

LC001222

**JANUARY SESSION, A.D. 2025**

## RELATING TO HUMAN SERVICES -- MEDICARE SAVINGS PROGRAMS

Referred To: Senate Health & Human Services

1           SECTION 1. The general assembly makes the following findings of fact:

2           (1) The Medicare Savings Programs (MSP) pay the monthly Medicare premium

3           (\$185/month in 2025) for eligible seniors and people with disabilities, increasing economic security

4           for those enrolled.

5           (2) The Medicare Savings Programs also pay Medicare cost-sharing (deductibles,

6           coinsurance and co-payments) for the lowest income enrollees, increasing access to care.

7           (3) The federal government sets minimum income and resource eligibility for the Medicare

8           Savings Programs.

9           (4) States are permitted to increase the income and resource standards; however, the

10          percentage increase in eligibility for higher income MSP enrollees must not be higher than the

11          percentage increase for lower-income enrollees.

12          (5) The federal government pays the full cost for higher-income MSP enrollees and over

13          half the cost for lower-income MSP enrollees.

14          (6) Individuals enrolled in MSP are automatically enrolled in the federally funded Part D

15          Low-Income Subsidy (Extra Help) program which helps pay prescription drug costs with average

16          savings for enrollees of five thousand three hundred dollars (\$5,300) per year.

19 CHAPTER 8.16

## MEDICARE SAVINGS PROGRAMS

**40-8.16-1. Short Title.**

This chapter shall be known and may be cited as the “Medicare Savings Programs”.

**40-8.16-2. Purpose.**

The Medicare savings programs, established in the Social Security Act, (42 U.S.C. 1396a), §§ 1902(a)(10), 1905(p) and 1933, pay the monthly Medicare Part B premium for enrollees and provide certain enrollees with help paying for out-of-pocket costs. For individuals who are disabled and working, the program pays the Part A premium only. The programs are designed to improve access to necessary medical services and to address financial insecurity of low-income Medicare enrollees: people age sixty-five (65) and older and people with severe disabilities. States are allowed to set income and asset limits for the Medicare savings programs that exceed the federally mandated minimum levels. The federal government pays all or some of the costs for those enrolled in the Medicare savings programs. The federally-mandated minimum eligibility is too low to adequately address the needs of thousands of needy Rhode Islanders age sixty-five (65) and older and people with severe disabilities. It is the intent of the general assembly to increase eligibility for the Medicare savings programs consistent with federal law and as long as federal cost-sharing is provided.

### 40-8.16-3. Definitions.

As used in this chapter:

(1) "Income" means the income of the family unit of an individual as determined by the income-counting rules used for determining eligibility for federal Supplemental Security Income benefits under title XVI of the Social Security Act, 42 U.S.C. 1396a.

(2) “Medicare Part A” means the program established under Part A of title XVIII of the Social Security Act.

(3) “Medicare Part B” means the program established under Part B of title XVIII of the Social Security Act.

(4) “Medicare savings programs” and “Medicare premium payment programs” mean,  
collectively, the state-administered programs described in § 40-8.16-4.

(5) “Qualified disabled and working individual” means an individual who is not otherwise eligible for medical assistance; who is entitled to enroll in hospital insurance benefits under section 1818A of Title VIII of the Social Security Act; whose income does not exceed two hundred percent (200%) of the federal poverty line applicable to the person’s family size; and whose resources do not exceed twice the maximum amount that an individual (or a couple, in the case of a married individual) may have and obtain federal supplemental security income benefits under title XVI of

1 the Social Security Act.

2 (6) “Qualified individual” means an individual who is not otherwise enrolled in medical  
3 assistance and who is entitled to hospital insurance benefits under part A of title XVIII of the Social  
4 Security Act whose income is greater than one hundred thirty-eight percent (138%) but less than  
5 or equal to one hundred eighty-six percent (186%) of the federal poverty line applicable to the  
6 person’s family size. Insofar as federal financial participation is available, an individual’s resources  
7 shall not be considered in determining whether an individual is a qualified individual.

8 (7) “Qualified Medicare beneficiary” means an individual who is entitled to hospital  
9 insurance benefits under part A of title XVIII of the Social Security Act whose income does not  
10 exceed one hundred thirty-eight percent (138%) of the federal poverty line applicable to the  
11 person’s family size. Insofar as federal financial participation is available, an individual’s resources  
12 shall not be considered in determining whether an individual is a qualified Medicare beneficiary.

13 (8) “Resources” means the resources of the family unit of an individual as determined by  
14 the resource-counting rules used for determining eligibility for federal Supplemental Security  
15 Income benefits under title XVI of the Social Security Act. Insofar as federal financial participation  
16 is available, resources shall not be considered in determining an individual’s status as a qualified  
17 Medicare beneficiary or qualified individual.

18 (9) “Secretary” means the secretary of the executive office of health and human services.

19 **40-8.16-4. Payments.**

20 (a) The state shall provide for enrollment in Medicare Part B, and shall make payments for  
21 the Medicare Part B premium and any Medicare Part A premium, as well as for other Medicare  
22 cost-sharing including co-insurance and deductibles, for any individual who is a qualified Medicare  
23 beneficiary.

24 (b)(1) To the extent that federal financial participation is available at a one hundred percent  
25 (100%) federal medical assistance percentage and subject to §§ 1933 and 1902(a)(10)(E)(iv) of the  
26 Social Security Act, the state shall provide for enrollment in Medicare Part B, and shall make  
27 payments for the Medicare Part B premium, for any individual who is a qualified individual.

28 (2) Premium payments for qualified individuals will be one hundred percent (100%)  
29 federally funded up to the amount of the federal allotment. The secretary of health and human  
30 services shall discontinue enrollment into the program when the Part B premium payments made  
31 pursuant to subsection (b)(1) of this section meet the yearly federal allotment.

32 (c) The state shall make payment for the Medicare Part A premium for any individual who  
33 is a qualified disabled and working individual.

34 **40-8.16-5. Application process and outreach.**

1        The secretary shall ensure that an individual's data in an application for the Low-Income  
2        Subsidy (LIS) program that is transmitted by the Social Security Administration to the executive  
3        office of health and human services is used to begin the process of application for said individual's  
4        eligibility as a qualified Medicare beneficiary or qualified individual. The secretary shall maintain  
5        a simplified application form, consistent with federal law for enrollment into these programs, for  
6        application by individuals whose application is not started by transmission of LIS information from  
7        the Social Security Administration. The secretary shall publicize the availability of the Medicare  
8        savings programs.

9        **40-8.16-6. Federal approval and implementation.**

10       The secretary shall submit any necessary amendments to the Medicaid state plan or the  
11       1115 waiver to implement the provisions of this section.

12       **40-8.16-7. Rules and regulations.**

13       The secretary shall make and promulgate rules and regulations not inconsistent with state  
14       law, pursuant to chapter 35 of title 42 ("administrative procedures") as the secretary deems  
15       necessary for the proper administration of this chapter and to implement the policy and purposes  
16       thereof, and to ensure conformance to the provisions of the Social Security Act, 42 U.S.C. § 1396  
17       et seq., and to any rules or regulations promulgated pursuant thereto.

18       SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO HUMAN SERVICES -- MEDICARE SAVINGS PROGRAMS

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1           This act would expand eligibility for the qualified Medicare beneficiary program by  
2   increasing the income limit from one hundred percent (100%) to one hundred thirty eight percent  
3   (138%) of the federal poverty line and expand eligibility for the qualified individual program by  
4   establishing an income limit of one hundred thirty eight percent (138%) to one hundred eight six  
5   percent (186%) of the federal poverty line. There would be no asset limit applied to eligibility for  
6   these programs.

7           This act would take effect upon passage.

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