



# Fixing the Medicare Cliff: Affordable Health Care For Older Adults & People with Disabilities

**JLEC on Aging and Disability Issues**

November 17, 2021

Ann Vining, Staff Attorney

[ann@nohla.org](mailto:ann@nohla.org)

# The Affordability Cliff

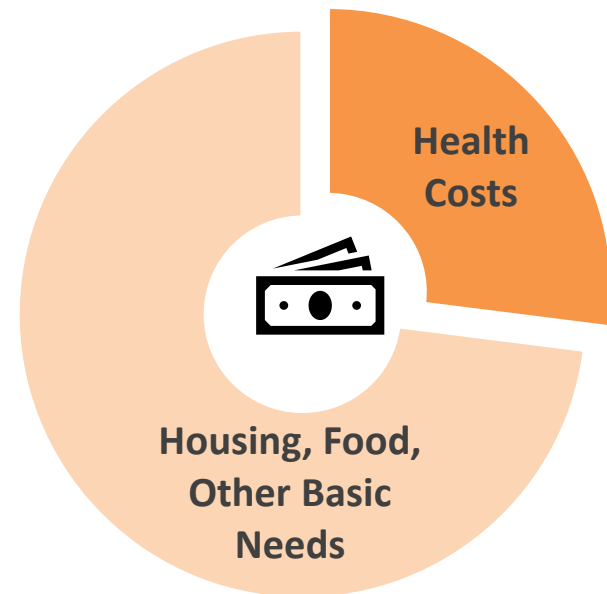
**Medicare has no cap on out-of-pocket costs, unlike coverage for younger people without disabilities.**

	Medicare Enrollees Pay For...
<b>Out-of-pocket costs</b>	<ul style="list-style-type: none"><li>• Part A (hospital) deductibles and coinsurance</li><li>• Part B (medical) premiums, deductibles, and coinsurance</li><li>• Part D (prescription drug) premiums, copays, coinsurance</li></ul> <p><i>Plus:</i></p> <ul style="list-style-type: none"><li>• Extra costs for Medigap or Medicare Advantage</li><li>• Late enrollment penalties</li><li>• Part A premiums if not enough work quarters</li></ul>
<b>Missing benefits</b>	<ul style="list-style-type: none"><li>• No dental, vision, or hearing (<i>pending in Congress</i>)</li><li>• No personal care services</li><li>• No non-emergency transportation</li></ul>

# Medicare Costs Are a Burden

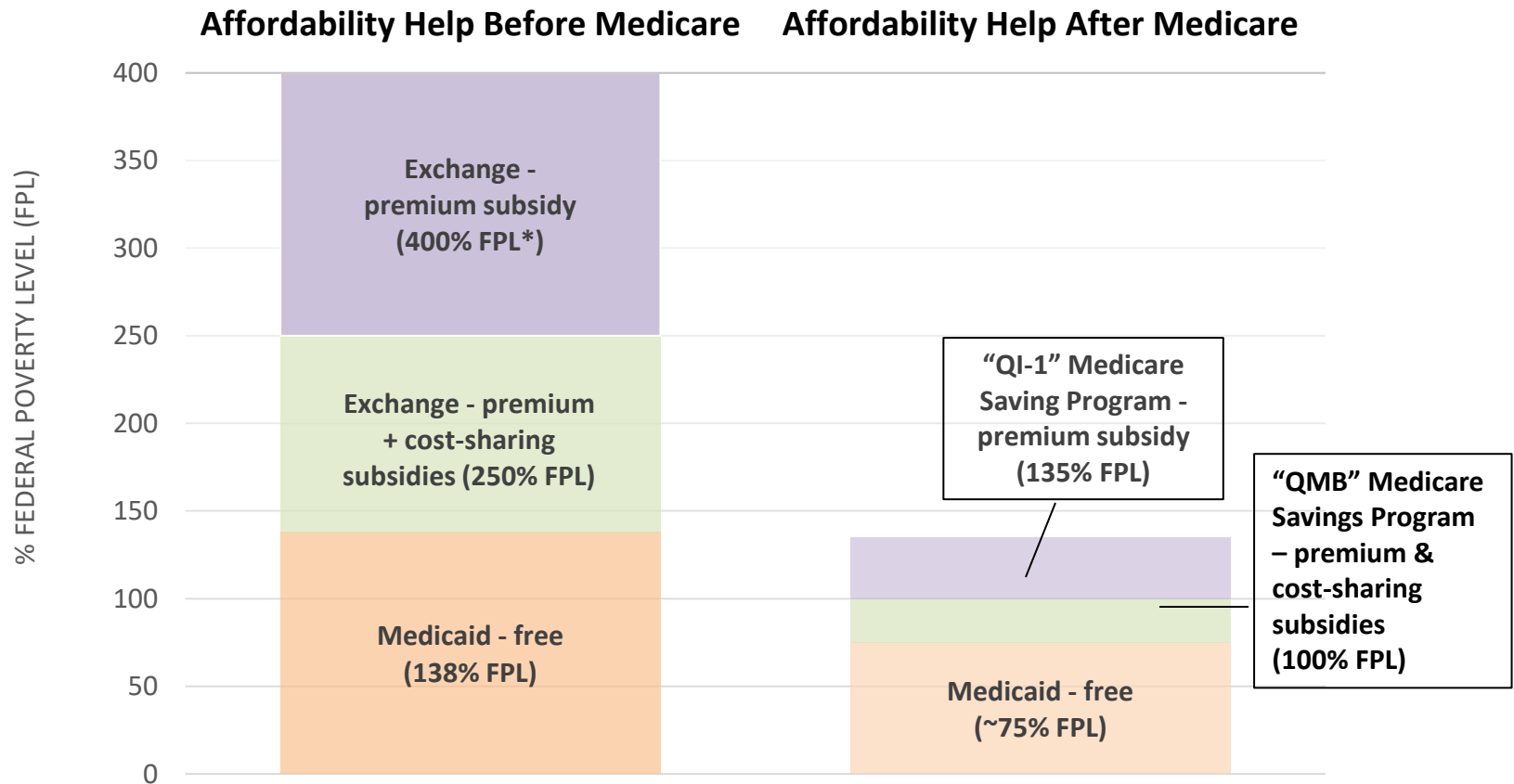
## for older adults and people with disabilities

- **Half of low-income Medicare enrollees spend over 27% of income on health care**
- **People living on ~\$2,000/mo. are paying over \$500/mo. for health costs**
- **Women and communities of color are disproportionately affected**



# Limited Affordability Assistance

Unlike coverage for younger, non-disabled residents, affordability assistance is very limited for people on Medicare.



\*For 2021-2022, no upper income limit: premiums capped at 8.5% of income

# Barriers to Affordability Assistance

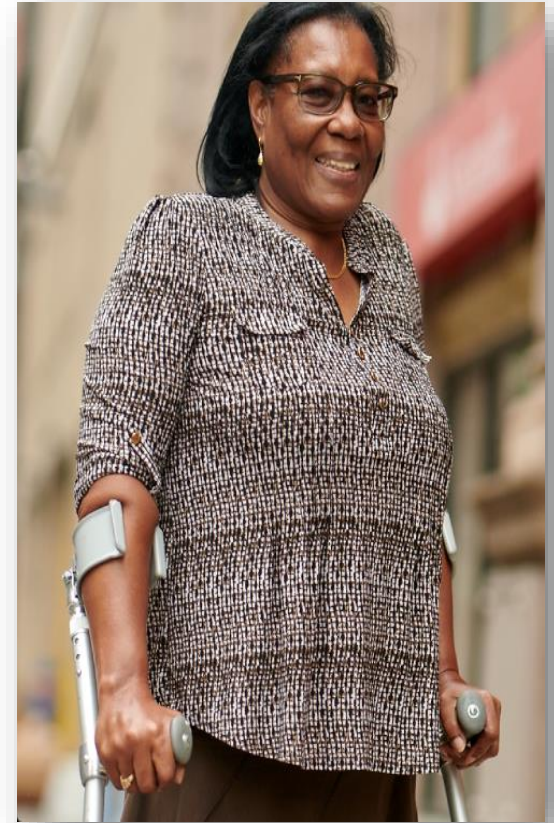
**Unlike younger people without disabilities, Medicare enrollees face extra hurdles to enroll in affordability assistance programs.**

- **Asset test**
  - Bars Medicare enrollees from Medicaid and Medicare Savings Programs if they have over ~\$8K savings for retirement or emergencies
  - Drives low-income retirees deeper into poverty, forcing depletion of savings needed to live independently at home
  - Younger people without disabilities face no asset test to get assistance
- **Lengthy application process**
  - Income and resource levels are verified manually before help starts
  - Approvals typically take 1-2 months
  - Younger people without disabilities can self-attest, with subsequent verification

# Opportunity for Change

**Federal law allows states to remove eligibility barriers to existing affordability assistance programs.**

- States can raise income and asset limits to expand Medicaid and Medicare Savings Program assistance for Medicare enrollees
- Federal funding supports the cost of such changes, usually with a match
- NoHLA report describes options:  
<https://nohla.org/index.php/2021/06/16/medicare-cliff/>



# Steps to Improve Medicare Affordability

- WA, like other states, can address the Medicare affordability cliff **in steps**
- **WA can start** with Health Care Authority requests to remove outdated barriers
  - ✓ **Remove asset test** for Medicare Savings Programs
  - ✓ **Allow self-attestation** for Classic Apple Health (programs for people age 65+, blind, or disabled), with post-eligibility review
- **WA can study costs and equity** impacts of other affordability changes

