

# Senate Health and Human Services Committee

*Sophie Walsh 271-3469*

**SB 122-FN**, relative to financial eligibility for the Medicare savings program.

**Hearing Date:** February 5, 2025

**Members of the Committee Present:** Senators Rochefort, Avard, Birdsell, Prentiss and Long

**Members of the Committee Absent:** None

**Bill Analysis:** This bill directs the department of health and human services to remove asset limits and increase income thresholds for the Medicare savings program and to submit any amendment to the state Medicaid plan required for implementation.

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**Sponsors:**

Sen. Rosenwald

Sen. Watters

Sen. Long

Sen. Perkins Kwoka

Sen. Prentiss

Sen. Rochefort

Rep. Wallner

Rep. Weber

Rep. Nagel

Rep. Telerski

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**Who supports the bill:** 197 people signed in support of the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh (Sophie.Walsh@gc.nh.gov).

**Who opposes the bill:** 2 people signed in opposed to the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh (Sophie.Walsh@gc.nh.gov).

**Who is neutral on the bill:** 1 person signed in neutral to the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh (Sophie.Walsh@gc.nh.gov).

**Summary of testimony presented:**

Senator Cindy Rosenwald, Senate District 13

- SB 122 makes changes to the Medicare savings programs which will help our lowest income seniors afford to pay for Medicare when they turn 65.
- For the part of the program based on an individual's income, there is assistance paying for the Part A deductible, which is from hospital charges, part B premiums, out of pocket costs and for prescription drugs.

- Currently, New Hampshire has about 20,000 people on the Medicare Savings Plan, some of whom might also be on Medicaid.
- These are people turning 65, possibly on the Medicaid long-term care waiver, the developmental disabilities waiver, maybe aging out of Aid to the permanently and totally disabled or Medicaid expansion.
- New Hampshire's Medicaid Division administers the Medicare Savings Plan.
- There are state funds involved but some of the assistance is purely federal funds.
- They are not drawing down all of the federal funds that are available.
- Participants drug costs are reduced because they qualify for the federal low income drug subsidy.
- The extent to which people stay healthy because they can access care, they are less likely to end up in a nursing home and on Medicaid which is a far greater cost.
- This bill raises income limits and removes the asset limit, following what our neighboring state of Maine has just done.
- NH is the most rapidly aging state in the country.
- She believes strongly that the state needs to help low income seniors pay for their Medicare coverage so they can access health care.

Mary Roberge, AARP New Hampshire

- AARP is dedicated to advocating for the well being and financial security of older adults.
- SB 122 aligns with their mission by addressing the critical issues of health care affordability for low income seniors as well as disabled individuals.
- This bill increases the income limits for the Qualified Medicare Beneficiary program as well as the Low Income Medicare Beneficiary program.
- By increasing the limits more people will have access to financial assistance.
- Removing the resource limit ensures that individuals who may have modest savings or assets are not disqualified.
- Many older individuals and disabled individuals are struggling to meet their monthly expenses, including costs for food, shelter and health care.
- This bill will allow them to have some financial security.

Lori Raymond, Partnership for Public Health

- Her job at the Partnership is to help people apply for Medicare Savings Programs.
- During open enrollment periods she will counsel people on the options they have in Medicare.
- The people she helps are all low income, sometimes living on \$1,200 a month and barely making ends meet.

- Eliminating the asset limit would make a big difference because some of these individuals own homes and any money that they save goes to help pay property taxes.
- Every year Medicare goes up and this year the cost is \$185 unless they are eligible for these programs.
- Senator Rochefort thanked her for what she does to help the people she works with.

Judith Jones, New Futures and the NH Alliance for Healthy Aging

- This bill will help individuals stay healthy in their communities.
- Another cost of Medicare is the cost sharing part where Medicare just covers 80% and the beneficiary is left with the other 20% of the bill.
- Some people will purchase a Medigap policy which can range from \$150 to \$250 a month.
- The Gap Policies do not cover the Part B premium.
- Some people will join a Medicare Advantage program but those plans, also, do not cover the Part B premium.
- These are people who want to stay in their homes, stay stable and are facing economic needs.
- The current limits for the programs are near the federal poverty level.
- The QMB savings plan pays for all of the gaps in Medicare.
- People with a little more income qualify for the SLMB savings plan which just pays for the Part B premium.
- The current resource limit is \$9,666 for a single individual.
- SB 122 would increase the QMB program to 185% of the poverty limit and the SLMB program to 250% of the poverty limit.
- The bill also removes the resource limit.
- She believes these increases are reasonable given the cost increases people are facing.
- The monthly cost of living in highly populated counties is over \$3,000 a month.
- In the more rural areas, it is just under \$3,000 a month.
- Removing the resource limit allows older adults, living on a fixed income, the ability to pay their taxes and for repairs on their homes without incurring more costs.
- This is a federal program and there is a 50% Federal match for the QMB program and a 100% match for the SLMB program.
- There is a small reduction in administrative burden due to not having to investigate a person's resources.
- Additionally, anyone enrolled in a Medicare Savings Program is eligible for the federal drug subsidy.

- This all translates to economic benefit for households, the state and the local communities.

Rob Berry, General Counsel - Division of Medicaid

David Chorney, NH Deputy Medicaid Director

- They have estimated that these changes would cost 14.5 million dollars a year to implement.
- The higher income level group that receives 100% federal funds is not included in their cost estimate.
- The cost estimate is the expansion for the lower income group, which is 50% state funds and 50% federal funds.
- They believe there could be some potential cost savings that they have not quantified yet.
- One of the benefits to the individual would be that it would defer defray institutionalization which would be a decrease in cost.
- Another savings would be from those that are currently on Medicaid but would become eligible for one of the Medicare Savings Programs with the expanded income limits.
- This would make Medicare the primary payer and Medicaid would be secondary.
- Senator Avard asked if they have an estimate of how many would be helped by deferring institutionalization.
- Mr. Chorney replied that they will have to look into the numbers, but this would defray the cost of nursing facility care and allow for more home community based care which is less expensive by 75%.
- Senator Birdsell asked if all of that information will be included in the fiscal note when it is finalized.
- Mr. Chorney replied to the extent that they can quantify the cost savings, it will.
- Senator Birdsell asked when the fiscal note would be done.
- Mr. Chorney replied that it should be done before the bill goes to the Finance Committee.
- Senator Long asked if the administrative cost savings is calculated in their report.
- Mr. Chorney responded that the administrative costs would stay the same. They are decreasing the number of resources they have to investigate but increasing the number of applications to process.
- Senator Rochefort asked if they can implement the SLMB program that is 100% federally funded without implementing the other programs.
- Mr. Chorney replied that they could look into it, but they would need CMS approval to alter the plan. He does not think any other state has taken that approach. Most have taken the approach of instituting both programs as well as removing the asset portion. The difference would be that the SLMB 135 only

covers the Part B premium, the beneficiary would still be responsible for the cost sharing.

Cheryl Steinberg, Director, Justice and Aging Project, NH Legal Assistance

- The Justice and Aging Project provides legal assistance to individuals 60 years and older.
- She has assisted thousands of older Granite Staters over the years and many of them could have benefited from these programs but were ineligible due to the income or resource limits.
- In the debt collection work she does, she sees so many people that have had to use credit cards for everyday essentials because of increased health care expenses as they age.
- These older adults are one setback away from their lives going into a spiral.
- Some have to choose between staying in their home or paying for medical costs and they choose home.

Rebecca Sky, Executive State Director, NH Commission on Aging

Dan Wise, NH Commission on Aging

- Expanding the Medicare Savings Programs was one of the NH Commission on Aging's recommendations to the Governor.
- Poverty among people over the age of 65 is among the fastest growing of the poverty populations.
- The NH Fiscal Policy Institute says that the poverty rate for people in NH that are 65 and over went from 6.2% to nearly 8% between 2019 and 2022.
- This bill simply extends an existing program that has a federal match.
- SB 122 will enable more older adults living in poverty to qualify for these cost savings.
- The participation rate among people who would be considered qualified is no more than 30%.
- There are many that remain unreached and with this program there is more of a chance to keep this population healthy and reduce long term care costs.
- Ms. Sky noted that Medicaid costs for nursing homes compared to home care costs are more than double.
- Over one dozen states have also eliminated the asset tests including Alabama, Arizona, Louisiana and Mississippi.

Senator Cindy Rosenwald, Senate District 13

- She addressed Senator Rochefort's question regarding only implementing the SLMB program by stating that the people who really need the help are the ones that qualify for the QMB program. They have a lower income and she would ask that they take a look at different income thresholds instead of not implementing the QMB program. She hopes that they do not ignore the poorest of the poor who

need the help the most. She added that Medicaid pays for 2/3rds of nursing home care in this country. Statistics prove that if you go into a nursing home you will end up on Medicaid within 4.5 months.

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