

Medicare Improvements for Patients and Providers Act: Key Changes for Low-Income Beneficiaries

Medicare Savings Programs

Changes to the Asset Limits

Effective January 1, 2010, the asset limits for Medicare Savings Programs (MSPs) are increased to match the asset (resource) limits for the full low-income subsidy. The asset limits are the same for all three programs: Qualified Medicare Beneficiary (QMB), Specified Low-Income Beneficiary (SLMB) and Qualified Individual (QI).¹ MIPPA also extends the QI program through December 31, 2009.

The asset limits for QMB, SLMB, and QI previously were set at \$4,000 for an individual and \$6,000 for a couple. MIPPA established that the asset limits for MSPs will be increased, beginning in 2010, to match the full low-income subsidy (LIS) resource limits. These limits will increase each year thereafter to account for inflation (see Table 1).

Table 1: Asset Limits for MSP and LIS

Previous MSP Asset Limits	2010 LIS Asset Limits
<ul style="list-style-type: none"> • \$4,000/individual • \$6,000/couple • Not indexed for inflation—unchanged since programs began in 1980s 	<ul style="list-style-type: none"> • \$8,100/individual • \$12,910/couple • Indexed to inflation each year • Effective January 1, 2010, asset limits for LIS and MSP will match

Relationship with the Medicare Part D Low-Income Subsidy (LIS)

Beneficiaries with assets below the established resource limit and with income below 135% of the federal poverty level (FPL) qualify for the full Medicare Part D low-income subsidy (no monthly premium and reduced copayments). Beginning in 2010, the asset limits for full LIS will match the asset limits for MSPs. Because the asset levels are the same for both programs, assessing beneficiaries for eligibility for both LIS and MSPs at the same time is a much simpler process. In addition, MIPPA directs the Social Security Administration (SSA) to coordinate better with states to ensure that people who apply for LIS through SSA are screened for MSP eligibility. In fact, unless applicants opt-out, each application for Extra Help (LIS) is sent to states to be considered an application for MSP.

¹ States are allowed to further increase the asset limits or eliminate the asset test.

SSA must provide each person who applies for LIS, requests an application for LIS, or is identified as potentially-eligible for LIS with information about both the LIS and MSPs. Individuals also must be given information on where to get assistance including SHIPs. Local SSA offices must have available this information as well as LIS applications.

Other Changes to MSPs

- Effective January 1, 2010, states are prohibited from pursuing estate recovery to collect Medicare cost-sharing benefits from deceased MSP enrollees.
- Effective January 1, 2010, the MSP application form must be translated into the 10 non-English languages most frequently used by Medicare beneficiaries.

Medicare Part D

Low-Income Subsidy

Effective January 1, 2010, MIPPA changes two LIS eligibility criteria:

- Cash value life insurance is no longer a countable asset – beneficiaries no longer need to report the cash value of their life insurance policies.
- In-kind support and maintenance is no longer countable income – beneficiaries do not have to report help from family or friends as income.

In addition, MIPPA eliminates the late enrollment penalty for all LIS-eligible individuals. This change is effective January 1, 2009.

Other Changes to Part D

- Effective January 1, 2013, Medicare prescription drug plans are allowed to cover barbiturates (for certain conditions) and benzodiazepines.
- Effective for the 2010 plan year, MIPPA codifies current guidance relating to coverage of six “protected classes” of drugs: anti-neoplastics (anti-cancer drugs), anti-convulsants, antidepressants, antipsychotics, immunosuppressants, and anti-retrovirals.

Mental Health

MIPPA reduces coinsurance amounts for Medicare’s outpatient psychiatric services for the treatment of mental, psychoneurotic, and personality disorders. Starting January 1, 2010, coinsurance amounts will decrease incrementally from 50% in 2009 to 20% in 2014 (see Table 2).

Table 2: Coinsurance Amounts for Mental Health Services

Year	Percentage paid by Medicare	Co-insurance Percentage Paid by Beneficiary
2009	50%	50%
2010	55%	45%
2011	55%	45%
2012	60%	40%
2013	65%	35%
2014 and beyond	80%	20%

SHIP Funding

MIPPA increases funding for Medicare enrollment assistance by providing \$25 million to SHIPs, Area Agencies on Aging, Aging and Disability Resource Centers, and the National Center for Senior Benefits Outreach and Enrollment to help enroll low-income beneficiaries in MSPs and the LIS. Of this \$25 million:

- \$7.5 million is provided to CMS during fiscal year 2009 (October 1, 2008-September 30, 2009) for the purpose of grants to SHIPs, a portion of which must be used to reach out to beneficiaries potentially eligible for LIS and MSPs.
- Area Agencies on Aging (AAAs) also receive an additional \$7.5 million for the same purpose.