

# The “Medicare Cliff”:

Extending Lifelines for Health Care Equity to  
Older Adults and People with Disabilities



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# Medicare Costs and Inequity

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Half of Medicare enrollees with income up to 200% FPL spent **27% or more of their income on healthcare.**

(AARP 2020, 2017 data)



Women and people in racial or ethnic minority groups are disproportionately affected.

(KFF 2018, 2017 data)

# Example #1: “Martha”

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## **Social Security Income:**

\$1,187/mo. (\$14,244/yr.)

( ~111% FPL)

## **Resources:**

\$10,000 in life savings, mostly IRA

**Healthcare Needs:** Moderate



**Age 64  
Before Medicare**

**Age 65  
Medicare begins**

**Health  
program**

**ACA Medicaid**

**No a/b/d Medicaid**

**No Medicare Savings Program**

**Gets *partial* LIS (Rx cost cut)**

**Costs**

**\$0/mo. cost**

**\$320/mo. costs (27% income)**

**Coverage**

**Broad coverage**

**Uncovered services**

**No cost cap**

**Income**

**left**

**\$1,187/mo.**

**\$867/mo.**

## Case Study #2: “Jorge”

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### **Social Security Income:**

\$1,675/mo. (\$20,100/yr.)

(156% FPL)

### **Resources:**

\$12,000 in life savings, mostly IRA

**Health Needs:** Moderately high



**Age 64**  
**Before Medicare**

**Age 65**  
**Medicare begins**

**Health Program**

**ACA subsidies for Qualified Health Plan**  
  
+ COVID-relief extra premium subsidy

**No QHP, no ACA subsidy**  
  
**No a/b/d program**  
(No Medicaid, MSP, or LIS)

**Costs**  
  
**Coverage**

**\$194/mo.** (12% income)  
  
**Uncovered services**  
**Cost cap**

**\$452/mo.** (27% income)  
  
**Uncovered services**  
**No cost cap**

**Income left**

**\$1,481/mo.**

**\$1,223/mo.**

# What **ONLY** Medicaid (NOT Medicare Savings Programs) can add to Medicare

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## Additional services coverage

Medicaid (in WA) adds to Medicare:



- Routine dental care
- Hearing aids
- Routine vision exams
- Medical transportation (non-emergency)
- Personal care services (LTSS in home/ALFs)
- Behavioral health, home health, medical equipment (broader access than Medicare)

# What Medicaid AND Medicare Savings Programs can add to Medicare

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## **Affordability:**

- Pay Part B premiums
- Add “LIS” coverage, reducing Prescription meds costs

## **But only Medicaid and MSP-QMB:**

- “Cover” 20% cost-sharing + deductible



# Income Limits for health cost assistance for single person in Washington State

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<b>Income</b>	<b>% FPL</b>	<b>Person with Medicare</b>
\$ 814*	~75%	Medicaid (for people with Medicare)
\$1094*	100%	QMB premium + cost-sharing coverage
\$1469*	135%	MSP premium-only coverage
		<b>Person without Medicare</b>
\$1482	138%	ACA Medicaid program
\$2658	250%	ACA -QHP prem. + cost-sharing subsidies
\$4253	400%	ACA -QHP premium-only subsidies**

\*\*No income limit- pay 8.5% of income for QHP premiums 2021-22 under COVID-relief bill, ARP Act of 2021.

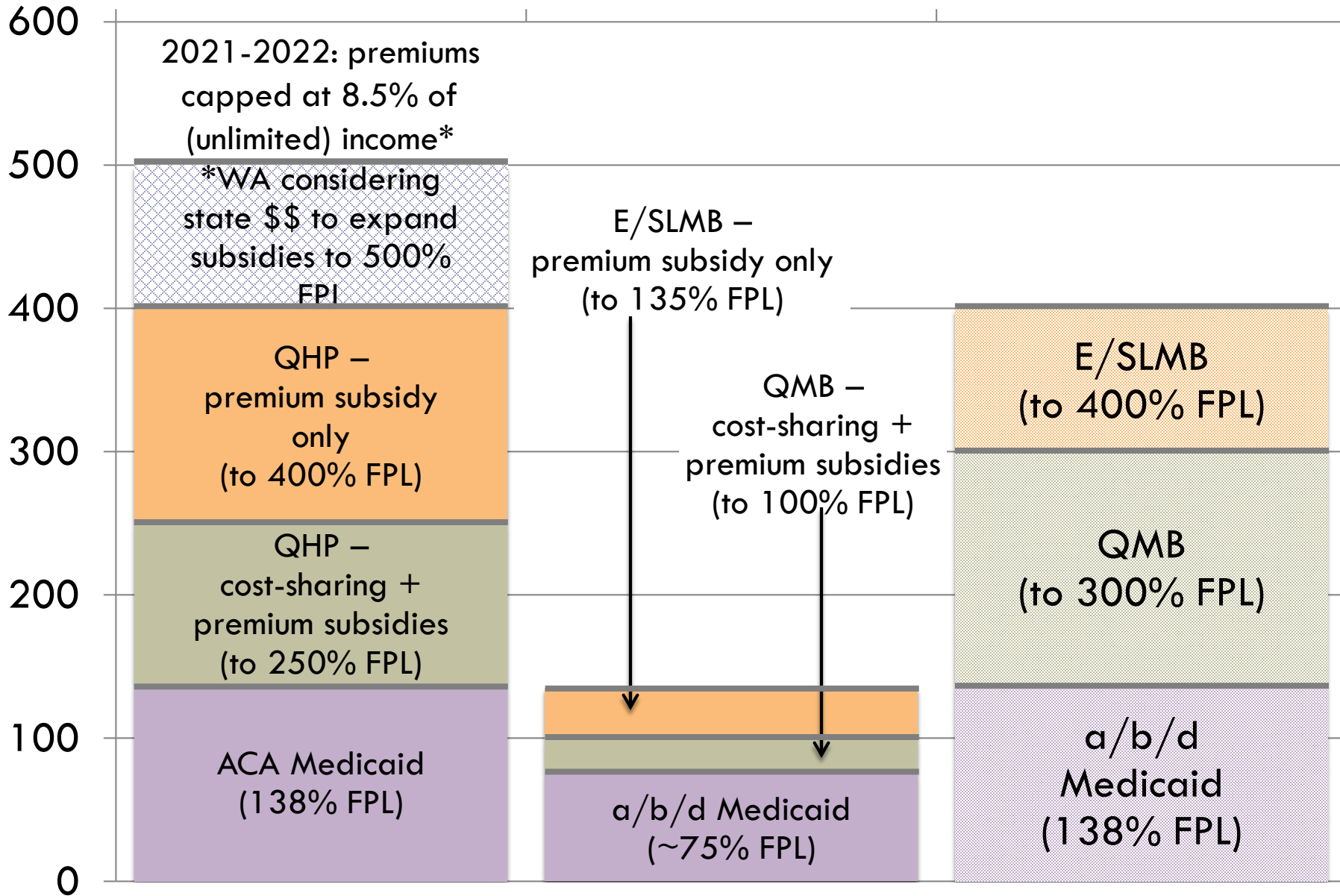
\*Includes \$20 “disregard” added to aged/blind/disabled program limits

**% Federal Poverty Level (FPL)**

**Current help for people NOT on Medicare**

**Current help for people ON Medicare**

**OPTIONS for help (people on Medicare)**



# How Washington State could help lower-income people on Medicare

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**Federal law lets states expand Medicaid and Medicare Savings Programs by raising income and resource limits. Federal funding shares the cost.**

**34 states have expanded eligibility.**

**Washington has taken no action.**



**Older adults and people with disabilities living in Washington deserve better.**

## More Info? Support? Stories?

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For our Medicare Cliff Report and information about our July 15 “Cliff” event, click [here](#).

Please [give us feedback](#) if:

- You or your organization support fixing the Cliff
- You know someone on Medicare who struggles to pay health costs (we’d like to hear these stories)

To reach NoHLA, contact: [ann@nohla.org](mailto:ann@nohla.org)

# Thank You!

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