

Assessing the Feasibility of Developing a Uniform Application for Low-Income Subsidy Programs for Medicare Beneficiaries

Authors: Mary Angeline Cabanilla and Kimberley Fox

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Executive Summary

The Medicare Savings Programs (MSP) and the Part D low-income subsidy (LIS) program help low-income Medicare beneficiaries pay for Medicare premiums and cost-sharing. MSPs, established between 1988 and 1997, help those who qualify pay for Part B premiums and cost-sharing for medical services. LIS, established in 2003 under the Medicare Prescription Drug Modernization and Improvement Act, helps eligible Medicare beneficiaries pay for Part D premiums and cost-sharing for prescription drugs. While targeted at similar populations, these programs are separately administered by states and the federal government. Since their implementation, enrollment in both programs has been much lower than expected.

As one strategy to help facilitate enrollment in both programs, the State Solutions staff investigated the feasibility of developing a joint application for MSPs and the LIS program that beneficiaries could access through either the Social Security Administration (SSA) or Medicaid offices. The experience of State Solutions grantee states and research on low-income programs suggests that simplifying the application and eligibility process can increase program enrollment. However, depending on the level of information required on the different applications and documentation requirements, streamlining applications may also significantly increase the length of the application and/or reduce access to the program that has less rigorous information or eligibility requirements.

We analyzed SSA's LIS application, the model MSP simplified two-page application which the Centers for Medicare & Medicaid Services (CMS) developed and recommended that states use to determine MSP eligibility, and 50 MSP application forms used by states and the District of Columbia to identify similarities and differences in:

- information required on existing applications,
- documentation requirements, and
- methodologies to determine eligibility.

This information was designed to help inform further development of a pilot joint application by 1) assessing states' use of the existing CMS model MSP application from which a pilot LIS/MSP application might be derived, 2) measuring states' capacity to use and likelihood of using a federal prototype application if it were to be developed, and 3) identifying what types of information would need to be added and/or changed on existing federal MSP and LIS applications to develop a joint application that is consumer-friendly and minimizes administrative burdens for determining eligibility for both programs.

Major Findings

Federal rules set income and asset limits for the Medicare Savings Programs, but states have some discretion with regard to the methods used to count income and assets and the process used to make eligibility determinations for the programs.¹ Many have taken steps to develop simple application and renewal processes for the Medicare Savings Programs, though there is still considerable difference in procedures across states. Among the actions that states have taken:

- Thirty-two states (64 percent) use one application to determine eligibility for multiple state and federal low-income programs (e.g. Medicaid, food stamps, MSP, temporary cash assistance). Developing a separate joint MSP/LIS application in these states would require significant changes in state policy and administration, and may also reduce access to other public programs for which these individuals would then need to apply separately.
- Eighteen states (36 percent) use a separate MSP application for one or more program (i.e. QMB, SLMB, QI-1). Fifteen of these states request additional information than the model MSP application, such as a mailing address, language preference, information on dependents, state residency status, and alien registration numbers of the applicant and spouse. Differences in information requirements among these states would need to be reconciled to develop a simple joint MSP/LIS application.

¹ Federal rules specify that various Medicare Savings Program benefits be made available to people with incomes less than 135 percent of the federal poverty level and with countable assets valued at less than \$4,000 for an individual and \$6,000 for a couple. Under section 1902(r)(2) of the Social Security Act, however, states have the ability to use less restrictive methods for calculating the value of income or assets than those specified in federal law.

- While CMS developed a simplified model MSP application and recommended that states use it, only three states—Montana, Georgia, and South Dakota—use the model MSP application with slight or no modifications.
- Alabama, Indiana, New York (for SLMB and QI-1) and Massachusetts have separate MSP applications that are simpler than the model MSP application, reflecting less stringent eligibility criteria and methodologies for determining eligibility.
- The model MSP application and the SSA LIS application collect similar information, but the model MSP application requires more information. Even for the states that use this simplified model MSP application, a joint MSP/LIS application would produce a document that is longer to fill out.

Conclusion

Despite the potential benefits, developing a joint MSP/LIS application faces numerous challenges. Our analysis of state MSP and LIS application and eligibility requirements suggest that there are significant differences in the amount of information required to apply for these different programs.

Variations in data collected on the CMS model MSP application and the SSA LIS application reflect differences in how eligibility is determined for each program. Simplifying and aligning eligibility for both programs may help resolve challenges to developing a joint application.

Even if a joint application could be developed on a pilot basis, SSA would need to play a more active role in screening for MSP eligibles and/or determining MSP eligibility on behalf of states. Statutory changes and additional funding may be required to expand SSA's authority.

Despite its challenges, developing a joint application for MSPs and the LIS program is a worthy goal. Given the considerable benefits to Medicare beneficiaries, further study is warranted. The findings of this report suggest that a joint MSP/LIS application might be best piloted in states that use a separate application for MSPs or a more abbreviated form that have information requirements most similar to the LIS application.

Introduction

Enrollment in subsidy programs to help low-income Medicare beneficiaries pay for their medical care and pharmacy costs has been much lower than expected.² The Medicare Savings Programs (MSP), established between 1988 and 1997 to pay Medicare Part B premiums and a portion or all of eligible beneficiaries' cost-sharing, have been chronically underenrolled. While MSP enrollment has increased over the past several years due to a variety of administrative simplifications and increased outreach efforts, there are still many individuals who are eligible but not enrolled.

The Part D Low Income Subsidy (LIS) program was established under the Medicare Prescription Drug, Modernization and Improvement Act of 2003 (MMA) as part of the new Medicare Part D prescription drug benefit, which became available in January 2006. The LIS program helps eligible Medicare beneficiaries pay for Part D premiums and cost-sharing expenses. Individuals receiving benefits through Medicaid, Supplemental Security Income (SSI), and/or Medicare Savings Programs are deemed eligible for the LIS; others must apply for the program through the Social Security Administration (SSA).

As with the MSPs, far fewer individuals that are estimated to be LIS eligible have applied for and/or enrolled in this program. According to the Centers for Medicare & Medicaid Services (CMS), of the estimated 13.2 million eligible for LIS, approximately 6.6 million Medicare beneficiaries receiving full Medicaid benefits and 900,000 partial dual eligibles and SSI recipients were deemed eligible for LIS and enrolled automatically as of June 2006.³ Of the 5.7 million individuals that were not automatically enrolled in LIS, 1.8 million (32 percent) applied through SSA and were determined eligible for LIS.⁴ About 3.3 million (58 percent) may be eligible for LIS but have not applied.⁵

In May 2005, the State Solutions National Program Office hosted an invitational summit of federal and state policymakers and representatives from the advocacy community and private Medicare plans to discuss administrative simplifications and other approaches that might facilitate enrollment in both of these programs. One proposed solution was the development of a joint MSP/LIS application that beneficiaries could access through either SSA or Medicaid offices. A joint application could potentially minimize the complexity of the application process and the burden on the beneficiary of completing two different applications requiring similar information, resulting in increased enrollment in both programs.⁶

² Access to Benefits Coalition and National Council on Aging, "The Next Steps: Strategies to Improve the Medicare Part D Low-Income Subsidy," January 2007. National Academy of Science, *Improving the Medicare Savings Programs: Report of the Study Panel on Medicare/Medicaid Dual Eligibles*, June 2006.

³ Of the 6.6 million beneficiaries that were automatically enrolled, 478,000 were full Medicare/Medicaid beneficiaries that enrolled in Medicare Advantage plans with drug coverage. An additional 447,000 Medicare Advantage enrollees applied and were eligible for LIS. Department of Health and Human Services, "Over 38 Million People with Medicare Now Receiving Prescription Drug Coverage," News Release, June 14, 2006, <http://www.hhs.gov/news/press/2006pres/20060614.html> (accessed March 28, 2007).

⁴ "Medicare Prescription Drug Coverage Among Medicare Beneficiaries," Kaiser Family Foundation, June 2006, Publication Number 7453, <http://www.kff.org/medicare/upload/7453.pdf> (accessed June 26, 2007).

⁵ The remaining 10% represents 600,000 beneficiaries that CMS estimates to be LIS-eligible but have creditable prescription drug coverage elsewhere.

⁶ J. Sia, K. Fox, and S. Reinhard, September 2005.

However, some participants cautioned that streamlining applications may also increase the length of the application to the extent that the LIS program and MSPs require different information to establish eligibility.

To investigate the feasibility of developing a joint MSP/LIS application, the State Solutions staff conducted a review of all available MSP and LIS applications between October and December 2005 and rules and procedures to assess their similarities and differences. This brief summarizes the results of our analysis and discusses what changes would be needed to move toward a uniform application. We also discuss potential positive and negative impacts of developing a joint application on enrollment in both low-income programs and provide the framework for a pilot joint application as well as recommendations for the future.

Current Application Process and Eligibility for MSP/LIS

In considering the development of a joint MSP/LIS application, it is important to understand existing application processes for establishing eligibility in the LIS program and MSPs and how the two target populations overlap. Table 1 shows the different eligibility requirements of the two programs.

Table 1: 2007 MSP and LIS Eligibility by Income and Assets*

Monthly Income	Maximum Assets (single/couple)	Program Eligibility
≤ 100% of FPL**	\$4,000/\$6,000	QMB, Full LIS
	\$7,620/\$12,190	Full LIS
> 100% and ≤ 120% of FPL	\$4,000/\$6,000	SLMB, Full LIS
	\$7,620/\$12,190	Full LIS
> 120% and ≤ 135% of FPL	\$4,000/\$6,000	QI-1, Full LIS
	\$7,620/\$12,190	Full LIS
≥ 135% and < 150% of FPL	\$11,710/\$23,410	Partial LIS

*MSP eligibility criteria are based on federal minimum standards. Individual states may have higher income or asset criteria for QMB, SLMB, and/or QI-1. Asset limits for LIS exclude \$1,500 per person for funeral/burial arrangements.

**The 2007 federal poverty level (FPL) is \$850.83 a month for an individual and \$1,140.83 for a couple.

The MSP is a federally mandated Medicaid benefit that is administered by state Medicaid programs. Federal law sets minimum eligibility standards for the MSP, but states have considerable flexibility in defining the application process and eligibility requirements for their specific state program. MSP application processes vary by state, but individuals typically apply through the state Medicaid office.

Most states (42) allow individuals to submit applications by mail or through a web site.⁷ Other states require an in-person interview. Individuals usually must provide supporting documents such as bank statements and birth certificates to prove eligibility. Some states, such as New Hampshire, require applicants to show original documents to Medicaid agents; other states like Pennsylvania accept mailed copies of documents.⁸

There is some historical precedent for moving toward shorter, uniform applications in the MSP. CMS had identified cumbersome enrollment processes with lengthy complicated forms, numerous documentation requirements, and personal interviews with social service workers as leading obstacles to MSP enrollment. As part of its Government Performance Results Act initiative in 1999, CMS developed a simplified two-page, mail-in application for states to use or modify based on the state's eligibility requirements.⁹ While CMS recommends that states use the simplified application and also minimize certain barriers to enrollment, states are not obligated to do so, and there has been little investigation as to how many states actually utilize the model MSP application.

Unlike the MSPs, the LIS program is federally administered through SSA and CMS. There are several potential routes for establishing LIS eligibility. Dual eligibles, or Medicare beneficiaries that are enrolled in Medicaid and/or Medicare Savings Programs, and beneficiaries that receive SSI are automatically deemed eligible for LIS by CMS and do not need to complete an application. Individuals who are not automatically enrolled in LIS must fill out a separate application through SSA or the state Medicaid office. While Medicaid agencies are required upon request to determine LIS eligibility, in practice most states have elected to provide individuals with the SSA application.¹⁰ Individuals applying through SSA may submit their application in person, by mail, by phone or through the SSA web site, and no documents verifying income or assets are required. If an individual applies for LIS at a Medicaid office, the state is required to determine eligibility for other low-income programs, including MSP and Medicaid. In contrast, SSA is not required to screen individuals for MSP or Medicaid or to refer them to the state Medicaid office to be screened for such programs.

⁷ E. Cusick and K. Nibali, *Current Processes for Enrolling Medicare/Medicaid Dual Eligibles in Medicare Savings Programs and Efforts to Increase Enrollment*, prepared for the National Academy of Social Insurance Study Panel on Medicare/Medicaid Dual Eligibles, July 2005.

⁸ R. Blume, *Medicare Savings Program Outreach in Section 202 Public Housing Sites: Case Studies of New Hampshire and Pennsylvania*, Rutgers Center for State Health Policy, July 2006, <http://www.statesolutions.rutgers.edu/Reports/MSPOutreach0706.pdf> (accessed March 28, 2007).

⁹ J. Sia, K. Fox, and S. Reinhard, *Improving Access to Health Care in a Changing Landscape: Facilitating Enrollment in Medicare Savings Programs and Medicare Part D*, Rutgers Center for State Health Policy, September 2005, <http://www.statesolutions.rutgers.edu/Reports/SSSsept05.pdf> (accessed March 28, 2007).

¹⁰ D. Lipson, "Do the Doors to LIS Lead to MSP (or Vice Versa)?", Mathematica Policy Research, Inc., Presentation at State Solutions Invitational Summit, March 21, 2007, <http://www.statesolutions.rutgers.edu/SS07/Debra%20Lipson.pdf> (accessed June 26, 2007).

Analysis of Existing MSP/LIS Applications

We analyzed 52 forms including SSA’s LIS application, CMS’s two-page model MSP application, and application forms used by the states and the District of Columbia to determine MSP eligibility.¹¹ In reviewing these applications, we assessed:

- 1) The degree to which states had adopted or modified the existing MSP model application that CMS developed;
- 2) Similar information required on state-specific MSP applications, the CMS model MSP application, and SSA’s LIS application; and
- 3) Different information required on state-specific MSP applications that are not on the CMS model MSP application or SSA’s LIS application.

In addition to assessing differences in information collected, we also analyzed differences in eligibility definitions (e.g. household income versus family income) and levels of documentation required.

The goal of the analysis was to 1) assess states’ use of the existing CMS model MSP application from which a pilot LIS/MSP application might be derived, 2) measure states’ capacity to use and likelihood of using a federal prototype application if it were to be developed, and 3) identify what types of information would need to be added and/or changed on existing federal MSP and LIS applications to develop a joint application that is consumer-friendly and minimizes administrative burdens for determining eligibility for both programs.

Results

Most States Use a Streamlined Application Form for MSP and Other State and Federal Low-Income Programs, not CMS’s Model MSP Application Form Application Form

Despite the fact that CMS recommends that states use the uniform MSP application, very few states use it. Of the 50 state/district applications reviewed, 32 (64%) use one application to determine eligibility for multiple low-income programs such as Medicaid, food stamps, state pharmaceutical assistance programs, and all MSP. Four of these 32 states—New York, Pennsylvania, South Carolina, and Rhode Island—determine eligibility for QMB using the general Medicaid application but use a separate shorter application to determine eligibility for SLMB and QI-1 programs only. (See Appendix A)

This analysis indicates that for the majority of states, it would be extremely difficult to implement a joint MSP/LIS application unless states are willing to separate the Medicare Savings Programs from existing Medicaid and other low-income program application process. Developing a separate joint application for

¹¹ We were not able to obtain a Medicare Savings Program application from Kentucky, which has eliminated paper applications. Applications are conducted through an internal computer system managed by the State.

MSPs and the LIS program from the uniform application currently in place could also prevent low-income individuals from enrolling in other public programs for which they are eligible, such as food stamps and cash assistance. The four states that use separate applications for SLMB and QI-1 may find a joint MSP/LIS application useful to streamline and facilitate enrollment in LIS and these two programs.

Most States that Have a Separate MSP Application Have Modified CMS’s Model MSP Application

Eighteen states (36%) use a separate application for one or more MSP. Most of these states that use a separate MSP application do not use the model MSP application. Only three—Montana, Georgia, and South Dakota—use the CMS model MSP application with slight or no modifications. The remaining 15 states either request additional information that is not included in the model application, or have simplified the application further and require less information.

For example, Alabama, Indiana, New York (for SLMB and QI-1), and Massachusetts have applications that are simpler than the CMS model MSP application. Alabama has eliminated the asset test requirement for MSP eligibility so its application does not require disclosure of assets. The application in Indiana only requires the applicant to select the types of income and assets received as opposed to the model application, which requires applicants to list all sources of income and assets. The MSP applications for New York and Massachusetts also simplified questions on income and assets. For example, both state applications do not request the name of the company holding the assets or the account or policy number. Unlike the CMS model application, Massachusetts’s application also does not ask for the account or policy number for income claims, and it asks for gross monthly income rather than asking for income amount and how often the applicant receives it.

Depending on the state, additional information may include a mailing address, language preference, information on dependents, state residency status, and alien registration numbers of the applicant and spouse (see Table 2). Significant variation in information requirements among states that use separate MSP applications would need to be reconciled in order to develop a user-friendly joint MSP/LIS application.

Table 2: Additional Information Requested by States with Separate MSP Applications

Information Category	Number of States with Separate MSP Applications that Require Additional Information (N=15)
Personal Information on Applicant	14
Representative’s Information	2
Spouse’s Information	10
Living Arrangement of Self and Spouse	4

Income and Earnings	8
Resources	6
Vehicles	2
Information on Other Insurance	1
Information on Dependents	9
Request for Other Benefits	4
Additional information for people who earn wages or are self-employed	2
Other Expenses	4
Inheritance	1
Pending Lawsuit	2
Military Service	1
Additional Information on Household Income	3
Medical Assignment	1
Miscellaneous	9

SOURCE: State Solutions staff review of 50 state/district applications collected in 2005.

Model MSP Application Requires More Information than LIS

Even if states were to adopt CMS’s model MSP application more broadly, we found that the model MSP application requires significantly more information than SSA’s LIS application. For example, a single individual living independently would need to provide at least 42 pieces of information to apply for a MSP. The same individual would provide at least 25 pieces of information to apply for the LIS.

There are many similarities in information collected on both forms. Both applications require the applicant’s name, address, phone number, and Social Security number; the spouse’s name and Social Security number; income and earnings from Social Security, Railroad Retirement benefits, pensions benefits, Veterans benefits, and rentals; savings in bank accounts (checking, savings, and certificates of deposits); savings from investments (stocks, bonds, savings bonds, mutual funds, and Individual Retirement Accounts); real estate other than the primary residence; and face value of life insurance policies.

However, each application also requests different information, reflecting differences in methodologies for determining eligibility. For example, SSA’s LIS application asks how many dependents live with and rely on the applicant(s) for at least one-half of their financial support because SSA considers how many individuals are in a household when determining the income threshold for LIS. The model MSP application does not request information on dependents because most states use the poverty level for one- or two-person families regardless of the actual family size to determine MSP eligibility. Nine states that use separate MSP applications—Alabama, Arkansas, California, Indiana, Louisiana, New York, Pennsylvania, South Carolina, and South Dakota—require information on dependents. These states, with the exception of California, request such information to determine additional income sources. California’s application asks applicants to list dependents, but it does not require disclosure of their income.

In addition to differences in information collected, there are also significant differences in SSA’s LIS and state-specific MSP application procedures and requirements. For example, although a face-to-face interview is not required to apply for the LIS program, New York requires MSP applicants to speak to a Medicaid caseworker in-person to apply. Moreover, unlike certain Medicaid programs, the LIS program does not recover benefits from the estate of a deceased beneficiary (also known as estate recovery). Thus, for individuals applying for MSPs in states such as Connecticut and Washington, the state may recover all or part of MSP benefits from their estate when they are deceased. See Table 3 for a comparison of application procedures and requirements for the LIS program and in states that use a separate MSP application.

Table 3: Comparison of LIS and MSP Application Procedures in States that Have Separate MSP Applications

Application	No Face-to-Face Interview	Self-Attestation of Income	Self-Attestation of Assets	Household Income based on Family Size	No Estate Recovery
LIS	X	X	X	X	X
Alabama (QMB/SLMB/QI1)	X		No asset test		X
Arkansas (QMB/SLMB/QI1)	X	X	X		X
California (QMB/SLMB/QI1)	X	X	X	X	No recovery if only eligible for MSP
Connecticut (QMB/SLMB/QI1)	X	X	X No asset test for QI-1		
Florida (QMB/SLMB/QI1)	X	X	X		Not Available
Georgia (QMB/SLMB/QI1)	X	X	X		X
Illinois (QMB/SLMB/QI1)	X	X	X	X	Not Available
Indiana (QMB/SLMB/QI1)	X			X	No recovery for Medicare premiums
Louisiana (QMB/SLMB/QI1)	X				X
Maryland (QMB/SLMB/QI1)	X				Recovery for pharmacy benefits only
Massachusetts (QMB/SLMB/QI1)	X	Varies	X		X
Montana (QMB/SLMB/QI1)	X	Varies			X
New York (SLMB/QI1)		X	X No asset test for QI-1		X
Pennsylvania (SLMB/QI1)	X			X	X
Rhode Island (SLMB/QI1)	X	X	X	Not Available	X
South Carolina (SLMB/QI1)	X	X	X		X
South Dakota (QMB/SLMB/QI1)	X			X (Adjusted income of adults)	No recovery for SLMB, QI-1
Washington (QMB/SLMB/QI1)	X	X	X	X	

SOURCES: State Solutions staff review of 50 state/district applications collected in 2005, and P. Nemore, J. Bender, W. Kwok, *Toward Making Medicare Work for Low-Income Beneficiaries: A Baseline Comparison of the Part D Low-Income Subsidy and Medicare Savings Program Eligibility and Enrollment Rules*, Center for Medicare Advocacy, Inc. for the Kaiser Family Foundation, May 2006.

Issues in Developing a Joint Application

Based on our analysis, developing a joint application for MSPs and LIS across all states is likely to face challenges. For states that fold their MSP application in with a general application for other state low-income programs, they would first need to make a policy decision about whether it would be more beneficial to have a joint MSP/LIS application and a separate application for other low-income programs. If so, such states would have to:

- modify their policy manuals, protocols, and information technology systems for determining eligibility;
- train eligibility staff on the two different applications; and
- commit time and resources to increase awareness among community partners about the new applications.

These obstacles were overcome in states that have moved toward a separate MSP application, but it would not necessarily be an easy process. Subsequent to our review of applications, Kansas implemented a separate four-page joint application for Medicare Savings Programs and LIS.¹² It combines questions from CMS's model MSP application and SSA's LIS application, but the application process generally follows federal guidelines for the MSPs, which requires beneficiaries to apply at the Medicaid office and show proof of income and assets.¹³ As of January 2006, 1,400 had applied using the joint MSP/LIS application. Kansas officials reported that enrollment difficulties included lack of awareness among community partners. Local social service agencies also opted to use a longer application for public assistance programs, which includes MSPs but not the LIS program.

There may be a greater opportunity to pilot a joint MSP/LIS application in some states, particularly Alabama, Indiana, Massachusetts, and New York, which already use a simplified version of CMS's model MSP application and share information requirements with SSA's LIS application. As with states that use a general application for all low-income programs, similar operational challenges would need to be considered. Even in these states, the joint application may be longer because the model MSP application requires more information than the LIS application.

Developing a joint application would also encounter problems with making timely eligibility determinations in certain states. Under MMA, SSA has full authority to determine eligibility for LIS, which it exercises. SSA also has the authority, under Section 1634 of the Social Security Act, to determine MSP eligibility.¹⁴ SSA has agreements with 32 states and the District of Columbia to make

¹² To view the application form, go to http://www.srskansas.org/KEESM/Forms/ES-3100.8_Application_Redetermination_01-06.pdf.

¹³ D. Lipson, A. Merrill, A. Barrett, N. Denny-Brown, *Doors to Extra Help: What Helps or Hinders Enrollment in the Medicare Prescription Drug Low-Income Subsidy and Medicare Savings Program* (forthcoming), AARP Public Policy Institute, 2007.

¹⁴ According to Section 1634 of the Social Security Act, SSA "may enter into an agreement with any State which wishes to do so under which the Commissioner will determine eligibility for medical assistance in the case of aged,

Medicaid and MSP eligibility determinations for individuals that qualify for Supplementary Security Income (SSI) benefits.¹⁵ However, individuals that qualify for SSI in the remaining 18 states and those that SSA has determined ineligible for SSI, but who may still qualify for SLMB and QI-1, must apply for MSPs through the state Medicaid office.¹⁶

Simplifying and aligning eligibility for both programs would help resolve challenges to developing a joint MSP/LIS application. For example, CMS, the states, and SSA could work together to develop uniform methodologies for counting income and assets. Aligning income and asset limits for MSPs with LIS limits would minimize administrative burdens and may facilitate enrollment in both programs.¹⁷ Statutory changes are not needed to develop uniform methodologies for determining income and assets for the MSPs and LIS program. Under Section 1902(r)(2)(A) of the Social Security Act, states have the flexibility to establish less restrictive methodology for determining income and resource eligibility for individuals eligible for MSPs, and Section 1860D-14(a)(3)(E)(iv) of the MMA allows the Department of Health and Human Services to permit states to use the same asset methodologies used to determine MSP eligibility to determine LIS eligibility, as long as the methodologies do not result in “any significant differences” in the number of LIS-eligible individuals.¹⁸

To overcome barriers to implement a joint application, SSA could have a greater role in screening for MSP eligibles and/or determining MSP eligibility. Demonstration projects testing greater SSA involvement to determine MSP eligibility have shown that individuals are more likely to submit an application and enroll in MSP than if the state Medicaid office is involved.¹⁹ SSA is already collecting and maintaining data on income and resources for people applying for LIS, and in 32 states and the District of Columbia, SSA also has the authority to determine Medicaid and MSP eligibility for an individual that qualifies for SSI. SSA would need additional funding for the added responsibilities, which could be in the form of increased federal appropriations, authorized under Section 1860D-14(a)(3)(B) of the MMA, and/or payments by states as set forth under Section 1634 of the Social Security Act.

blind, or disabled individuals under such State’s plan approved under title XIX.” Section 1902(a)(10)(E) of the Social Security Act includes Medicare cost-sharing as part of medical assistance under a State’s Medicaid plan.

¹⁵ National Academy of Social Insurance, *Improving the Medicare Savings Program*, June 2006.

¹⁶ According to Cusick and Nibali, seven states require a separate Medicaid application but could potentially have agreements with SSA to make Medicaid eligibility decisions because they follow federal SSI rules, and the remaining 11 states have stricter Medicaid rules, necessitating a separate Medicaid application. Of the 18 MSP-only states, 15 have Section 1634 agreements with SSA, and three (Connecticut, Illinois, and Indiana) have stricter Medicaid rules.

¹⁷ Cusick and Nibali, 2005. See also L. Summer and L. Thompson, *How Asset Tests Block Low-Income Medicare Beneficiaries from Needed Benefits*, The Commonwealth Fund, May 2004.

¹⁸ Although states have the option of using less restrictive methodologies for establishing MSP income eligibility under Section 1902(r)(2)(A) of the Social Security Act, Section 1860D-14(a)(3)(C) of the MMA does not allow the use of such methodologies to establish income eligibility for LIS applicants.

¹⁹ L. M. B. Alexih, M. Farrell, S. Ankrah, B. Olearczyk, “Results from the SSA Buy-In Demonstration,” The Lewin Group, October 4, 2004.

Conclusion and Next Steps

This report highlights the similarities and differences in state-specific MSP and federal MSP/LIS applications and eligibility to inform future efforts to streamline applications for the two programs. Potential benefits of having a joint application may include:

- Facilitated enrollment in both programs by enrolling low-income beneficiaries that may have signed up for one program but not the other;
- Reduction in time required to apply for two separate programs;
- Elimination of duplicative income and asset eligibility verification efforts by states and SSA; and
- Increased productivity of Medicaid and SSA eligibility workers and minimized administrative burdens associated with separate enrollment in each program.

Despite the potential benefits, developing a joint MSP/LIS application faces numerous challenges. Our analysis of state MSP and LIS application and eligibility requirements suggest that there are significant differences in the amount of information required to apply for these different programs. Unless eligibility and/or documentation policies are modified, combining all information requested in LIS and the model MSP application could create a joint application that is lengthy and cumbersome. Implementing a joint MSP/LIS application in the 32 states that use one application to determine eligibility for multiple low-income programs could prevent applicants from enrolling in other low-income programs such as food stamps and cash assistance. Different income and eligibility requirements and methodologies that determine eligibility for MSP and LIS also would need to be reconciled and streamlined to reduce administrative burdens and facilitate eligibility determinations for both programs.

Given these potentially significant barriers to implementation, it may be preferable to pilot a model joint MSP/LIS application in a few states to assess the feasibility and impact of such an approach. Preference for piloting a joint MSP/LIS application should be given to states that have documentation and eligibility requirements that are most similar to the LIS application. The 18 states that use a separate application for QMB, SLMB, and/or QI-1 may also be better candidates to pilot a joint MSP/LIS application to minimize enrollment and eligibility procedures for other low-income programs. (See Appendix B)

Available Publications

Medicare Rights Center. *Maximizing MSP Enrollment with Part D: Co-location of SHIP Volunteers within Social Security Administration Offices*. New York, May 2006.

Medicare Rights Center. *Maximizing MSP Enrollment with Part D: Lessons from Three States*. New York, May 2006.

Medicare Rights Center. *Overcoming Privacy Concerns: How Applicant Data for the Part D Low Income Subsidy Can Boost Enrollment in Medicare Savings Programs*. New York, May 2006.

Summer, Laura L. *Accomplishments and Lessons from the State Solutions Initiative to Increase Enrollment in the Medicare Savings Programs*. Washington, DC: Georgetown University Health Policy Institute, May 2006.

*Available on the State Solutions' web site: <http://www.statesolutions.rutgers.edu>.

Appendix A: Programs Covered Under State Low-Income Program Applications

State	QMB	SLMB	QI-1	Medicaid	Drug	Cash	Food Stamps	Other
Alabama	X	X	X					
Alaska	X	X	X	X		X	X	X
Arizona	X	X	X	X				
Arkansas	X	X	X					
California	X	X	X					
Colorado	X	X	X	X		X	X	X
Connecticut	X	X	X					
Delaware	X	X	X	X				X
District of Columbia	X	X	X	X		X	X	X
Florida	X	X	X					
Georgia	X	X	X					
Hawaii	X	X	X	X				
Idaho	X	X	X	X		X	X	X
Illinois	X	X	X					
Indiana	X	X	X					
Iowa	X	X	X	X		X	X	X
Kansas	X	X	X	X			X	X
Kentucky	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Louisiana	X	X	X					
Maine	X	X	X	X		X	X	X
Maryland	X	X	X					
Massachusetts	X	X	X					
Michigan	X	X	X	X		X	X	X
Minnesota	X	X	X	X	X			
Mississippi	X	X	X	X				X
Missouri	X	X	X	X				X
Montana	X	X	X					
Nebraska	X	X	X	X		X	X	X
Nevada	X	X	X	X		X	X	
New Hampshire	X	X	X	X		X	X	X
New Jersey	X	X	X	X	X			X
New Mexico	X	X	X	X		X	X	X
New York*		X	X					
North Carolina	X	X	X	X				
North Dakota	X	X	X	X		X	X	X
Ohio	X	X	X	X		X	X	X
Oklahoma	X	X	X	X		X	X	X
Oregon	X	X	X	X		X	X	
Pennsylvania*		X	X					
Rhode Island*		X	X					
South Carolina*		X	X					
South Dakota	X	X	X					
Tennessee	X	X	X	X		X	X	X
Texas	X	X	X	X				
Utah	X	X	X	X				
Vermont	X	X	X	X	X	X	X	X
Virginia	X	X	X	X		X	X	X
Washington	X	X	X					
West Virginia	X	X	X	X				
Wisconsin	X	X	X	X				
Wyoming	X	X	X	X			X	X

SOURCE: State Solutions staff review of 50 states/district applications collected in 2005. *Uses an application for all or certain MSP that is different from an application for other low-income programs. **Includes assistance with child care and support services, energy and utilities bills, rent, and family planning services.

Appendix B: Comparison of Data Elements of Model Medicare Savings Program Application, Low-Income Subsidy Application, and State MSP Applications

Appendix B: Comparison of Data Elements of Model Medicare Savings Program Application, Low-Income Subsidy Application, and State MSP Applications

	Model MSP Application	Low-Income Subsidy Application	States With Separate MSP Applications (N=18) With Data Elements In Both Model MSP and LIS Applications
Applicant's Information	Name	Name	AL, AR, CA, CT, FL, GA, IL, IN, LA, MA, MD, MT, NY, PA, RI, SC, SD, WA
	Birthdate		
	Sex		
	Race		
	Marital Status		
	Social Security Number	Social Security Number	AL, AR, CA, CT, FL, GA, IL, IN, LA, MA, MD, MT, NY, PA, RI, SC, SD, WA
	Citizenship Status		
	Street Address	Street Address	AL, AR, CA, CT, FL, GA, IL, IN, LA, MA, MD, MT, NY, PA, RI, SC, SD, WA
	City	City	AL, AR, CA, CT, FL, GA, IL, IN, LA, MA, MD, MT, NY, PA, RI, SC, SD, WA
	State	State	AL, AR, CA, CT, FL, GA, IL, IN, LA, MA, MD, MT, NY, PA, RI, SC, SD, WA
	Zip	Zip	AL, AR, CA, CT, FL, GA, IL, IN, LA, MA, MD, MT, NY, PA, RI, SC, SD, WA
		Recent Change of Address	
	Phone	Phone	
	County		
Nursing Facility			
Representative's Information	Name	Name	AL, AR, FL, GA, IL, IN, MD, MT, SD
	Street Address	Street Address	AL, AR, FL, GA, IL, IN, MD, MT, SD
	City	City	AL, AR, FL, GA, IL, IN, MD, MT, SD
	State	State	AL, AR, FL, GA, IL, IN, MD, MT, SD
	Zip	Zip	AL, AR, FL, GA, IL, IN, MD, MT, SD

	Model MSP Application	Low-Income Subsidy Application	State MSP Applications With Common Data Elements
Representative's Information (continued)	Phone	Phone	AL, AR, FL, GA, IL, IN, MD, MT, SD
	Relationship to Individual	Relationship to Applicant-Family Member, Friend, Attorney, Agency, Other Advocate, Social Worker, Other	AL, FL, GA, IL, MD, MT, SD
Spouse's Information	Spouse's Name	Spouse's Name	AL, AR, CT, FL, GA, IN, MA, MD, MT, NY, PA, RI, SC, SD, WA
	Spouse's Birthdate		
	Spouse's Sex		
	Spouse's Race		
	Spouse's Citizenship Status		
	Spouse's Social Security Number (optional, if spouse is not applying)	Spouse's Social Security Number	AL, AR, CT, FL, GA, IN, MD, MT, NY, PA, RI, SC, SD, WA
	Spouse's Address if Different		
	Are you applying for Medicare Savings for your spouse too?	Both you and your spouse have Medicare or expect to have it in the next three months and are applying on this application	AR, CT, GA, MA, MD, MT, PA, RI, SD, WA
Living Arrangement of Self and Spouse	Own home		
	Renting		
	Nursing facility, date admitted		
	In other's home		
	Hospital, date admitted		
	Other (ex: shelter)		

	Model MSP Application	Low-Income Subsidy Application	State MSP Applications With Common Data Elements
Living Arrangement of Self and Spouse (continued)		Family size: how many relatives live with you and your spouse and depend on you or your spouse to provide at least half of their financial support?	
Income and Earnings		Type of monthly income: Social Security, Railroad retirement, Veterans, Other pensions or annuities, Other income including alimony, net rental income, workers' compensation, etc. (specify)	
		Amount of wages before taxes this year for self and/or spouse:	
		If self-employed, what do you expect your net earnings or loss to be this year (for self and/or spouse)?	
		Have wages decreased in the last two years?	
		If you or your spouse recently stopped working or plan to stop working, enter the month and year	
	Who receives income?		

	Model MSP Application	Low-Income Subsidy Application	State MSP Applications With Common Data Elements
Income and Earnings (continued)	Type of Income (Examples: Social Security, Railroad Retirement Benefits, Pensions/Retirement Benefits, SSI, Veterans' Benefits, Rental Income, Wages/Self-employment, Trust or Annuity payments, Oil royalties/mineral rights)		
	Employer or Source of Income		
	Amount	Amount	AL, AR, CA, CT, FL, GA, IL, LA, MD, MT, NY, PA, RI, SC, SD, WA
	How often received?		
	ID Number (if applicable)		
		Do you or your spouse have to pay for things that enable you to work?	
		Have any income besides wages decreased over the last two years?	
		Outside assistance with food, mortgage, rent, heating fuel or gas, electricity, water and property taxes	
		Monthly amount or average monthly amount for the past year	

	Model MSP Application	Low-Income Subsidy Application	State MSP Applications With Common Data Elements
Resources	Checking Account	Checking Account	AR, CA, CT, FL, GA, IL, IN, LA, MA, MD, MT, NY, PA, RI, SC
	Savings Account	Savings Account	AR, CA, CT, FL, GA, IL, IN, LA, MA, MD, MT, NY, PA, RI, SC
	Government Bonds		
	Trust Funds		
	Savings Bonds	Savings Bonds	LA
	Funeral Plans/Burial Arrangements		
	Burial Plots		
	Stocks and Bonds	Stocks and Bonds	AR, CA, CT, FL, GA, IL, IN, MA, MD, MT, PA, RI, SC
	Certificates of Deposit	Certificates of Deposit	AR, CA, IN, MA, MD, MT, PA, SC
	Other (e.g. IRA, etc)	IRA or Similar Investments	AR, CT, FL, GA, IL, IN, LA, MA, MD, MT, NY, PA, RI, SC
		Mutual Funds	
		Cash at home or anywhere else	
		If any of the above resources are checked, describe and include verification.	
		Type of Resource	
		Account/Policy Number	
	Value	Value	AR, CT, GA, IL, LA, MA, MT, PA, RI, SC, SD, WA
	Name of Bank, Insurance Company, etc.		
Life Insurance	Do you or your spouse have life insurance?		
	Include Copy of Policy		
	Policy Owner		

	Model MSP Application	Low-Income Subsidy Application	State MSP Applications With Common Data Elements
Life Insurance (continued)	Insurance Company		
	Policy Number		
	Face Value	Do you or your spouse have life insurance policies with total face values of more than \$1,500?	CT, FL, GA, IL, LA, MD, MT, NY, PA, RI, SC, SD, WA
	Cash Value	Cash Value (If Greater than \$1,500)	AR, CA, CT, FL, GA, IL, MD, MT, NY, PA, RI, SD, WA
		Do you expect to use money from income or life insurance policies to pay for funeral or burial expenses for you or your spouse?	
Property	Do you own all or part of any real estate in which you do not live?	Besides main residence, do you or your spouse own any real estate?	AR, CA, FL, GA, LA, MT, SC, SD
	Describe and attach proof of ownership and current value		
	Address		
	Value		
	Amount Owed		
Vehicles	Do you, or your spouse, own or co-own a car, truck, motorcycle, boat, trailer, or other vehicle?		
	Owner		
	Year		
	Make		
	Model		
	Value		

	Model MSP Application	Low-Income Subsidy Application	State MSP Applications With Common Data Elements
Vehicles (continued)	Amount owed		
Information on Medicare	Attach copies of front and back of Medicare cards		
	Do you have Medicare?		
	Type of Coverage: Part A and/or Part B		
	Effective Date		
	Medicare ID Number		
	Does your spouse have Medicare?		
	Spouse's Type of Coverage: Part A and/or Part B		
	Effective date of spouse's Medicare coverage		
	Spouse's Medicare ID Number		
	Information on Other Insurance	Do you have other insurance?	
Does your spouse have other insurance?			
Attach a copy of front and back of insurance cards			
Health Insurance Company Name and Address			
Annual Premium			
Type of Coverage (Hospital, Medigap, RX)			
Effective Date			
ID Number			

	Model MSP Application	Low-Income Subsidy Application	State MSP Applications With Common Data Elements
Information on Other Insurance (continued)	Spouse's Health Insurance Company Name and Address		
	Spouse's Annual Premium		
	Spouse's Type of coverage (Hospital, Medigap, RX)		
	Spouse's Effective Date		
	Spouse's ID Number		

SOURCE: State Solutions staff review based on 50 state/district applications, CMS's model MSP application, and SSA's LIS application collected in 2005.

State Solutions 

The Medicare Savings Programs are publicly financed programs that help people pay for costs associated with Medicare, such as premiums, co-payments and deductibles. It is estimated that 5 million people are eligible to receive financial help through the Medicare Savings Programs, but only half are enrolled. Eligibility is generally granted to Medicare enrollees with low incomes, including people with disabilities and seniors.

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