

Social Security's and the States' Roles in the Medicare Savings Program

Background

The *Medicare Improvements for Patient and Providers Act of 2008* (MIPPA) revised existing law regarding a number of Medicare issues, including access to care, physician services, and coverage rules. Among the various provisions is a new requirement for SSA to work with the States to increase participation in Medicare Savings Programs (MSP). This expanded role in MSP outreach presented new challenges and opportunities for SSA.

What are Medicare Savings Programs (MSP)?

MSP refers to several different programs, including Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB), Qualifying Individuals (QI), and Qualified Disabled Working Individuals (QDWI). The programs have differences, but they are grouped under the umbrella of “MSP” because they work in similar ways. All MSPs are means-tested. And, all help Medicare beneficiaries reduce their out-of-pocket costs. For example, the QMB program pays participating individuals' Medicare premiums, co-payments and deductibles. Although the programs provide valuable benefits to those eligible, studies have consistently shown that MSP assistance may be underutilized.

What are SSA's Responsibilities?

Beginning January 2010, the new law requires SSA to work closely with our State partners to improve program participation, but it also ensures that MSP-related responsibilities are clearly delineated. SSA's role is to increase participation in these programs through the Extra Help (low-income subsidy) application process.

Filing for the Medicare Part D Extra Help now initiates an MSP application with the State. SSA transfers income and resources data used in the Extra Help determination to the State, unless the beneficiary requests that we not share the information. Also, if requested, SSA now provides standardized MSP applications in our field offices, including access to these forms in 10 foreign languages. Access is also available online at socialsecurity.gov.

What are the States' Responsibilities?

Essentially, States have the same responsibilities as before. MIPPA maintained the established State jurisdiction of all the MSP programs – meaning that beneficiaries still apply for the programs through the State. Applicants continue to provide any additionally required income and resources information to their State, and the State makes final determinations as to eligibility.

Because the SSA-supplied information is based solely upon that required to make Extra Help determinations, it can best be seen as a foundation upon which the State can establish MSP applications and determine MSP eligibility. MSP eligibility rules also vary from State to State, so the SSA-provided information is just a starting point. In many cases, the State will be required to obtain additional information from beneficiaries in order to make eligibility determinations.

What Steps Were Taken by SSA to Implement These New Strategies?

SSA's efforts to provide basic eligibility information directly to the States will hopefully improve the likelihood that Extra Help applicants will also benefit from MSP assistance. However, the new law also presented unique challenges. SSA was required to design new processes and create new ways to electronically transfer information to 50 separate States and the District of Columbia. SSA also coordinated this implementation, obtaining computer-matching agreements and providing guidance to both State agencies and the Centers for Medicare & Medicaid Services.