

Medicare Savings Program and Part D Low-Income Subsidy Program Enrollment

There is a significant number of older adults who are eligible for Medicare financial assistance programs but are not enrolled.

Did you know?

64.4 million people are enrolled in Medicare [as of April 2022](#)

81.1 million people are enrolled in Medicaid [as of April 2022](#)

12 million people are dually enrolled in Medicare & Medicaid [as of April 2022](#)

Medicare Savings Program

[The Medicare Savings Program \(MSP\)](#) helps pay for Medicare premiums and cost-sharing expenses for older adults with limited incomes. MSPs are divided into several programs:

- Qualified Medicare Beneficiary
- Specified Low-Income Medicare Beneficiary
- Qualifying Individual
- Qualified Disabled Working Individual

These may go by slightly different names in different states.

10.2 million

People are enrolled in the Medicare Savings Program [as of 2019](#)

3.3 million

Eligible beneficiaries were not enrolled in Medicaid or the Medicare Savings Program as of 2016***

Part D Low-Income Subsidy Program

The Part D Low-Income Subsidy (LIS) program, also known as Extra Help, covers the Part D prescription drug plan costs for older adults with limited incomes. The program provides several benefits:

- Access to prescription drug coverage
- Waiver for Part D late enrollment penalty
- Eligibility for several Special Enrollment Periods
- Initiates application for the Medicare Savings Program

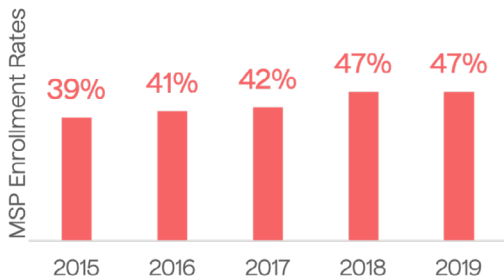
13.6 million

People are enrolled in the Part D Low-Income Subsidy [as of 2019](#)

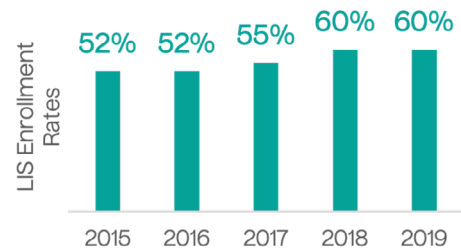
3.5 million

Eligible beneficiaries were not enrolled in the Part D Low-Income Subsidy Program as of 2016***

Between 2015 and 2019, MSPs enrollment rates for low-income Medicare beneficiaries ages 65 or older increased from 39% to 47%.



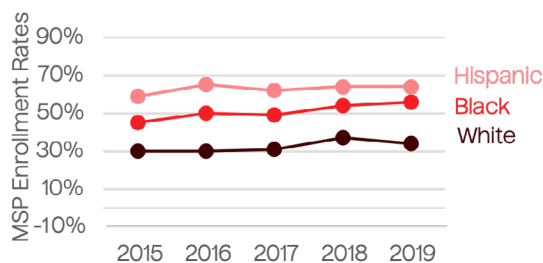
Between 2015 and 2019, LIS enrollment rates for low-income Medicare beneficiaries ages 65 or older increased from 52% to 60%.



Differences by Race and Ethnicity

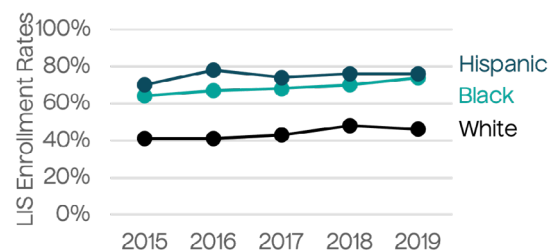
Medicare Savings Program

Age 65 or older low-income beneficiaries who identify as white, Black, or Hispanic are enrolling in MSP at different rates. As of 2019, 34% of low-income white Medicare beneficiaries enrolled in MSP; 56% of low-income Black Medicare beneficiaries enrolled in MSP; and 64% of low-income Hispanic Medicare beneficiaries enrolled in MSP. Low-income Black and Hispanic beneficiaries have a considerably higher MSP enrollment rate than low-income white beneficiaries**.



Part D Low-Income Subsidy Program

Age 65 or older low-income beneficiaries who identify as white, Black, and Hispanic are enrolling in LIS at different rates. As of 2019, 46% of low-income white Medicare beneficiaries enrolled in LIS; 74% of low-income Black Medicare beneficiaries enrolled in LIS; and 76% of low-income Hispanic Medicare beneficiaries enrolled in LIS. Black and Hispanic beneficiaries have a significantly higher LIS enrollment rate than low-income white beneficiaries**.



Enrollment Differences by Race and Ethnicity

Compared to Medicare beneficiaries overall, the [MSPs and LIS](#) disproportionately serve beneficiaries in communities of color and those who tend to have lower incomes and modest savings. The [median per capita income](#) is higher for beneficiaries who are white (\$33,700) than for those who are Black (\$23,050) or Hispanic (\$15,600). There are also significant differences in [savings](#) by race and ethnicity as well – white beneficiaries have a median per capita savings of \$117,800, compared to Black beneficiaries (\$14,500) and Hispanic beneficiaries (\$9,650).

In [2016](#), nearly 1 in 5 Original Medicare beneficiaries had no supplemental coverage. Supplemental coverage that was used includes Medigap (29%), Medicaid (22%), other coverage (1%), and employer sponsored insurance (30%). Beneficiaries with employer-sponsored insurance tend to have relatively high incomes, higher education, and are disproportionately white. Of the beneficiaries that do have employer-sponsored insurance, 84% are white, 8% are Black, 4% are Hispanic, and 4% are some other race. It is possible that white beneficiaries are [not enrolling](#) in LIS because they are more likely to have drug coverage through an employer-sponsored plan.

Finally, 8 out of the 9 states, plus the District of Columbia that have the highest share of Medicare beneficiaries enrolled in MSP have either [eliminated the asset test](#) or have asset limits higher than the federal limit. In Alabama, South Carolina, Maryland, and Georgia, Black beneficiaries make up about half of MSP enrollees. Hispanic beneficiaries make up a quarter of the MSP enrollees in New Jersey, Colorado, New York, and Nevada. States that have eliminated the asset test or have asset limits higher than the federal limit include the District of Columbia, Connecticut, Maine, Louisiana, Mississippi, Alabama, Massachusetts, and New York.

Visit NCOA's BenefitsCheckUp®

To combat the problem of eligible beneficiaries not enrolling in benefits, NCOA created [BenefitsCheckUp](#) (BCU), a web-based screening tool to help older adults determine their eligibility for benefits and to connect them with the tools and resources need to enroll in programs for which they are eligible. There is also assistance available from NCOA's network of Benefits Enrollment Centers. These organizations help Medicare beneficiaries apply for all benefits for which they are eligible. There are also federally funded [State Health Insurance Assistance Programs](#) that assist older adults with enrollment into LIS and MSP.

[Medicare Current Beneficiary Survey](#) (MCBS) was used to provide additional insights into those findings for the period 2015-2019 and to investigate patterns of disparities in MSP and LIS enrollment for age 65 or older low-income Medicare beneficiaries*.

*All results are for individuals 65+ years old, non-institutionalized (i.e., not living in a nursing facility), a resident of the U.S. (excluding Puerto Rico and U.S. territories), enrolled in Medicare, and have a household income below 135% of the Federal Poverty Line (FPL). The selected 65+ Medicare beneficiaries for this analysis are, therefore, very likely to be eligible for full Medicaid benefits, MSPs and LIS since the used income threshold corresponds to the income requirements for full LIS subsidy and the MSP Qualifying Individuals (QI).

** The differences are statistically different from zero at 5% significance level.

*** NCOA partnered with L&M Policy Research LLC to calculate 2016 data – using a similar method as cited in [Take-Up Rates in Medicare Savings Programs and Extra Help](#) ([ncoa.org](#))

This resource was supported in part by grant 90MINC0002-02-02 from the U.S. Administration for Community Living, Department of Health and Human Services. Points of view or opinions do not necessarily represent official ACL policy.