

Appendix – Description of the LIS, MSPs, and the methodology involved in this analysis

QMB, SLMB, and QI programs' eligibility requirements

Table 1A describes the eligibility requirements and benefits of each of the QMB, SLMB, and QI programs. We do not include the Qualified Disabled Working Individual (QDWI) program because it only pertains to the premium for Part A, which is not applicable to our analysis.

Table 1A: Medicare Savings Programs Eligibility & Benefits

| Type | Full or Partial | Federal Income Limit | Individual Federal Asset Limit | Couple Federal Asset Limit | Benefits |
|---|-----------------|----------------------|--------------------------------|----------------------------|---|
| Qualified Medicare Beneficiary (QMB) | | | | | |
| QMB Only | Partial | 100% FPL or below | \$7,970 | \$11,960 | Medicare Part A & Part B premiums, Medicare deductibles, coinsurance, and copayments |
| QMB Plus | Full | 100% FPL or below | \$2,000 | \$3,000 | Medicare Part A & Part B premiums, Medicare deductibles, coinsurance, and copayments, all Medicaid covered services |
| Specified Low-Income Medicare Beneficiary (SLMB) | | | | | |
| SLMB Only | Partial | 101-120% FPL | \$7,970 | \$11,960 | Medicare Part B premiums |
| SLMB Full | Full | 101-120% FPL | \$2,000 | \$3,000 | Medicare Part B premiums, Medicare deductibles, coinsurance, and copayments, all Medicaid covered services |
| Qualifying Individual (QI) | | | | | |
| QI | Partial | 121-135% FPL | \$7,970 | \$11,960 | Medicare Part B premiums |

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Source: [MACPAC](#)

Low-Income Subsidy (LIS) program

The LIS program is [administered federally](#) by the SSA and CMS. To increase LIS participation among those who are eligible, CMS oversees the automatic and [facilitated enrollment](#) of eligible individuals into the LIS program. Individuals who are full-benefit duals, meaning they are eligible

both for Medicare and full Medicaid benefits, are automatically enrolled by CMS into the LIS program. CMS also identifies those who are eligible and not yet enrolled, and notifies them of the program.

Marketplace premiums

Marketplace premiums reflect the parameters of the premium tax credit. This tax credit works by establishing limits on the percentage of income a beneficiary can pay toward a benchmark plan (specifically, the second lowest-cost silver plan in the beneficiary's area). For those who fall below 150% of the FPL, the tax credit covers the full premium for the benchmark plan. Above 150% of the FPL, the maximum percentage of income required for insurance premiums increases to 8.5% for those whose income is at or above 400% of the FPL. This Marketplace premium schedule as a percentage of income is shown in Table 2A.

Table 2A: Premium for Marketplace Benchmark Silver Plan as a Percentage of Income

| Income | % of income required at the beginning of income range | % of income required at end of income range |
|--------------------|---|---|
| Less than 150% FPL | 0.0% | 0.0% |
| 150 - 200% FPL | 0.0% | 2.0% |
| 200 - 250% FPL | 2.0% | 4.0% |
| 250 - 300% FPL | 4.0% | 6.0% |
| 300 - 400% FPL | 6.0% | 8.5% |
| More than 400% FPL | 8.5% | 8.5% |

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Source: [IRS](#)

Maintaining the 25% rule

Each year in late summer, the Medicare actuaries project the cost of the Part B program for the next year. By law, Medicare beneficiaries must pay 25% of the total cost of the Part B program. That 25% of the total cost of the Part B program is divided by the total number of projected Medicare Part B beneficiaries. This then determines the Part B premium for the following year. Under this proposal, that process would continue. Each year the actuaries would calculate the Part B premium that is required to pay 25% of the cost of the Part B program.

Under current law, all the Medicare Part B premiums are deposited into the Part B trust fund including premiums paid by the Medicaid program on behalf of low-income beneficiaries. An estimate of that continues under this proposal. Given that increased participation and the extent

to which Part B premiums have been lowered for many more participants but has been offset by additional premiums from higher income Medicare beneficiaries, the 25% rule is maintained.