

Why GAO Did This Study

Congress established four MSPs and the LIS program to help low-income beneficiaries pay for some or all of Medicare's cost-sharing requirements. Historically low enrollment in MSPs has been attributed to lack of awareness about the programs and cumbersome enrollment processes through state Medicaid programs. MIPPA included requirements for SSA and state Medicaid agencies aimed at eliminating barriers to MSP enrollment. Most notably, MIPPA created a new pathway to MSP enrollment by requiring SSA, beginning January 1, 2010, to transfer the information from a LIS application to the relevant state Medicaid agency, and the state must initiate an application for MSP enrollment. MIPPA also required GAO to study the effect of these requirements. This report describes (1) SSA's implementation of the requirements; (2) how MSP enrollment levels have changed from 2007 through 2011 and the factors that may have contributed to those changes; and (3) the effects of the MIPPA requirements on states' administration of MSPs.

GAO reviewed documents and data on SSA's efforts to transfer applications and implement other MIPPA requirements, analyzed MSP enrollment data from CMS, surveyed Medicaid officials from the 50 states and the District of Columbia, and contacted officials from 6 states selected, in part, because they accounted for over 20 percent of MSP enrollment.

MEDICARE SAVINGS PROGRAMS

Implementation of Requirements Aimed at Increasing Enrollment

What GAO Found

The Social Security Administration (SSA) took a number of steps to implement the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) requirements aimed at eliminating barriers to Medicare Savings Program (MSP) enrollment and spent about \$12 million in fiscal years 2009 through 2011 to do so. SSA reported transferring over 1.9 million Low-Income Subsidy (LIS) program applications to state Medicaid agencies between January 4, 2010 and May 31, 2012. SSA also took steps to make information available to potentially eligible individuals, conduct outreach, and train SSA staff on MSPs. In fiscal years 2009 and 2010, SSA spent \$9.2 million of the \$24.1 million appropriated by MIPPA for initial implementation costs, and in fiscal year 2011, SSA spent about \$2.5 million of the \$3 million appropriated by MIPPA for ongoing administrative costs. SSA officials told GAO that implementing the MIPPA requirements has not significantly affected its overall workload and that SSA expects funding provided under the law to be sufficient to carry out the requirements.

Using data from the Centers for Medicare & Medicaid Services (CMS), GAO estimates that MSP enrollment increased each year from 2007 through 2011. The largest increases occurred in 2010 and 2011 (5.2 percent and 5.1 percent respectively), the first 2 years that the MIPPA requirements were in effect. Several factors may have contributed to the higher levels of growth in MSP enrollment during these 2 years, including SSA application transfers and outreach, other MIPPA provisions related to MSPs, and the economic downturn. For example, while there are no nationwide data demonstrating the effects of the SSA application transfers, officials from 28 states reported that MSP enrollment had increased as a result of the transfers.

Officials from most of the six states GAO contacted to supplement its survey reported that the SSA application transfers led to changes in eligibility systems and had increased the state's workload, that is, the time spent processing MSP applications. The extent to which the application transfers resulted in system or workload changes may have depended on whether states accepted SSA's verification of the information transferred, as allowed under CMS policy. In response to GAO's survey, officials from 35 states reported that the state required the applicant to reverify at least some of the information. GAO found from interviews with officials from selected states that requiring reverification from applicants included multiple steps by the state and applicant. In contrast, officials from two states that accepted SSA's verification of the information told GAO that the state was able to enroll some of the applicants transferred by SSA with little to no work required by caseworkers. Differences in how SSA and states count income and assets when determining eligibility for LIS versus MSPs may have driven states' decisions to require verification from applicants. States have the flexibility under federal law to align methods for counting income and assets for MSPs with those for LIS and doing so may reduce the administrative burden of processing the transferred applications. However, doing so would likely increase enrollment and, therefore, increase state Medicaid costs.

SSA, in an e-mail, agreed with GAO's description of its implementation of MIPPA requirements.