

April 30, 2025

Rhode Island State House
House Committee on Finance

Re: **Support** of H-5529, Medicare Savings Programs

Dear Chair Abney and members of the House Committee on Finance:

RIPIN thanks the House Committee on Finance for the opportunity to submit this testimony **in support of H-5529**, which would increase the income limits and remove the asset limit for the Medicare Savings Programs, known in Rhode Island as the “Medicare Premium Payment Program.”

Seniors and people with disabilities who are eligible for Medicare face high and rising health care costs, despite frequently living on low and fixed incomes from Social Security. Medicare Part B premiums rise almost every year – currently set at \$185.00 per month. And that only covers the mandatory monthly premium – enrollees still have to pay a portion of the cost of their routine care (20% in Original Medicare, and variable amounts in Medicare Advantage plans), as well as significant out-of-pocket costs to access the prescriptions they need. In combination with the rising cost of day-to-day essentials like housing, food, and transportation, seniors and people with disabilities are facing a financial pinch like never before. This has frequently resulted in seniors foregoing the health care they need – one quarter of American adults over 65 report difficulty in affording their prescription drugs, and one in ten adults over 65 report problems paying for health care in general.

H-5529 would provide a significant lifeline to these Rhode Islanders living on fixed incomes and seeing their financial situations get more and more difficult. Based on a successful and CMS-approved program in New York, H-5529 would consolidate the complicated existing Medicare Savings Programs into two categories. The category with the lower income limit (termed “QMB”), which covers almost all out-of-pocket health care costs for Medicare recipients, would have its income limit increased to 138% of the Federal Poverty Line (“FPL”), or \$1,820 per month for a single individual, \$2,452 per couple (including an existing \$20 income disregard). The category with the higher income limit (termed “QI”), which pays for enrollee’s Part B premium (a \$185.00 per month savings), would have its income limit increased to 186% FPL, or \$2,446 per month for a single individual, \$3,297 for a couple.* The asset limit for both programs would also be removed.

These changes would bring many Rhode Islanders into this important program, helping them better afford their health care services. 17,000 new Medicare Savings Programs QI enrollees (whose income is between 138% and 186% FPL) would get **\$2,220 back in their Social Security check annually** – money they can spend on health care, food, housing, and other necessities. And about 6,000 new QMB enrollees (whose income is

* CMS requires that MSP expansion be done proportionately – a state can raise the threshold for the QI program by the same percent of the original income limit (135% FPL) than it raises the threshold for the QMB program. As such, an expansion of QMB to 138% FPL permits the state, using only federal dollars, to expand the QI program all the way to 186% FPL.





between 100% and 138% FPL) would have **all of their premiums, co-pays, deductibles, and other out-of-pocket costs covered**, significantly reducing the financial burden of health care for our very low-income neighbors. And all of these Medicare enrollees would be automatically enrolled in the federal “Extra Help” program, which removes the Part D prescription drug deductible, lowers or eliminates Part D plan premiums, and greatly reduces drug copays – estimated at a **\$6,000 value per year**.

This significant expansion of the Medicare Savings Programs, which would put thousands of dollars back in our most needy neighbors’ pockets, would be predominantly paid for using federal dollars. The fiscal note prepared for this bill last year indicates that the State would pay an estimated \$5.5 million annually to expand the QMB program – but the federal government would match that with \$6.7 million in new federal funds for QMB enrollees. And the expansion of the QI program is done with entirely federal funds – representing as much as \$28.5 million in new federal funds flowing to low- and moderate-income Rhode Islanders living on fixed incomes. In total, the fiscal note estimates that **H-5529 would create an influx of up to \$35.2 million in new federal funds into the state, covering 86.4% of the total cost of expanding the program.**

Rhode Island has one of the highest percentages of older adults in the country, and a continued rapid aging of our population is expected. This demographic shift demonstrates the growing need for accessible and affordable health care. Many older adults and adults with disabilities face significant financial and medical challenges at the same time. H-5529 would help alleviate some of those financial challenges, allowing for this vulnerable population to better afford the care they need to live healthy and meaningful lives.

RIPIN urges the House Committee on Finance to approve this important legislation to make health care more affordable for older adults and adults living with disabilities. Thank you for the opportunity to provide these comments. RIPIN is a statewide nonprofit founded in 1991 by a group of parents of children with special healthcare needs. While RIPIN’s roots are in serving children and families with special needs, RIPIN now serves all Rhode Islanders who might benefit from education, advocacy, and peer-to-peer support in navigating healthcare and education systems. RIPIN operates Rhode Island’s health insurance consumer assistance program, RIREACH, which helped several thousand Rhode Islanders save more than \$8 million in health care costs since 2018.

Sincerely,

/s/

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