

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."



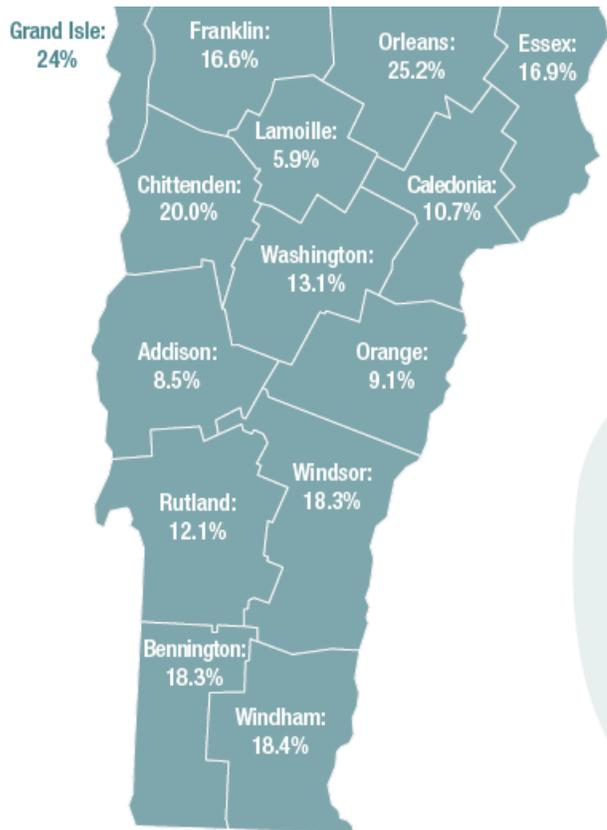
Jamie + Linda: "I'm having to put groceries on the credit card now."



www.vtlegalaid.org/medicare-stories

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](#)

What is Medicare?

Medicare

- Medicare is a health insurance program for Americans who are over age 65 or disabled.
- **Approximately 130,000 Vermonters** were enrolled in Medicare in Dec. 2023. (CMS – Monthly Enrollment by State)

Part A



Hospital Insurance

\$1,632 deductible for each in-patient hospital stay per benefit period.

Plus, **co-pays and cost-sharing** for some services.

Part B



Medical Insurance

**\$174.70/month premium
\$240 annual deductible**

Plus, **20% cost-sharing** for most services.

No maximum out-of-pocket limit.

Part D



Drug Coverage

**\$66/month premium in VT (average)
\$0 - \$545 annual deductible**

Plus, **co-pays and cost-sharing** for most drugs.

No coverage in the “gap” or “donut hole.”

Medicare is not free.



What is Vermont's Medicare Savings Program?

Vermont's Medicare Savings Program

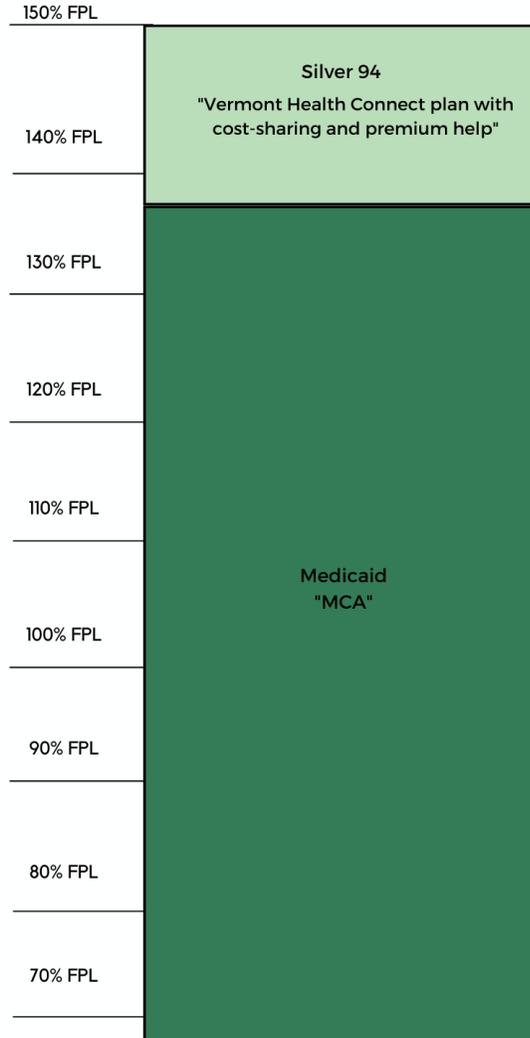
- Vermont's Medicare Savings Program (MSP) exists to help people with Medicare afford their insurance and access health care.
- Eligibility is based on the Medicaid for Aged, Blind & Disabled financial methodologies. For MSP: there is an income test; there is no resource test.
- **26,064 Vermonters** were enrolled in Vermont's Medicare Savings Program in 2022. (Act 99 Report)
- The Medicare Savings Program is needed because **Medicare is not free.**

	Qualified Medicare Beneficiary (QMB)	Specific Low Income Beneficiary (SLMB) & Qualifying Individual (QI-1)
Part A  Hospital Insurance	 Premiums & Cost-Sharing	
Part B  Medical Insurance	 Premiums & Cost-Sharing	 Premiums Only
Part D  Drug Coverage	 Premiums & Cost-Sharing	 Premiums & Cost-Sharing

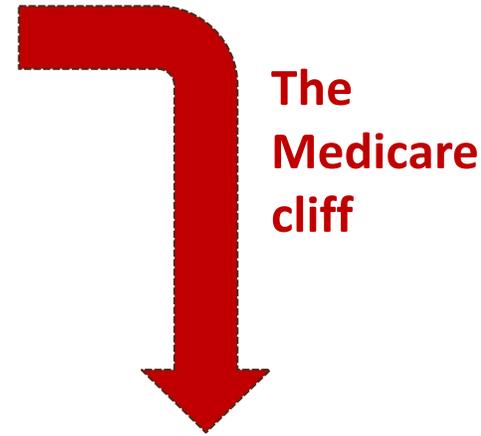
Who have we left behind?

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

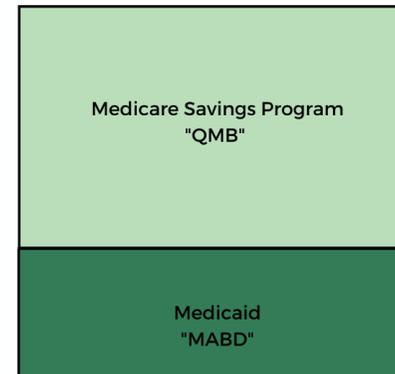
Ages 19 - 64



(~\$30,000 for a household of 2)



Age 65 + or Disabled



(~\$20,000 for a household of 2)

Can Vermont expand it's Medicare Savings Program?

**Medicare is a federal program,
but states decide how much financial help their residents get.**

Vermont can change one or both programs that lower Medicare costs:

1. Medicaid for the Aged, Blind & Disabled (MABD)

- This helps lower people's Medicare cost-sharing at the doctor & hospital.

2. Medicare Savings Programs (MSP) ★

- This helps lower people's Medicare cost-sharing and pays their Medicare premiums.

Many states have already expanded these programs. Vermont has fallen behind.

Medicaid for the Aged, Blind & Disabled (MABD)

Income limit higher than Vermont: Alaska, Arizona, Arkansas, California (138% FPL), Connecticut, Washington D.C., Florida, Hawaii, Illinois, Indiana, Maine, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York (138% FPL), North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Utah, Virginia

No asset limit: Arizona, California

Asset limit higher than Vermont: Arkansas, Washington D.C., Florida, Minnesota, Missouri, Nebraska, New Jersey, New York, Oklahoma, Rhode Island, South Carolina

Medicare Savings Programs (MSP)

Increased the income limit: Connecticut, Indiana, Maine, Massachusetts, New York, and Washington D.C.

No asset limit: Alabama, Arizona, California, Connecticut, Delaware, Washington D.C., Louisiana, Maine, Mississippi, New Mexico, New York, Oregon, and Vermont

Medicare Savings Program Expansion States and Vermont

	QMB	SLMB	QI-1
D.C.	300%	N/A	N/A
Connecticut	211%	231%	246%
Massachusetts**	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)



Funding...

	Federal / State Split	100% Federal
Qualified Medicare Beneficiary (QMB)	<input checked="" type="checkbox"/>	
Qualified Individual (QI-1)		<input checked="" type="checkbox"/>
Low Income Subsidy (LIS) Extra Help		<input checked="" type="checkbox"/>

Potential Savings to VPharm

- Everyone who qualifies for the Medicare Savings Program is automatically deemed eligible for the federal **Low Income Subsidy (LIS) / “Extra Help”** drug program.
 - LIS pays your Medicare Part D (drug plan) premium & lowers co-pays significantly (\$4 - \$11).
- In Vermont, we have a state pharmacy assistance program **“VPharm”**
 - VPharm pays your Medicare Part D (drug plan) premium & lowers co-pays significantly (\$1 - \$2)
 - VPharm enrollees who are eligible for LIS / Extra Help cost the state less.
- Other states, like New York, estimate significant savings to their state pharmacy assistance program (EPIC) as the result of MSP expansion.* Maine also anticipates savings.

Proposal – Sec. 9 of H.721

Expand the income limit for the Medicare Savings Programs

- QMB up to 150% of the Federal Poverty Level (FPL)
- SLMB is eliminated (subsumed into QMB)
- QI-1 up to ~~185%~~ **225% FPL**

Legislation

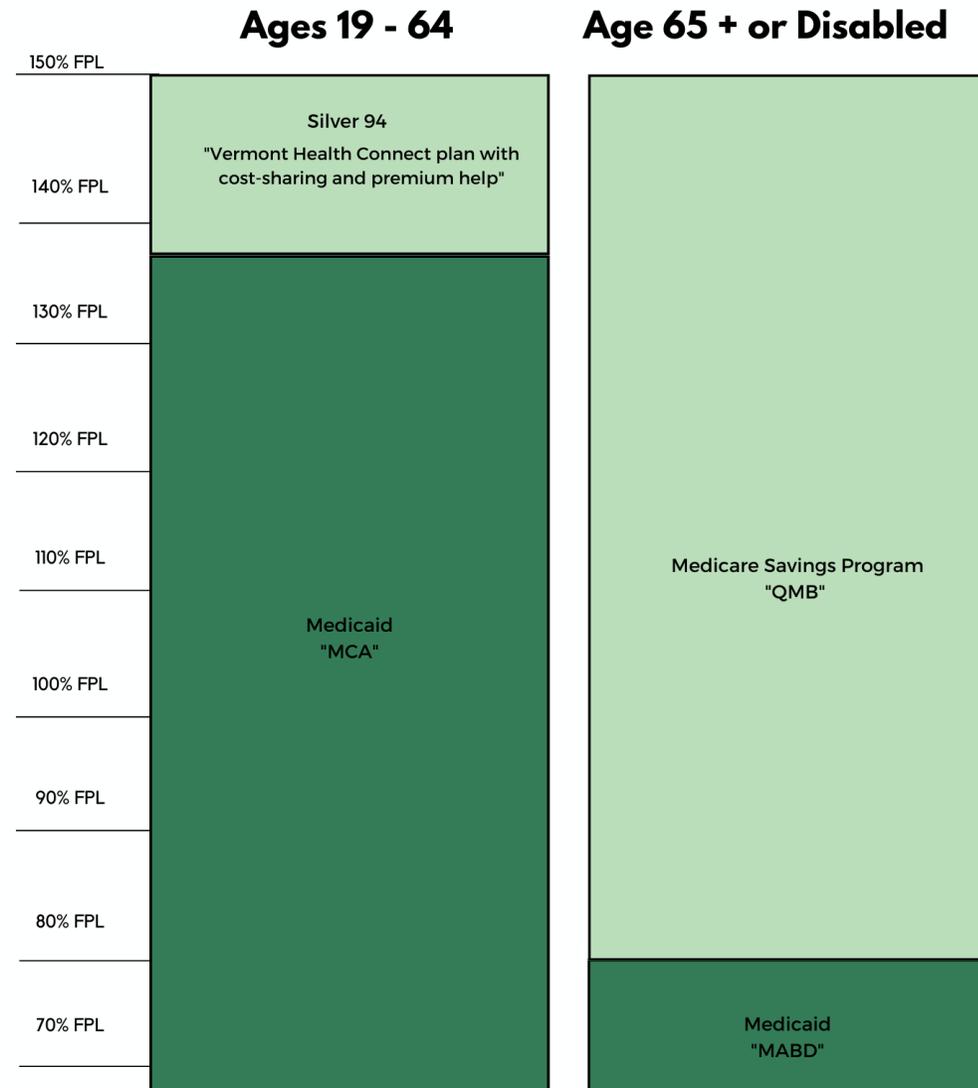
- [H.118](#) / [S.61](#) - An act relating to Medicare Savings Program Eligibility
- [H.721](#) - Medicaid Expansion Act of 2024 (Section 9 – Medicare Savings Program)

Eliminate the Medicare Cliff

Section 9 would expand the Medicare Savings Program “QMB” to 150% 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 \$22,596 / year
Household of 2 – Income up to \$30,660 / year



Vermont health care programs and Federal Poverty Level (FPL) income limits for a household of two outside of Chittenden County

Support for MSP proposal

The Medicaid and Exchange & Advisory Committee

“The Medicaid Exchange and Advisory Committee recommends that the Dept. Of Vermont Health Access work with the Vermont Legislature to increase the income eligibility threshold for the Medicare Savings Programs (MSPs) to improve affordability and access to care for Vermonters on Medicare.”

(Motion approved, December 2023)

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

BI-STATE PRIMARY CARE ASSOCIATION



SERVING VERMONT & NEW HAMPSHIRE



Vermont Chapter



WORKING TOGETHER FOR JUSTICE



An Independent Licensee of the Blue Cross and Blue Shield Association.

Office of the Health Care Advocate

Help low-income Vermonters: Expand Vermont's MSP



Address the consequences of a lifetime of economic injustice.



Save newly qualifying Vermonters an estimated \$7,000+ each year.

- Part B premium savings: \$2,096/year
- Prescription drug savings: \$5,300/year



Improve access to health care & age with dignity.



Draw down federal dollars - stop leaving money on the table.

Thank you!

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