

## **Issue Brief**

### **Improving Medicare Low-Income Beneficiary Enrollment**

Low-income seniors and people with disabilities living on fixed incomes are often forced to make difficult trade-offs—cutting back on necessary medications and doctor visits in order to afford basic living necessities—to the detriment of their health and well-being. Federal outreach and enrollment efforts, originally authorized under the 2008 Medicare Improvements for Patients and Providers Act (MIPPA), enable many of our nation’s most vulnerable, low-income Medicare beneficiaries to access assistance for prescription drug coverage and other essential health programs for which they are eligible. These seniors and people with disabilities on Medicare generally have annual incomes below \$18,735 and non- housing assets of less than \$12,890. They need help in affording rising health care costs, but, in many cases, are not getting that needed assistance:

- More than 2.9 million individuals eligible for the Medicare Part D Low-Income Subsidy (LIS/Extra Help) are not enrolled. The LIS/Extra help program helps low- income beneficiaries pay for their rising prescription drug costs and is valued by the Social Security Administration at saving beneficiaries an average of \$4,900 a year. **Improving enrollment in this important program is a critical part of making prescription drugs more affordable for Medicare beneficiaries in need.**
- Less than half of eligible low-income beneficiaries receive help for assistance paying Medicare Part B monthly premiums (\$135.50 in 2019) through a Medicare Savings Program (Qualified Medicare Beneficiary [QMB] Program, Specified Low- Income Medicare Beneficiary [SLMB] Program, and Qualifying Individual [QI] Program).
- A rapidly growing Medicare-eligible population, increasing amounts of debt among seniors (especially for medical expenses), and a retiree savings shortfall highlight the increased need for these assistance programs.

Earlier Senate bills supported permanent funding, including Sen. Baucus’ 2013 proposal S. 1871 as well as section 209 (Permanent Extension of Funding Outreach and Assistance for Low-Income Programs) of then-Finance Committee Chairman Hatch’s 2014 bill S. 2122 (the *Responsible Medicare SGR Repeal and Beneficiary Access Improvement Act*), cosponsored by nine Republicans, including Sens. McConnell, Cornyn, Enzi, Isakson and Alexander. Uncertainties associated with temporary allocations can make it very difficult to hire and retain qualified staff who can build community relationships and gain valuable experience.

In 2015, in recognition of the growing need for low-income assistance as 10,000 Americans turn 65 every day, Section 208 of the Medicare Access and CHIP Reauthorization Act (MACRA) included a modest but important increase in annual funding for these activities from \$25 million to \$37.5 million for FY16 and FY17, which continued through the Bipartisan Budget Act (BBA) for FY18 and FY19.

Previous allocations for these critical low-income outreach and enrollment activities have led to important, proven results. MIPPA resources have enabled state-agency partners and community-based organizations to:

- Assist 2.5 million individuals in need.
- Increase the number of low-income Medicare beneficiaries enrolled in the Medicare Savings Programs from 6.4 million in 2008 to 9 million by June of 2018.
- Support a network of 87 Benefits Enrollment Centers (BECs) in 43 states through grants from NCOA's National Center for Benefits Outreach and Enrollment (Center). To date, BECs have assisted over 562,000 low-income Medicare beneficiaries to apply for supports they are eligible for and realize savings of up to \$1.3 billion for needed prescription drugs and health care.
- Target rural communities and other high-need, hard-to-reach populations to improve access to help with rising Medicare prescription drug costs.

Additional, permanent funding would enable community organizations to dedicate sufficient resources and staff to accomplish their goals, while also supporting the establishment of a BEC in every state. Thirty-five national senior organization members of the Leadership Council of Aging Organizations (LCAO) endorsed additional, permanent funding: [www.lcao.org/lcao-letters-on-medicare-outreach-and-enrollment](http://www.lcao.org/lcao-letters-on-medicare-outreach-and-enrollment). Static, short-term allocations and looming funding expirations have failed to provide the assurances needed to hire full-time staff and degrades the year over year stability necessary to conduct effective outreach.

Resources for these Medicare low-income outreach and enrollment efforts has been shared among State Health Insurance Assistance Programs (SHIPs), Area Agencies on Aging (AAAs), Aging and Disability Resource Centers (ADRCs), and the Center. In addition to providing technical assistance to the grantees, the Center offers competitive grants of up to \$100,000 to develop state and local BECs to support and identify the most innovative, cost-effective, person-centered outreach and enrollment strategies for low-income beneficiaries, which can be replicated by many entities.

MIPPA funding offers a significant return on investment in local communities. Assisting low-income beneficiaries to receive the extra help they are eligible for enables them to spend those extra dollars at local pharmacies, grocery stores, and providers to quickly meet their needs, which has a multiplier effect on the economy.

The infrastructure to successfully continue this work, including processes and a trained workforce, already exists. But without sufficient, reliable funding, the program will be unable to serve the growing millions of seniors and people with disabilities unable to afford and access needed health care.

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