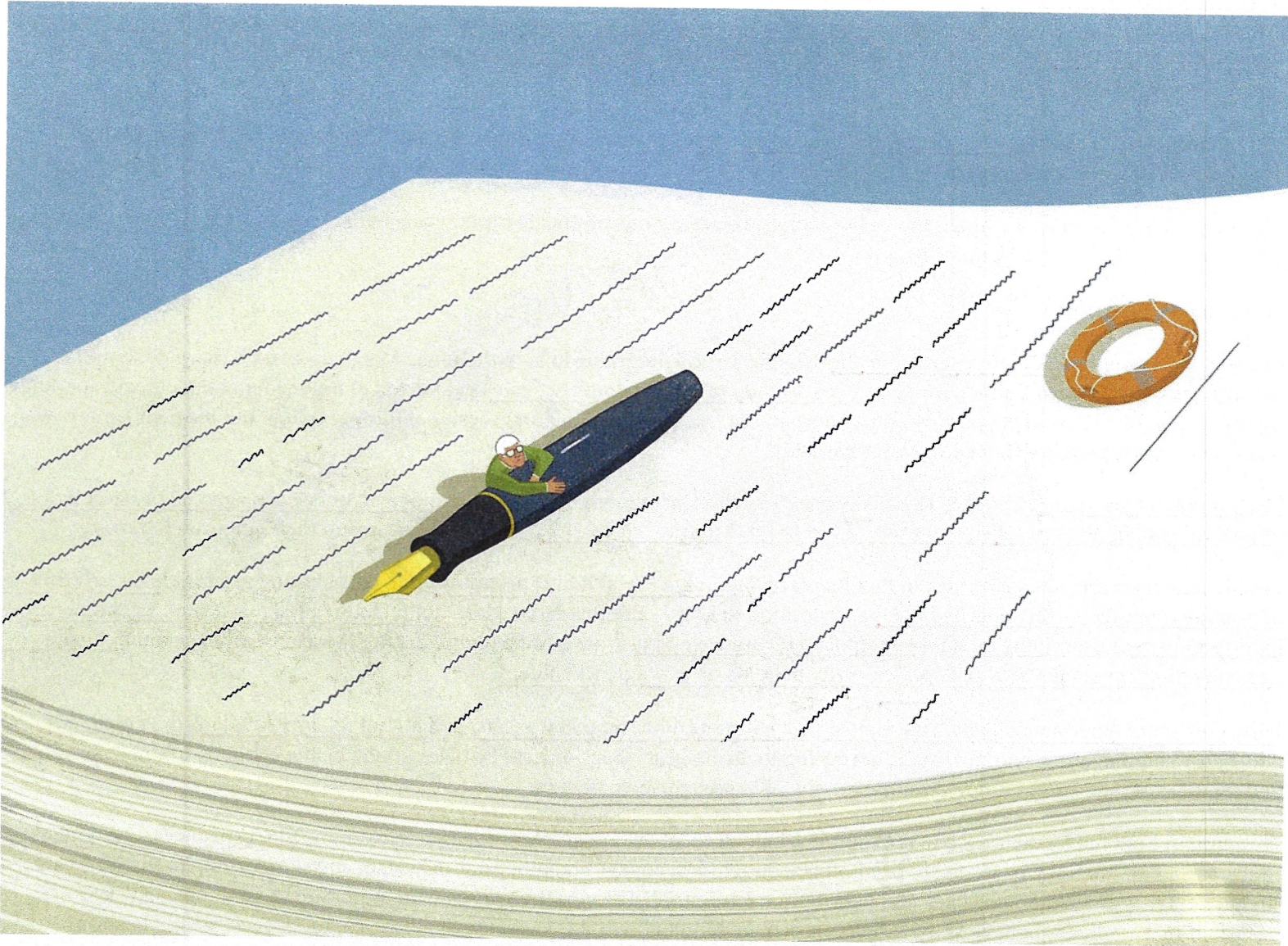


Poor retirees lose an easier path to help



The budget bill signed by President Donald Trump suspends an effort to enroll more poor older Americans for assistance covering health care costs. SHOUT — THE NEW YORK TIMES

BY MARK MILLER

THE NEW YORK TIMES

Millions of low-income seniors are missing out on crucial help paying for Medicare — and the recently enacted federal budget law blocks an effort to help them get it.

The Trump administration budget law passed in July does not reduce any of Medicare's standard benefits. But the law does suspend until 2034 a requirement that states adopt a Biden-era plan to increase enrollment in state-run Medicaid programs that help seniors who qualify get a hand paying for out-of-pocket Medicare costs.

That plan would have widened enrollment in Medicare Savings Programs by reducing the paperwork needed to sign up — a change that was opposed by some Republicans, who have said they want to reduce waste and potential fraud when cutting funding for programs like Medicaid.

The programs cover the cost of premiums and other out-of-pocket expenses, and automatically enroll people in the federal Low Income Subsidy, which helps people pay for medicines under Medicare Part D. Only about 60% of eligible seniors are enrolled in the programs because they aren't aware of them, and the plans have complex enrollment requirements.

The decision to suspend the streamlined enrollment plan comes at a time when Medicare costs are rising. The premium for Part B, which covers outpatient care, will be announced this fall. But the latest annual report on Medicare's finances from the program's trustees projected that it would rise 11.6% next year, to \$206.50 per month. If that forecast holds, the Part B increase alone will consume most of the dollar amount of the Social Security cost-of-living adjustment received by low-income seniors, which is projected to be around 2.7%.

Most experts also expect Part D prescription drug plan premiums to rise sharply next year. That's because the administration decided to scale back a program aimed at holding down premium increases through subsidies paid to drug plan providers.

"People with low incomes are about to see big increases in their out-of-pocket costs," said Tricia Neuman, senior vice president of KFF, a health care research nonprofit.

More are struggling

Nearly 5.8 million low-income older adults are eligible for the programs to help them pay Medicare costs but are not enrolled, according to the National Council on Aging. Suspension of the streamlining rule is expected to reduce federal Medicaid spending by \$66 billion over 10 years because of lower enrollment, according to the Congressional Budget Office. But for poor seniors who don't receive this help, it will mean greater hardship.

Note
Their numbers are rising. The U.S. Census Bureau reported last month that the percentage of Americans aged 65 or older living in poverty rose in 2024 to 15% — up from 14.2% in 2023 and 10.7% in 2021 — the only age group that increased in poverty.

Health care costs are a major culprit in that increase. Medicare Part B and D premiums and cost sharing account for nearly 25% of average monthly Social Security benefits, according to KFF — and that figure does not include other costs, such as dental care, long-term care or premiums for supplemental Medicare coverage, known as Medigap. Taking those costs into account, health care spending consumes 39% of Social Security benefits on average, KFF found.

Note
Forty percent of older households have almost no savings or other financial assets, and all but the top 20% lack the cushion to withstand a significant economic shock, according to an analysis of assets held by older adults by the National Council on Aging and the LeadingAge LTSS Center at the University of Massachusetts, Boston.

Enrolling in both the Medicare Savings Programs, known as MSPs, and the Low Income Subsidy, or LIS, can save an individual as much as \$8,400 annually in Medicare premiums, deductibles, copays and other out-of-pocket costs, according to the Medicare Rights Center, a consumer advocacy and policy organization. That means they provide an important benefit, because, KFF reports, 1 in 4 Medicare beneficiaries lived on less than \$24,600 in 2024. Medicare Savings Programs have several levels of support that vary by income — but the thresholds are very low.

"These programs are meant to make it easier for people with very limited incomes to afford health care," said Frederic Riccardi, president of the Medicare Rights Center. "This is a real setback."

How to apply

The approaching Medicare fall enrollment season puts a spotlight on the importance of the MSP and LIS benefits. But you can enroll in these programs at any time — you do not have to wait for the annual enrollment period (Oct. 15 to Dec. 7) for Part D and Medicare Advantage programs.

Income and asset eligibility for Medicare Savings Programs vary from state to state. The criteria for your state can be found on the KFF website.

Medicare Savings Programs

Your State Health Insurance Assistance Program, or SHIP, can help with enrollment. Call the national organization at 877-839-2675 to learn how to contact your local SHIP.

Extra help

Since the prescription drug assistance program is federal, apply online at the Social Security Administration website (ssa.gov/medicare/part-d-extra-help) or by calling 800-772-1213. You can also apply by visiting your local Social Security office.

Barriers to enrollment

The Medicaid program covers Medicare costs for the very lowest-income seniors. Medicaid covers Medicare premiums for these so-called dual eligible people. The MSPs cover costs for an additional group of impoverished seniors with slightly higher incomes that keep them from qualifying for full Medicaid benefits.

Still, millions of low-income seniors who qualify are not enrolled, due either to a lack of knowledge about the programs and how to sign up, or the difficulty navigating a complex enrollment process.

"The applications can run as long as 30 pages in some states," said Brandy Bauer, joint center director for the SHIP Technical Assistance Center, a national resource center for the SHIPs that offer Medicare and Medicaid sign-up help in all 50 states. "There's quite a bit of documentation that needs to go in with applications, especially for assets."

The now-suspended rule change required states to use information from LIS enrollment to sign people up for MSPs. It also would have automatically enrolled people receiving Supplemental Security Income, the income benefit program for very low-income people.

