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## Health Care & Wellness Committee

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### HB 1313

**Brief Description:** Improving health care affordability for older adults and people with disabilities on medicare.

**Sponsors:** Representatives Farivar, Macri, Tharinger, Harris, Alvarado, Mena, Thai, Berry, Ryu, Orwall, Callan, Waters, Wylie, Ortiz-Self, Stonier, Cheney, Chopp, Riccelli, Bergquist, Bateman, Morgan, Lekanoff, Reeves, Davis, Senn, Doglio, Santos, Reed, Goodman, Kloba, Pollet, Fosse, Ormsby and Chapman.

#### Brief Summary of Bill

- Requires the Health Care Authority (HCA) to offer eligible clients the four Medicare Savings Programs.
- Prohibits the Medicare Savings Programs from requiring a resource test.
- Authorizes the HCA to establish income limits higher than the federally required minimum levels for Medicare Savings Programs.

**Hearing Date:** 1/27/23

**Staff:** Kim Weidenaar (786-7120).

#### **Background:**

##### Medicare.

Medicare is a federal health insurance program for individuals 65 years of age and older and certain people under 65 who have a long-term disability. Part A covers hospital stays, skilled nursing facility stays, and hospice care. These benefits are subject to a deductible and some services require coinsurance. Part B covers most out-patient services including physician visits and preventative services. These services are subject to a deductible and generally require coinsurance of 20 percent. Part C is the Medicare Advantage program which is provided through

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private health plans that include Part A, B, and D benefits. Part D is the out-patient prescription drug benefit. Enrollment in the Part D program is voluntary.

#### Medicare Savings Programs.

There are four Medicare Savings Programs (Savings Programs) that can assist with Part A and B deductibles, coinsurance, and copayments. Medicare enrollees must apply for the Savings Programs through their state of residence. The four Savings Programs have different eligibility standards including different income and resource limits and pay for different parts of the Medicare premium or associated costs.

#### *Qualified Medicare Beneficiary Program.*

The Qualified Medicare Beneficiary Program can be used to assist with Part A and B premiums, deductibles, and copayments. To be eligible in Washington for this program, the individual's income can be no more than 100 percent of the federal poverty level (FPL).

#### *Specified Low-Income Medicare Beneficiary Program.*

The specified low-income Medicare beneficiary program can help pay for Part B premiums. To be eligible for this program in Washington, the individual's income can be no more than 120 percent of the FPL.

#### *Qualifying Individual Program.*

The qualifying individual program can help pay for Part B premiums. An enrollee must apply every year to stay in this program and states approve the applications on a first-come first-serve basis. Individuals who qualify for Medicaid are not eligible for this program. To be eligible for this program in Washington, the individual's income can be no more than 135 percent of the FPL.

#### *Qualified Disabled Working Individual Program.*

Individuals who have a disability, are working, and lost social security disability benefits and Medicare premium-free Part A because the individual returned to work may be eligible for this program. This program only pays for Part A premiums. To be eligible for this program in Washington, the individual's income can be no more than 200 percent of the FPL.

### **Summary of Bill:**

The Health Care Authority (HCA) must offer eligible clients the following Medicare Savings Programs (Savings Programs):

- the qualified Medicare beneficiary program;
- the specified low-income Medicare beneficiary program;
- the qualified individual program; and
- the qualified disabled and working individuals program.

To be eligible for a Savings Program, a client must be entitled to Medicare Part A and meet other eligibility requirements established by the HCA and federal law. A client with a countable

income of up to 138 percent of the federal poverty level is income eligible for the qualified Medicare beneficiary program. The HCA may establish by rule income limits higher than the federally required minimum levels for the Savings Programs. The Savings Programs may not require a resource test.

The HCA must seek to maximize the availability of the qualified individual program through the Centers for Medicare and Medicaid Services. The HCA is authorized to adopt rules.

**Appropriation:** None.

**Fiscal Note:** Requested on January 16, 2023.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.