



To: House Finance Committee
From: Karen Malcolm, Protect Our Healthcare Coalition (email: ProtectRIHealth@gmail.com)
Date: April 30, 2025
Re: SUPPORT H5529– Medicare Savings Program for Seniors & People with Disabilities

The Protect Our HealthCare Coalition is a group of leading Rhode Island non-profits and consumer groups with a shared mission to protect, improve, and expand equitable access to quality, person-centered, affordable health care for all.

The Coalition strongly **supports H-5529**, which will increase the income limits and eliminate the asset test for the Medicare Savings Program (MSP), making healthcare more affordable and accessible for thousands of seniors and people with disabilities.

Seniors and disabled people in Medicare pay premiums, deductibles, and co-pays. The current standard Medicare Part B premium is \$185 per month, which is deducted from Social Security Income payments. Out-of-pocket costs including the Medicare Part B premium, Part D premium, deductibles and co-payments along with services not covered by Medicare (such as dental care, hearing aids and long term care) average \$6,100 annually.¹ These out-of-pocket costs cause many to forgo or delay needed care.

The MSP provides low-income people enrolled in Medicare with coverage of their Medicare Part B premium. The MSP covers Medicare-required co-payments and deductibles for the lowest-income Medicare members. In addition, once a person is enrolled in the MSP, they are automatically enrolled in the federal Extra Help program that helps pay for medications.

By increasing the income limit in the MSP, healthcare will be **more affordable** for elders and people with disabilities both those already enrolled in the MSP but who will newly gain coverage of the Medicare deductible and copays and for those who will become eligible for premium assistance. These savings can be used to pay for basic needs such as food and housing. For example, according to the USDA, \$185 would cover about 2.5 weeks of food costs for an older adult, a huge savings in this time of high inflation.

H-5529 will make care more accessible for people with disabilities and elders. Prior to age 65, non-disabled adults up to 138% FPL are eligible for Medicaid. At age 65, or after 2 years of receiving Social Security Disability payments, Medicaid eligibility drops to just 100% FPL. By increasing the income limit for the MSP, our lowest-income seniors and people with disabilities will be able to more easily transition between Medicaid and Medicare. Eliminating the asset test will also streamline the transition. While individuals will not have the full coverage that Medicaid provides, they will have help paying for medication and have needed dollars back in their pockets from payment of the Part B premium.

H-5529 promotes gender and racial/ethnic equity: In 2021, of the 35,085 Rhode Islanders enrolled in the MSP, 48% were people of color (including 27% Hispanic and 9% Black) and 60% of the enrollees were women.²

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¹ <https://www.aarp.org/pri/topics/health/coverage-access/health-care-affordability-midlife-adults/>

² <https://www.kff.org/state-category/medicare/medicare-savings-programs/>

H-5529 provides fairness for RI residents compared to neighboring states.

- Rhode Island's asset limit for the MSP is \$9,660. In 2025, eleven states plus the District of Columbia have eliminated their asset limits for Medicare Savings Programs, including our neighbors in Connecticut, Maine, New York, and Vermont.³
- Rhode Island's highest income limit is 135% FPL. The income limit is 246% FPL in Connecticut, 260% FPL in Massachusetts, 185% in Maine and 186% in New York.
- Rhode Island's income limit for the fuller MSP coverage is 100% FPL. It is 211% in Connecticut, 220% in Massachusetts, 150% in Maine and 138% in New York.

H-5529 is modeled on the MSP changes enacted in New York (and approved by the Centers for Medicare and Medicaid Services) which collapsed their MSPs into two levels (QMB & QI). It takes advantage of a reallocation of federal funds for the higher-income group to cover the cost of the expansion. Maine also recently took this step.

We know that affordability is the single most important factor for people's access to the care they need. And, doing all we can to improve the financial security of our older Rhode Islanders and people with disabilities, to help them live more securely in their home community, is good for us all. We urge the Committee's support.

Thank you.

Protect Our Healthcare Coalition partners include: Economic Progress Institute, RIPIN, Mental Health Association RI, RI Health Center Association, Latino Policy Institute, Central Providence Opportunities: A Health Equity Zone (CPO-HEZ), United Way of Rhode Island, Senior Agenda Coalition RI, RI Medical Society, Planned Parenthood of Southern New England, SEIU Rhode Island Council, American Cancer Society Cancer Action Network, Leukemia/Lymphoma Society, RI Coalition for the Homeless, Rhode Island Working Families Party, Mental Health Recovery Coalition, RI Community Food Bank, RI Psychological Association, Substance Use & Mental Health Leadership Council, Rhode Island Coalition for Children and Families, HousingWorks RI, Rhode Island Organizing Project (RIOP), National Association of Social Workers RI Chapter, The Womxn Project, Advocates for Better Care

³ <https://www.medicareinteractive.org/pdf/MSPFinancialEligibilityGuidelines.pdf>