

2024 Legislative Priority: Expand Vermont's Medicare Savings Programs



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The Office of the Health Care Advocate

The Office of the Health Care Advocate (HCA) is a part of Vermont Legal Aid, an independent, non-profit law firm.

We are not an insurance company or part of state government.

We are a **free** resource for all Vermonters with questions about health insurance or access to care.

Help Line: 1-800-917-7787

www.vtlawhelp.org/health



Many low-income Vermonters on Medicare can't afford their insurance premiums or cost-sharing.

Many also struggle to pay for their basic living expenses like food and housing.



Sandra: "I just don't go to the doctor anymore."



Ron: "I had to cancel 4 or 5 tests at the hospital."



Pamela: "I'm barely making it, but I make too much to get help."



Jamie + Linda: "I'm having to put groceries on the credit card now."



www.vtlegalaid.org/medicare-stories

The Medicare Affordability Coalition



Vermont Businesses
for Social Responsibility



advocacy | action | answers

Vermont
Association of
Area Agencies
on Aging



THE UNION OF VERMONT EDUCATORS



Vermont Workers' Center



Vermont Chapter



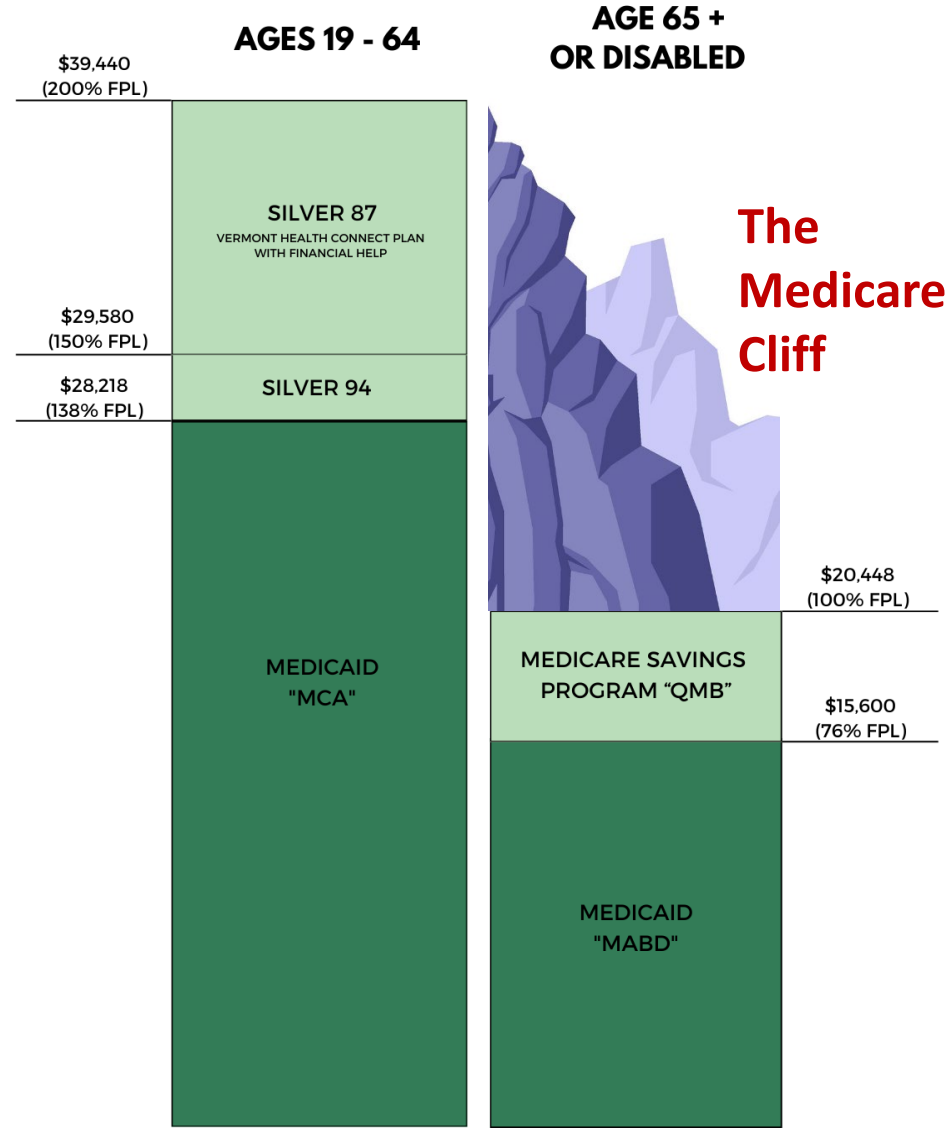
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Office of the Health Care Advocate

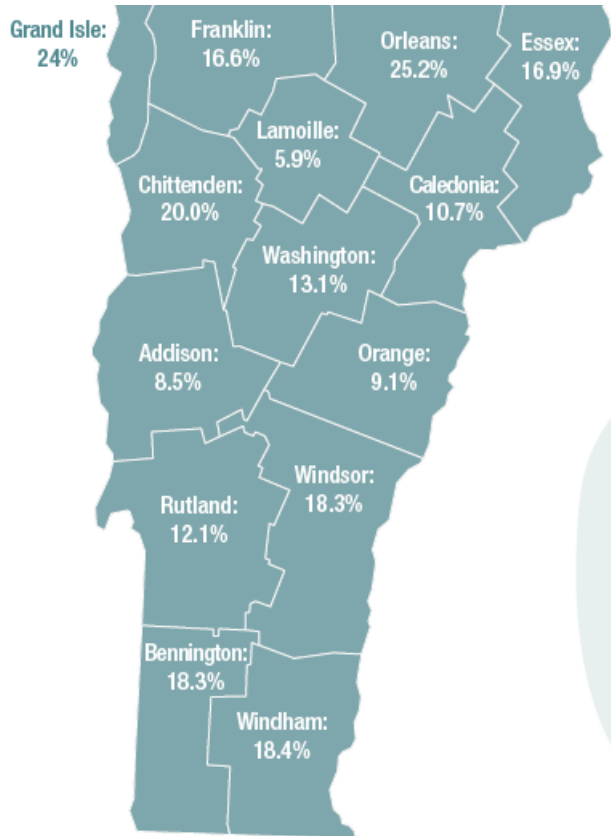
Older and disabled Vermonters get the least amount of financial support from the State to help lower their health care costs.



VERMONT HEALTH CARE PROGRAMS AND INCOME LIMITS FOR A HOUSEHOLD OF TWO OUTSIDE OF CHITTENDEN COUNTY

Low-income Vermonters with Medicare are disproportionately women, people of color, and people with disabilities.

Difference in Median Annual Wages for Men & Women in VT*



Women, people of color, and people with disabilities don't get paid as much as non-disabled white men throughout their lifetimes. **By retirement, this means...**

“Women’s lower earnings result in reduced social security benefits—59% of what Vermont men receive.”*

“44% of Vermont’s senior women do not have enough income to meet basic expenses.”*

U.S. Census American Community Survey—5-Year Estimates (2013-2017).

**Change the Story's* [2019 Status Report: Women, Work, & Wages in VT](#)

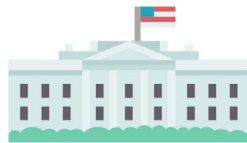
The Medicare Savings Program

Qualified Medicare Beneficiary (QMB)



- Pays the **Medicare Part A & B** deductibles & cost-sharing;
- Pays the **Medicare Part B (outpatient)** premium (\$174.70/month);
- Pays the **Medicare Part D (prescription)** premium, deductible and significantly lowers co-pays.

Qualified Individual (QI-1)



- Pays the **Medicare Part B (outpatient)** premium (\$174.70/month);
- Pays the **Medicare Part D (prescription)** premium, deductible and significantly lowers co-pays.

MSP Expansion States and VT

State / District	QMB	SLMB	QI-1
D.C.	300%	N/A	N/A
Connecticut	211%	231%	246%
Massachusetts** & VT House Position	190%	210%	225%
Maine*	185%	N/A	250%
Indiana	150%	170%	185%
New York**	138%	N/A	186%
Vermont	100%	120%	135%



*2024 / **2023

Income eligibility threshold expressed as a percent of the Federal Poverty Level (FPL)

MSP Expansion Options

Programs		Estimated Population		State Cost	Money / Benefit to Vermonters		
Option	VPharm	Net New DVHA Enrollees	Net New MSP Enrollees	GF New \$s	Federal Match	Part B Premium Savings	Avg. LIS Value (Rx)
House Option (190% / 210% / 225%)	end program	15,199	19,217	\$15.00	\$28.8	\$40.3	\$52.9
House less SLMB (190% / 225%)	end program	15,199	19,217	\$12.31	\$31.5	\$40.3	\$52.9
Alternative Option (167.5% / 225%)	end program	15,903	19,922	\$10.1	\$35.8	\$41.8	\$56.6
Option A (150% / 200%)	VPharm 3 50%	10,951	14,251	\$6.0	\$24.7	\$29.9	\$30.3
Option B (145% / 190%)	VPharm 3 70%	8,995	11,863	\$4.7	\$20.5	\$24.9	\$20
Option C (140% / 180%)	VPharm 3 10%	4,381	7,033	\$1.7	\$12	\$14.7	N/A



VPharm 2 & VPharm 3 – Inefficient Funding Structure

How are covered services funded on VPharm 2 & 3

- Part D assistance = 100% state (no federal match)
- Part D excluded drugs = FMAP (42% state, 58% federal match)

Is there a premium and where does the money go?

- Vermonters enrolled in VPharm 2 or 3 pay \$240 or \$600 per person each year in premiums.
- The State sends 58% of these dollars to the federal government.



A Better Way to Fund VPharm 2 & 3

Expand the Medicare Savings Program (MSP) to 225% FPL (VPharm eligibility threshold).

- Automatically eligible for **100% federally funded Low Income Subsidy (LIS)**.
- Shift the costs of pharmacy assistance from the state to the federal gov't.
- Better for the state and better for Vermonters!



- ✓ No premium
- ✓ No deductible
- ✓ Lower co-pays to \$1.55 - \$4.60 or \$4.50 - \$11.20 per Rx based on income.

Proposal – Sec. 7 of H.721

Legislation

- [H.721](#) - Medicaid Expansion Act of 2024 (Section 7 – Medicare Savings Program)

Expands the income limit for the Medicare Savings Programs

- QMB up to 190% of the Federal Poverty Level (FPL)
- SLMB up to 210% FPL
- QI-1 up to 225% FPL

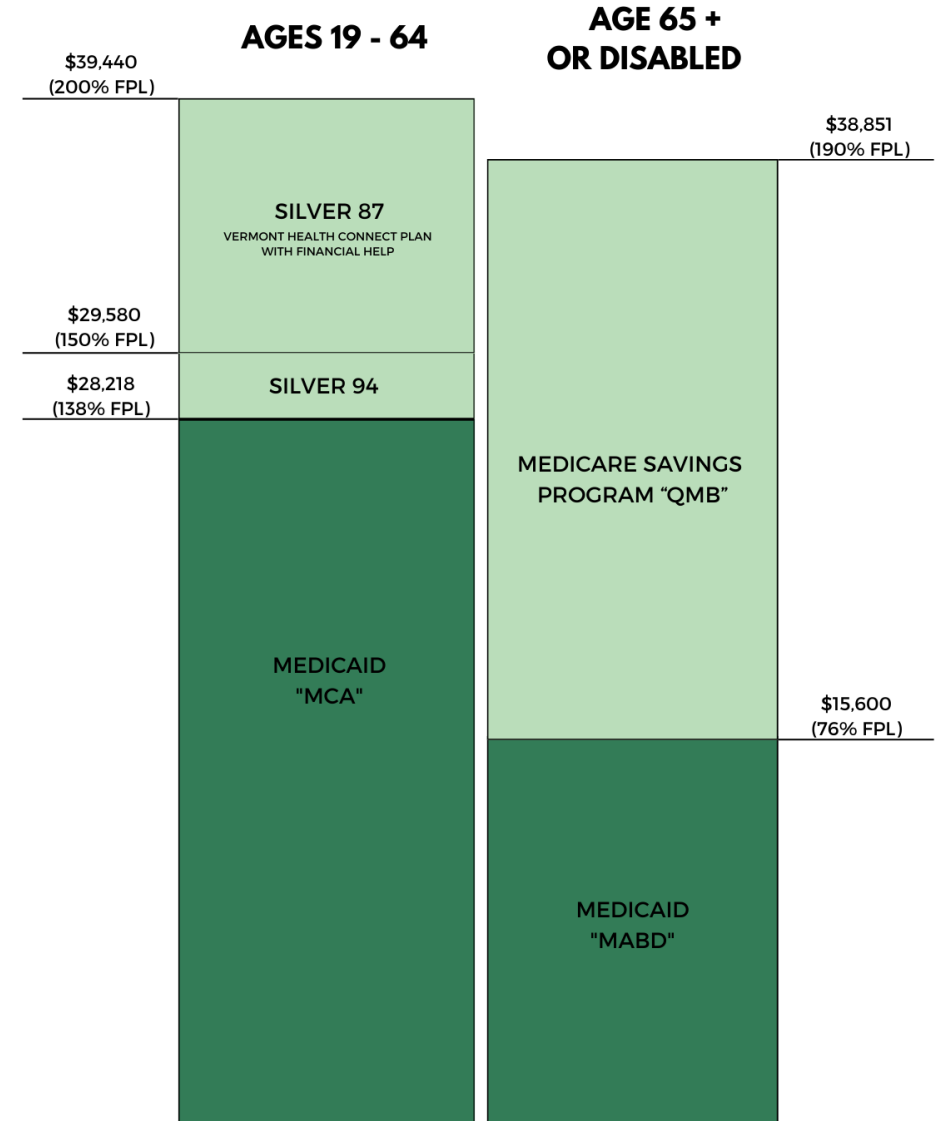


Eliminate the Medicare Cliff

Section 7 of H.721 would expand the Medicare Savings Program “QMB” to 190% FPL.

This would mean all Vermonters over age 19, regardless of age or disability status, would have access to no or low-cost comprehensive health care.

Household of 1 – Income up to \$28,614 / year
 Household of 2 – Income up to \$38,851 / year



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H.721

MSP PROPOSAL - SAVINGS AND BENEFITS

Monthly Income for Family of 1	Investing \$15 M GF will:	
\$1,695 - \$2,824	Put money back into low-income Vermonters' pockets (Part B premium savings: \$2,069 / person X 19,217 people)	\$40.3 M
\$1,255 - \$2,385	Eliminate out-of-pocket costs at the doctor & hospital (Estimated savings of \$335.62 / person x 17,242 people)	\$5.8 M
\$1,695 - \$2,824	Eliminate the prescription drug (Part D) premium & lower co-pays (Estimated LIS benefit of \$5,300 / person x 9,272 new Rx enrollees)	\$52.9 M
TOTAL ESTIMATED SAVINGS/ BENEFIT		\$99 M

Thank you!

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