

Simplifying the Medicare Savings Programs

State Options After H.R. 1

May 29, 2026



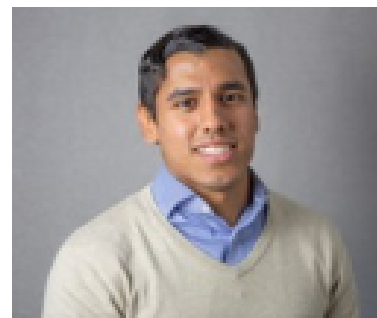
Panelists

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Most older adults and people with disabilities are on Medicare, but it's expensive

**Part B
standard premium**

15% of income

(\$2,435/year premium)

**Part A inpatient and
Part B deductibles**

13% of income

(\$1,736 + \$283 deductibles)

28+% of income for Part B premiums and A/E

The Medicare Savings Programs (MSPs)

Medicare affordable for people with low

Part B
standard premium

COVERED
for all

(\$2,435 premium)

Part A inpatient &
Part B
deductibles

COVERED
for many

(\$2,019 deductibles)

Other A/B
costs

COVERED
for many

(20% Part B coinsurance)



\$8,000+ saved per year

The MSP eligibility groups include:

	Income*	# / % Participants**	Financing***	Part B Premiums
Qualified Medicare Beneficiary (QMB)	100% FPL	8.5 million 82%	Federal and state	✓
Specified Low-Income Medicare Beneficiary (SLMB)	100-120% FPL	1.3 million 12%	Federal and state	✓
Qualifying Individuals (QI)	120-135% FPL	0.6 million 6%	Fully federal	✓

*Federal standard, benefits may be more generous at a state level.

**MMCO enrollment snapshot, March 2025.

***QMB and SLMB financed at standard federal medical assistance percentage.

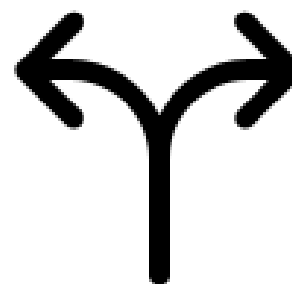
The federal standard for assets is \$9,000 for individuals and \$13,000 for couples.
A few hundred people are enrolled in a separate MSP group (QDWI). Since states do not have the same flexibility over

Over 40% of eligible people are not enrolled



Extensive documentation

including financial
documents



Confusing process

separate from Medicare,
varies by state

Lack

ab
oppo

Research Findings

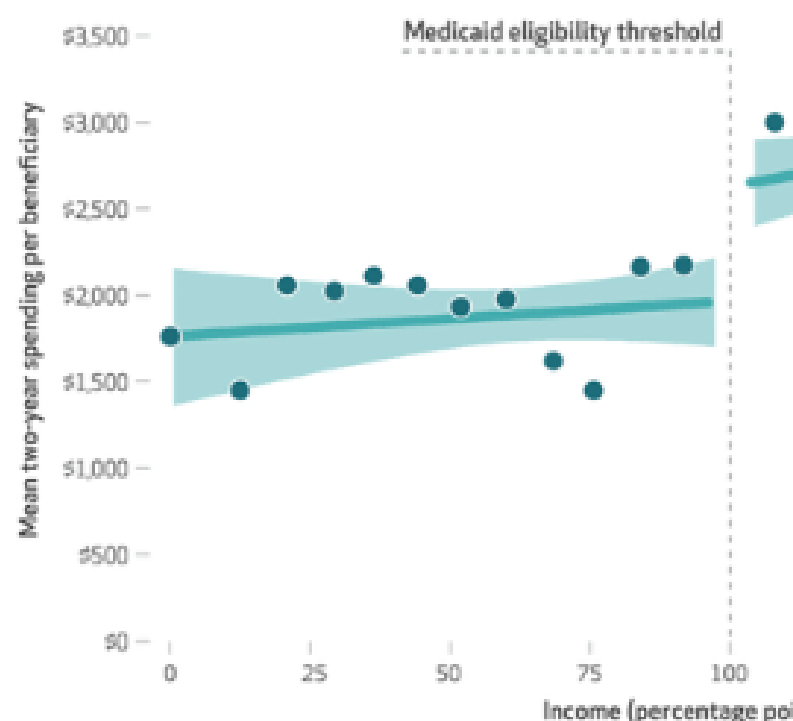


Loss of QMB increases out-of-pocket costs

- Medicare beneficiaries who exceed the QMB income threshold lose enrollment abruptly, and face sharply higher costs¹
- This loss of QMB enrollment above the poverty level associated with \$2,288 in additional out-of-pocket spending (over two years)

EXHIBIT 3

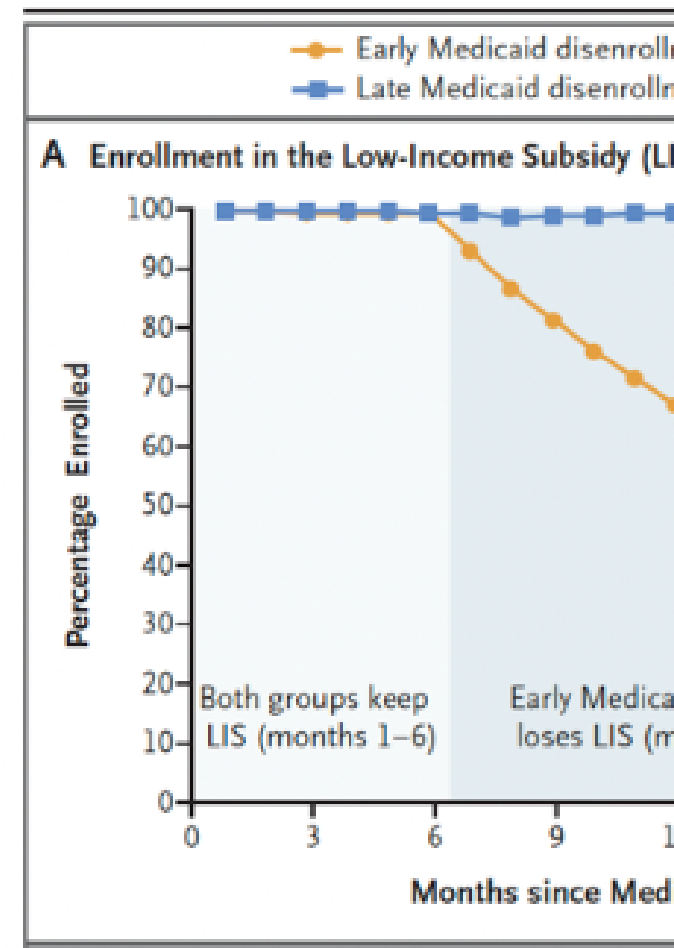
Medicare beneficiaries' out-of-pocket medical spending above and below



¹Eric T. Roberts et al., "Medicaid Coverage 'Cliff' Increases Expenses And Decreases Care For Near-Poor Medicare Beneficiaries," *Health Affairs* 40, no. 4 (2021): 552–61. <https://doi.org/10.1377/hlthaff.2020.0928>

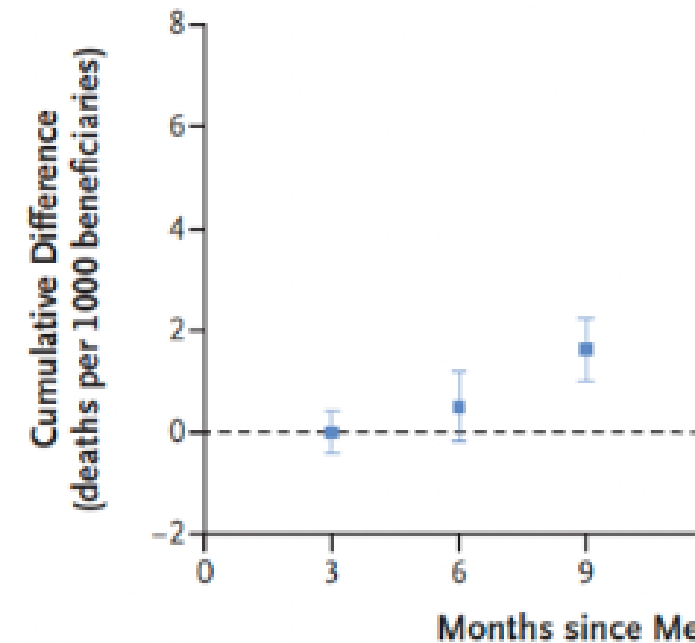
Loss of LIS following Medicaid disenrollment increases mortality

- Medicaid loss triggers LIS loss, but the timing of LIS loss depends on an arbitrary calendar cutoff¹
- January-June Medicaid losers face LIS termination 7-17 months sooner than July-December losers



Loss of LIS following Medicaid disenrollment increases mortality

- We find significantly increased mortality during periods when these groups have a gap in LIS enrollment¹
- Mortality increases are highest among beneficiaries taking medications for chronic diseases including COPD and HIV



New York's Expansion





Expansion

- Effective January 2023, New York State expanded MSP to 138% FPL
 - QI went from 135% to 186%
 - QMB went from 100% to 138%
 - Previous SLMBs became QMB
- An estimated 300,000 New Yorkers became eligible post-expansion
- MSP expansion was paired with the non-MAGI Medicaid expansion to 138% FPL



2026 MSP and Medicaid Eligibility

Program	Monthly Income Limit		Single
	Single	Couple	
QI (186% FPL)	\$2,494	\$3,375	No asset li
QMB (138% FPL)	\$1,856	\$2,509	
Medicaid (138% FPL)	\$1,856	\$2,509	\$33,038

Impact on MSP Enrollment

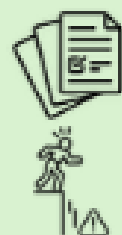


QMB enrollment increased by December 2023

- **Over 1 million** New Yorkers covered in MSP
- Many New Yorkers no longer have a choice between their Medicaid & QI-1

States have Options to Address the Challenge

Larger-scale opportunities



Eliminate the asset test

Flatten the benefit cliff from Medicaid to Medicare

Incremental opportunities



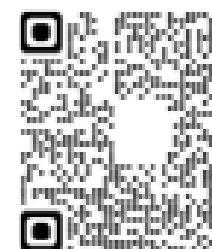
End the MSP family caregiver penalty



Disregard the value of non-liquid assets

Model policies open for public comment through January 2025

www.ADHealthPolicyLab.org



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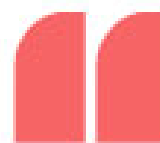
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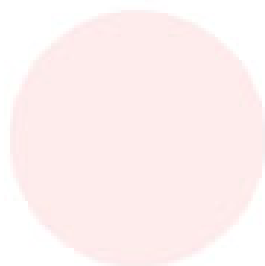
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