



Simplifying Access to the Medicare Savings Program: State Model Policy Eliminate the Asset Test

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, MSP applicants must prove that they have no more than \$9,950 in countable assets or \$14,910 for a couple (in 2026).

Problem: MSPs could help many more older adults and people with disabilities, including people who skip medical care and struggle financially because of high Medicare premiums and cost sharing. Confusing and time-consuming asset verification requirements (a) delay or prevent many eligible individuals from enrolling and (b) create significant administrative costs for states.

“The asset requirement is the biggest slowdown in the approval process. Income is, for many people, just their social security checks, so it’s very straightforward. It’s the assets that are a lot more complicated and intimidating.”*

Solution	Remove the asset test for the Medicare Savings Programs; determine eligibility solely by income.
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"> • Significantly reduce administrative burden. • Lower administrative costs. • Increase automated (<i>ex parte</i>) renewal rates. • Lower error rates.
State costs	Modest new Medicaid costs in initial years.

The [Lab’s state model policy](#) would effectively remove the asset test for people with low incomes by disregarding the value of all assets, as permitted by section 1902(r)(2) of the Social Security Act. Thirteen states and D.C. have already removed the asset test for the MSPs.

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).

*Susan L. Hayes et al., “Moving from Medicaid Expansion Coverage to Medicare Can Be a Burdensome Transition: A Qualitative Study,” Table 4, *Journal of General Internal Medicine*, September 2, 2025, <https://doi.org/10.1007/s11606-025-09789-9>