper application for MSPs, and other measures.[xii] But New York beneficiaries continue to face needless difficulty in accessing MSPs.

Drawing on its experiences in New York (and other states), Medicare Rights has identified a series of actions that NYSDOH, NYSoH, and local Medicaid offices—including the New York City Human Resources Administration (HRA)—could take to further improve access to MSPs and related benefits statewide. Over the past 18 months, with New York State Health Foundation support, Medicare Rights has worked with state and local agencies to advocate for and implement these improvements, with others awaiting action. This paper serves as a snapshot of key MSP enrollment hurdles in New York State; ways that education, screening, and enrollment have been improved in recent months; and additional actions required.

Process for MSP Eligibility and Enrollment in New York State

There are many pathways to receiving the MSP in New York, but as we will explore further in this paper, these pathways too often do not work as required by law and outlined in New York State guidance:

- Individuals eligible for Medicare and applying for Aged, Blind, Disabled (ABD) Medicaid—hereafter referred to as traditional Medicaid—should be screened for an MSP when applying for traditional Medicaid.

- Individuals eligible for Medicare and already enrolled in traditional Medicaid should be screened for an MSP upon annual recertification of their Medicaid benefits (if they do not already have the MSP benefit).

- Upon becoming Medicare-eligible, Medicare beneficiaries receiving expansion Medicaid through NYSoH[xiii] should have their Medicaid case transferred to their Local Department of Social Services (LDSS)—hereafter referred to as the local Medicaid office—to be evaluated for traditional Medicaid and an MSP.

- Upon becoming Medicare-eligible, Medicare beneficiaries enrolled in a Qualified Health Plan (QHP) through NYSoH[xiv] will transition to Medicare and have the opportunity to apply for an MSP if they wish.

- Medicare-eligible individuals receiving Supplemental Security Income (SSI) should be automatically enrolled in an MSP.
- Medicare beneficiaries who apply for Extra Help have the option to allow the Social Security Administration (SSA) to forward their application information to NYSDOH for the purpose of working with the local Medicaid office to evaluate them for an MSP.[xv]
- Medicare beneficiaries can submit a completed MSP application to their local Medicaid office.

Case Story

The following case story from Medicare Rights' helpline explores a few of the pathways described above and their potential pitfalls.

Ms. R lives in New York City and had Medicaid before becoming eligible for Medicare due to a disability. For much of her life, she has been afraid of not having access to affordable health care.

At age 27, Ms. R was diagnosed with an autoimmune disease that affected her central nervous system, forcing her to leave her job. She applied for Social Security Disability Income (SSDI) and was informed she would become eligible for Medicare after receiving SSDI for 24 months. Waiting 24 months for Medicare coverage concerned Ms. R because she no longer had any health insurance due to ending her employment. Fortunately, Ms. R was able to apply for Medicaid through the NYSoH health insurance Marketplace and receive much-needed medical coverage and treatments.

Upon reaching her 24th month of receiving SSDI, Ms. R received information from SSA about her upcoming enrollment into Medicare, in addition to information about Medicare costs. Ms. R worried about how she would afford the Medicare Part B monthly premium (at the time $104.90 per month) and additional Medicare costs, like copayments and prescription drugs. She also did not know if she could keep her expansion Medicaid, which was working well for her. Seeking answers to her questions about affording Medicare and keeping her Medicaid, Ms. R discovered the Medicare Rights Center and called its national helpline (800-333-4114) for assistance.

Medicare Rights counseled Ms. R about transitioning from expansion Medicaid to Medicare, informing her that per NYSDOH guidance, once her Medicare was effective, NYSDOH would disenroll her from her expansion Medicaid plan and enroll her in traditional Medicaid for the remainder of her 12-month Medicaid authorization. NYSDOH would also reimburse Ms. R for the Part B premiums she would be paying as she waited for confirmation of her traditional Medicaid and MSP eligibility.[xvi] As a result of Medicare Rights' counseling, Ms. R felt informed and empowered to follow through with the transition from expansion Medicaid to Medicare. Unfortunately, Ms. R's transition did not occur as outlined in NYSDOH guidance.

Specifically, Ms. R received extremely confusing notices from NYSoH and her expansion Medicaid plan. The notices told her that she was being disenrolled from her Medicaid plan but that she could still have Medicaid, with no explanation as to how to access different Medicaid coverage. Ms. R was also alarmed when she saw the Part B premium amount deducted from her monthly SSDI benefit: she was not receiving the premium reimbursement she was told she could expect. Instead of being disenrolled from her expansion Medicaid plan and transitioned to traditional Medicaid, Ms. R remained in her expansion Medicaid plan for three months after becoming Medicare-eligible.

Medicare Rights staff facilitated Ms. R's disenrollment from her expansion Medicaid plan, which allowed her to begin receiving the Part B reimbursement. Then, at the end of her 12-month Medicaid authorization, Ms. R's case was correctly transferred to her local Medicaid office for evaluation of eligibility for traditional Medicaid and an MSP. However, upon receiving her case from NYSoH, Ms. R's local Medicaid office failed to conduct the proper screening for these programs. Medicare Rights intervened once again and communicated directly with the local Medicaid office and NYSDOH until Ms. R was 1) correctly determined ineligible for traditional Medicaid and 2) correctly found eligible for and enrolled in an MSP.

Today, as a result of her own tenacity and Medicare Rights' advocacy, Ms. R is enrolled in an MSP and Extra Help, saving her an estimated $5,200 per year in out-of-pocket health care costs and enabling her to access needed care.

Preventing One New Yorker's Story from Becoming the Norm

Ms. R is unfortunately not alone in having difficulty accessing an MSP. Fortunately, a number of different interventions could have spared Ms. R and others like her a great deal of uncertainty, as well as ensure seamless and affordable health care coverage. For instance, Ms. R's experience could have been improved or altogether avoided had the notices she received more effectively communicated the NYSoH-to-Medicare transition process and had her expansion Medicaid plan and local Medicaid office acted as mandated in NYSDOH guidance. And Ms. R would have been even better served by a more automatic process for screening and enrolling eligible individuals in an MSP.

With the support of the New York State Health Foundation and others, Medicare Rights has worked to bring these opportunities for improvement—and others—to the attention of NYSDOH, NYSoH, and local Medicaid offices, and has had some success in advocating for improvements to MSP application, enrollment, and recertification processes for those transitioning from expansion Medicaid or QHPs. For example:

- **Automatic sweeps to enroll eligible individuals in MSPs:** As a result of Medicare Rights' advocacy, NYSDOH and HRA will conduct "sweeps" to identify individuals enrolled in Medicaid who should be enrolled in Medicare Parts A and Part B, and to enroll these

individuals in Medicare and an MSP. NYSDOH is currently compiling lists of individuals who receive Medicaid and have only one part of Medicare (and may needlessly be paying Medicare premiums) in order to proceed with these sweeps. The last time a state-wide sweep was conducted was in 2009, identifying around 4,000 individuals for enrollment in Medicare Part B and the QMB MSP. In New York City, NYSDOH estimates that at least 20,000 individuals are eligible for but not enrolled in any part of Medicare—and may also be eligible for an MSP. NYSDOH plans to send out letters in three waves to reach these individuals with information and assistance.

- More automatic transition process for people with disabilities: In response to Medicare Rights' advocacy, NYSDOH has created a process to identify and provide transition notice to individuals becoming eligible for Medicare due to disability. Medicare Rights has provided NYSDOH with dozens of examples of New Yorkers with disabilities who are transitioning from an expansion Medicaid plan to Medicare. These individuals frequently face a great deal of confusion during their transition process. This brand-new process for identifying when a New Yorker with Medicare becomes eligible for Medicare due to disability involves data-matching between NYSDOH and CMS. Specifically, CMS sends a notification to NYSDOH when individuals with Medicaid and a disability begin receiving Medicare (i.e., when they have collected SSDI for 24 months). This notification triggers the individual's disenrollment from their expansion Medicaid plan and delivery of a notice informing the individual about the transition process. The notice also provides information about NYSDOH reimbursement of the Part B premium and about when individuals can expect screening for an MSP—and how an MSP can help them. Note: Ms. R became eligible for Medicare prior to this new process for people with disabilities, which explains why she was not properly disenrolled from her expansion plan and reimbursed for three months of Part B premiums. Had the data-match system been in place when Ms. R made the transition to Medicare, it would have been a much less stressful experience for her.

- Movement toward Medicare and MSP notification for individuals aging out of a QHP: As a result of Medicare Rights' advocacy related to better notice for individuals with a QHP who are aging into Medicare, the federally facilitated Marketplaces now conduct periodic data matching of QHP enrollees who are also enrolled in Medicare, and send these individuals a notice informing them that a QHP is duplicate coverage of Medicare and that they are no longer eligible for advance premium tax credits (APTC) or cost-sharing reduction (CSR) to help pay for their QHP. Medicare Rights succeeded in getting information about MSPs included in this notice.[xvii] NYSDOH has said that they would like to use the federal notice as a template for developing a New York-specific version, and Medicare Rights continues to advocate for such a notice and a clear implementation timeline.

- Implementation of time-limited equitable relief for those with a QHP: Medicare Rights successfully advocated to CMS for relief for QHP enrollees who have delayed enrolling into Medicare. This new short-term relief allows an individual to enroll in Part B without penalty, or eliminates/reduces a Part B late enrollment penalty. The federally facilitated Marketplaces added this information in their periodic data match notice, and NYSoH created a notice to inform New Yorkers about this relief. Medicare Rights provided feedback to NYSoH as they drafted this notice, and NYSoH included Medicare Rights'

helpline number on the notice when it was sent to 800 New Yorkers with a QHP and Medicare. This relief is currently available through September 30, 2017, and Medicare Rights continues to request for its extension.

- Movement toward passive recertification for MSPs in New York City: Last year, following prolonged advocacy, Medicare Rights received promises that passive recertification for MSPs would be launched in New York City in early 2017. In all New York counties except New York City, Medicare Rights and others have already successfully advocated for an effective passive recertification process by which individuals whose sole income from SSA has not changed are automatically recertified by NYSDOH and notified of the continuation of their MSP benefit.[xviii] Under federal law, beneficiaries enrolled in an MSP must recertify their eligibility once every 12 months. However, states retain substantial flexibility in determining how the process should work.[xix] Unfortunately, owing to competing priorities and the inability of state and city systems to communicate properly, passive recertification for MSPs has still not launched in New York City. Medicare Rights continues to advocate for this reform, as more than 50 percent of MSP enrollees live in New York City, and it is time for the passive recertification process to become applicable statewide.[xx]

- Improved MSP information for people with Medicaid who are turning 65: In 2016, Medicare Rights recommended updated language and new additions to the NYSDOH Medicare Warning Letter, which NYSDOH will begin using in October 2017. The letter is mailed to people with Medicaid three months before they turn 65. The updated letter better explains how Medicare and Medicaid coordinate, and how an MSP can help eligible individuals afford health care costs.

- Improved MSP information for those with Extra Help: Also in 2016, Medicare Rights suggested a number of edits and additions to the Request for Additional Information (RFAI) notice, including more consumer-friendly formatting and font size, and clearer information about MSPs. NYSDOH has translated this notice into six languages, and Medicare Rights awaits information on when it will be introduced. All New Yorkers applying for Extra Help who have agreed to have SSA share their information with NYSDOH receive the RFAI notice, intended to inform them about MSPs and to begin the process of enrolling them in the benefit.[xxi] Unfortunately, previous versions of the RFAI often resulted in Medicare beneficiaries throwing it away or otherwise not taking necessary steps to ensure their screening for an MSP.

- Improved transition information for those leaving NYSoH coverage: As a result of Medicare Rights' and others' advocacy, a series of NYSoH notices about the transition to Medicare and the value of MSPs are greatly improved. Beginning in September 2017, individuals transitioning from expansion Medicaid to Medicare will receive three notices:

    1. a notice informing them that they are no longer eligible for expansion Medicaid, that their case will be referred to their local Medicaid office, that their Medicaid will continue while being evaluated for traditional Medicaid and the MSP, and information about MSPs and next steps;

2. a discontinuance notice from their expansion Medicaid plan, which provides a date when this plan's coverage will end; and

3. a welcome letter (for New York City residents) explaining the expansion Medicaid-to-Medicare transition, next steps, and information about Medicare and MSPs. This streamlined series of NYSoH notices should resolve many issues for individuals transitioning from expansion Medicaid to Medicare, whether due to age or disability.

- **Ongoing conversations about the need for greater MSP screening and enrollment automation:** While MSP screening, enrollment, and recertification processes are more streamlined in New York than in other states (where, for instance, assets are still counted toward eligibility, face-to-face interviews are required, and notices are scant on information about MSPs), these processes could still be more effectively automated here. As such, Medicare Rights has been advocating for a simplified and streamlined online MSP application and eligibility determination process accessible through the NYSoH. Ideally, this would mean that individuals eligible for an MSP based on NYSoH budgeting would be automatically transitioned to the benefit at the appropriate time (without requiring attestation, communications with local Medicaid offices, and other actions). Those not receiving coverage through NYSoH would still go to NYSoH to complete a brief online MSP application, with all eligibility determinations made by a single entity in a timely fashion. Most recently, it was suggested to Medicare Rights by NYSDOH that either traditional Medicaid, the MSP, or both will be incorporated into NYSoH sometime in 2018.

Conclusion

The Medicare Rights Center's helpline offers a window into how individuals access MSPs, and trends that present themselves motivate the organization's ongoing efforts to further increase awareness of MSPs and improve enrollment rates. With support from the New York State Health Foundation, Medicare Rights spent the past 18 months successfully advocating for reforms intended to increase statewide awareness of and enrollment in MSPs, with further improvements expected in the future. As a result of these successes, diverse New Yorkers—including those aging out of QHPs or expansion Medicaid, those receiving Extra Help, those receiving and/or recertifying for certain benefits, and others—now receive better notices and can utilize improved processes for accessing MSPs. Additionally, NYSDOH and HRA are committed to conducting sweeps to identify and enroll eligible individuals in Medicare and an MSP, and to implement a process for passive recertification for MSPs in New York City.

Finally, Medicare Rights remains confident that NYSDOH will work with NYSoH and others to successfully move all MSP screening, enrollment, and recertification functions to NYSoH in the not-too-distant future, making it easier for all New Yorkers to access these important benefits. Medicare Rights commends NYSDOH, NYSoH, and HRA for their ongoing efforts to ease burdens surrounding transitions to Medicare and enrollment in MSPs. Due to New York's willingness and collaboration, New Yorkers should encounter fewer MSP obstacles as a result of the improvements described in this paper. Medicare Rights will monitor implementation of new reforms and continue to advocate for additional improvements to MSP processes, with the hope of seeing statewide MSP enrollment rates increase over the coming years.

References

[i] While most people do not pay a premium for Medicare Part A, some individuals do not have enough work history (at least 40 quarters of paying into Social Security) to qualify for premium-free Part A; individuals without any work history will pay Part A premiums of $413 per month in 2017.
[ii] Kaiser Family Foundation. “Income and Assets of Medicare Beneficiaries, 2013-2030.” (January 2014), available at: http://kaiserfamilyfoundation.files.wordpress.com/2014/01/8540-income-and-assets-of-medicare-beneficiaries-2013-e28093-2030.pdf.
[iii] Kaiser Family Foundation. “Health Care on a Budget: The Financial Burden of Health Spending by Medicare Households.” (2012), available at: http://www.kff.org/medicare/8171.cfm.
[iv] This paper will address three types of MSP: the Qualified Medicare Beneficiary (QMB) program, the Specified Low-Income Beneficiary (SLMB) program, and the Qualifying Individual (QI) program.
[v] 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.
[vi] The 2017 Part B premium is $134 per month for those with income below $85,000 ($170,000 for couples).
[vii] Social Security Administration. “Apply Online for Extra Help With Medicare Prescription Drug Costs.” (2017), available at: https://www.ssa.gov/pubs/EN-05-10525.pdf.
[viii] GAO-12-871. “MEDICARE SAVINGS PROGRAMS: Implementation of Requirements Aimed at Increasing Enrollment.” (2012), available at: http://www.gao.gov/assets/650/648370.pdf.
[ix] National Council on Aging. “Medicare Savings Program Enrollment Visualization.” (2017), available at: https://www.ncoa.org/economic-security/benefits/visualizations/medicare-savings-program-visualization/.
[x] Medicaid and CHIP Payment and Access Commission (MACPAC). “Medicare Savings Program Enrollees and Eligible Non-Enrollees.” (June 2017), available at: https://www.macpac.gov/wp-content/uploads/2017/08/MSP-Enrollees-and-Eligible-Non-Enrollees.pdf; Supra note 8; and “Effects of Medicaid Coverage of Medicare Cost Sharing on Access to Care,” Ch. 6, p. 106 (MACPAC, March 2015), available at: https://www.macpac.gov/wp-content/uploads/2015/03/Effects-of-Medicaid-Coverage-of-Medicare-Cost-Sharing-on-Access-to-Care.pdf.
[xi] Id.; Supra note 9; and 2011 State Profiles (NY), available at: https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/2011StateProfilesNY.pdf.
[xii] Medicare Rights Center. “Lessons from New York State: Removing Bureaucratic Barriers and Expanding Eligibility for Medicare Savings Program.”(2009), available at: https://www.medicarerights.org/pdf/NYS-Removing-Bureaucratic-Barriers-Expanding-Eligibility-for-MSPs.pdf
[xiii] Eligibility for expansion Medicaid in New York State goes up to 138% of FPL for an individual. Eligibility for MSPs goes up to just 135% of FPL, so those just above 135% of FPL may have had expansion Medicaid but not be eligible for an MSP, or would need to use a health insurance premium disregard in order to access an MSP.
[xiv] These individuals have higher incomes than those receiving expansion Medicaid, and many are not eligible for an MSP when they transition to Medicare. This is because eligibility for QHP subsidies goes up to 400% of FPL, and eligibility for MSPs goes up to just 135% of FPL. However, some QHP enrollees who are transitioning to Medicare would be eligible for an MSP through income disregards in the MSP budgeting process, and Medicare Rights continues to advocate for improved information to this population about the availability of assistance.
[xv] This process, a product of the Medicare for Patients and Providers Act (MIPPA) of 2008, could operate more automatically—such that those enrolled in Extra Help are in many cases automatically enrolled in an MSP—but New York has chosen not to fully automate the process.
[xvi] New York State Department of Health. “14/2014 LCM-02 Medicaid Recipients Transferred at Renewal from New York State of Health to Local Departments of Social Services” (2014), available at: https://www.health.ny.gov/health_care/medicaid/publications/lcm/14lcm-2.htm.
[xvii] See notice here: https://marketplace.cms.gov/applications-and-forms/medicare-pdm-notice-june-2017.pdf.
[xviii] New York State Department of Health. “12ADM-04 Automated Medicaid Renewal Expansion: Medicare Savings Program (MSP) Individuals with Fixed Incomes” (2012), available at: https://www.health.ny.gov/health_care/medicaid/publications/adm/12adm4.htm, last visited June 5, 2017.
[xix] 42 CFR 916 (b) https://www.law.cornell.edu/cfr/text/42/435.916
[xx] Supra note 9.

[xxi] Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), Pub. Law 110-275, Sec. 113, July 15, 2008; 42 U.S.C. §1320b-14.