



Simplifying Access to the Medicare Savings Program: State Model Policy

Simplify Eligibility by Disregarding the Value of Non-Liquid Assets

Background: Medicare imposes significant out-of-pocket costs in the form of premiums and cost sharing. Through the Medicare Savings Programs (MSPs), states make Medicare affordable for people with incomes near or below the poverty level. In most states, applicants must prove that they also have limited assets.

Problem: Proving the value of non-liquid assets—like extra land or farm equipment—is challenging and time consuming, preventing or delaying MSP enrollment, especially in rural areas. Verifying non-liquid assets is especially burdensome and costly for states.

“...Getting approved can be an issue, especially farm families, because you're looking at tens of thousands of dollars worth of equipment... that you no longer use that's sitting in the barn. Some of these, a tractor will cost you more than a house, but it doesn't do you any good when you're hungry, or you're cold, or you need in-home care.”*

Solution	Exclude non-liquid assets from the MSP asset test.
Benefits for older adults and people with disabilities	<ul style="list-style-type: none"> • Significantly reduce application burdens. • Improve health care access. • Reduce financial strain. • Reduce mortality.
Benefits for states	<ul style="list-style-type: none"> • Reduce administrative burden. • Reduce administrative costs. • Increase automated (<i>ex parte</i>) renewal rates. • Lower error rates.
State costs	Minimal new Medicaid costs.

The [Lab's state model policy](#) would effectively remove the asset test for people with low incomes by disregarding the value of all non-liquid assets, as permitted by section 1902(r)(2) of the Social Security Act. At least three states with asset tests disregard certain types of non-liquid assets.

For more detailed analysis, citations, and additional model policies, [please visit the Aging & Disability Health Policy Lab website, www.adhealthpolicylab.org](http://www.adhealthpolicylab.org).

*"Jennifer' #10," The People Say, 2025, <https://thepeoplesay.org/data/show/Jennifer-10>