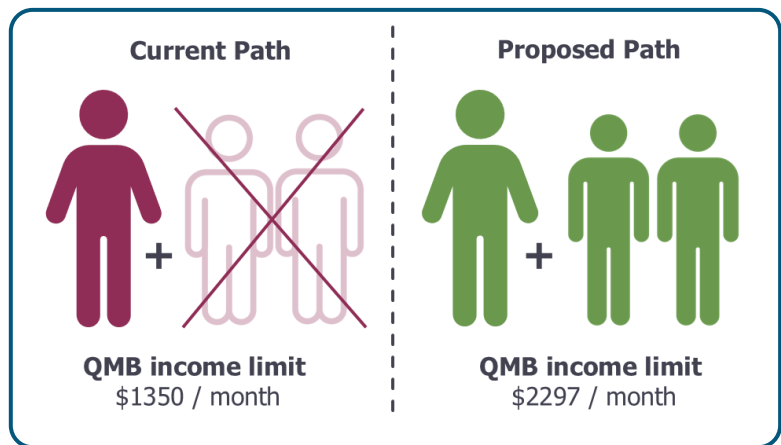




Simplifying Access to the Medicare Savings Program: State Model Policy End the MSP Family Caregiver Penalty

Background: Federal law sets income limits for Medicare Savings Program (MSP) enrollment relative to the federal poverty level “applicable to a family of the size involved.” Essentially, the federal poverty level is higher—and therefore MSP eligibility is more attainable—when more people are counted in the family size. The law does not define family size and, for decades, the federal government has permitted states to apply their own reasonable definition.

Problem: Most states only include the applicant and their spouse in determining family size to calculate eligibility for the MSPs. This means caregivers—such as grandparents raising grandchildren or parents with dependent adult children—can only qualify for the MSPs at lower incomes (relative to the federal poverty level) than non-caregivers. We refer to this as the “MSP family caregiver penalty.”



Solution	Recognize caregiving responsibilities by including dependents as part of family size in eligibility calculations.
Benefits for older adults and people with disabilities	<ul style="list-style-type: none"> Makes MSP eligibility attainable at significantly higher income levels for MSP applicants with caregiving responsibilities. Improves health care access and reduces financial strain and mortality for affected caregivers.
Benefits for states	Stability and fairness for caregivers who are experiencing economic hardship.
State costs	Low, temporary new Medicaid costs.

The [Lab’s state model policy](#) would eliminate the MSP family caregiver penalty by expanding the MSP family size definition, in line with Part D Extra Help, to include household relatives who depend on the applicant or their spouse for at least half of their financial support.

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).