

# MEDICARE SAVINGS PROGRAMS

## AFFORDABLE HEALTH CARE FOR OLDER ADULTS



### MEDICARE VS. MEDICARE SAVINGS PROGRAMS

Medicare is the major health insurer for people 65 and older and for many people with disabilities. More than 330,000 older adults in New Hampshire rely on Medicare. Medicare is **not** free; Medicare recipients pay out-of-pocket costs like premiums, co-payments, and deductibles.

**Medicare Savings Programs (MSPs) help low-income individuals pay for some of the costs not covered by Medicare.** MSPs offer real financial help by paying the Medicare Part B premium, which is currently \$185/month, and in some cases paying for annual deductibles and the 20% co-insurance.

### THE MEDICARE CLIFF IN NH

Many low-income individuals are automatically ineligible for Medicaid when they become eligible for Medicare. In New Hampshire, this means some people on Medicare experience *higher* health care costs, such as monthly premiums, co-payments, and deductibles. This is known as the Medicare Cliff and it has serious financial implications for older adults and people with disabilities. In fact, 40% of low-income people on Medicare spend at least one fifth of their income on health care. <sup>2</sup>

### THE FINANCIAL IMPACT ON INDIVIDUALS

High health care costs can put significant strain on the budgets of individuals with fixed incomes, particularly given the rising costs of housing, transportation, and groceries. **Under current MSP eligibility limits, a single individual with a monthly income of \$1,700 and savings of \$9,500 does not qualify for assistance.** As a result, many are forced to pay out-of-pocket Medicare costs despite limited finances. With the Medicare Part B premium at \$185/month, **MSPs could provide crucial support, helping people avoid the difficult choice between paying for health care and other essential needs.**

### AT A GLANCE

#### Medicare Recipient Statistics



**1 IN 4**  
people had annual incomes < \$21,000 <sup>1</sup>



**1 IN 2**  
people had annual incomes < \$36,000 <sup>1</sup>



**40%**  
spend at least 1/5 of their income on health care <sup>2</sup>








## SB 122: EXPANDING ELIGIBILITY

SB 122 proposes to expand eligibility for New Hampshire's Medicare Savings Programs (MSPs) by increasing the income limit and removing the resource limit. This would allow more low-income older adults to qualify for MSPs and receive help paying for health care costs not covered by Medicare.

**Expanded eligibility for MSPs will improve health outcomes, reduce financial burdens, and strengthen the health of New Hampshire communities.**

## TAKE ACTION




-  Share your experience with Medicare costs and how it impacts your health care
-  Contact your lawmakers to urge them to support expanded eligibility for MSPs
-  Spread the word on social media - follow @NewFuturesNH for updates!

Scan or visit  
[new-futures.org/  
Medicare-Savings-Programs](https://www.new-futures.org/Medicare-Savings-Programs)



## HOW EXPANDED ELIGIBILITY HELPS

By expanding eligibility for MSPs, New Hampshire can ensure that more older adults and people with disabilities have access to affordable health care. Expanded eligibility helps in several ways:

-  **Reduces financial burdens:** Older adults and people with disabilities are often on fixed incomes, which means that high health care costs can lead to challenges like having to choose between paying for health care and other essential needs like food and housing. By expanding MSPs, New Hampshire can reduce this financial burden.
-  **Increases affordability of health care:** Without additional financial support, many lower-income adults on Medicare may delay or skip necessary medical care and treatments. Expanding eligibility for MSPs will give more people the ability to afford the care they need without sacrificing their health or well-being.
-  **Improves the health of our state:** Investing in the health of older adults and people with disabilities benefits everyone. Expanding MSPs means fewer emergency room visits, better management of chronic conditions, and improved overall well-being.

### Sources:

- Cottrill, A., Cubanski, J., Neuman, T., & Smith, K. (2024, February 9). Income and assets of Medicare beneficiaries in 2023 | KFF. KFF. <https://www.kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-in-2023/>
- Roberts, E. T., Glynn, A., Cornelio, N., Donohue, J. M., Gellad, W. F., McWilliams, J. M., & Sabik, L. M. (2021). Medicaid Coverage 'Cliff' Increases Expenses And Decreases Care For Near-Poor Medicare Beneficiaries. *Health Affairs*, 40(4), 552-561. <https://doi.org/10.1377/hlthaff.2020.02272>

