

## Key Priorities to Help Low-Income Medicare Beneficiaries

Many low-income Medicare beneficiaries struggle with significant out-of-pocket health care costs, even though they are covered by Medicare. This year, Congress has the opportunity to make substantial improvements in the Medicare Savings Programs (MSPs) and Part D Low Income Subsidy (LIS) program that help these vulnerable seniors and people with disabilities afford the health care they need. Here are three things Congress should do:

### 1 Eliminate or increase asset limits

Current asset limits penalize people who have done the right thing by saving throughout their lives. Even those with very low incomes are ineligible for help if they have even a modest amount of savings. In addition, asset limits add to the administrative complexity of the programs. In 2010, MSP asset limits will be approximately \$8,000/individual and \$13,000/couple; and LIS will provide partial benefits for enrollees with assets slightly above \$12,500/individual and \$25,000/couple.

#### Recommended Actions:

- Eliminate asset limits for both the MSPs and the Part D LIS.
- If elimination is not possible, the asset limits should be aligned across all programs and increased substantially.

### 2 Align and increase income limits

Income eligibility for MSPs is limited to 135 percent of the federal poverty level (\$1,281/month for an individual). The LIS provides partial coverage up to 150 percent of poverty (\$1,353/month for an individual).

#### Recommended Actions:

- Align income limits so that all programs have the same income eligibility rules.
- Increase income limits to cover more low-income beneficiaries.

### 3 Stabilize and simplify the programs

Enrollment in the MSPs would increase if the programs were simplified and outreach were improved.

#### Recommended Actions:

- Make one of the MSPs, the Qualifying Individual (QI) program, permanent, or merge it into other permanent programs to improve its stability.
- Ensure that applicants for one program are screened and enrolled for all programs.
- Eliminate burdensome application and renewal processes.
- Reduce the number of low-income beneficiaries changing Part D plans involuntarily each year.