

Briefing Memo: Medicare Crisis Program Proposal

Congresswoman Pramila Jayapal (WA-07)

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Medicare Crisis Program

- **ELIGIBILITY:** Any uninsured person and the household of a person who experienced a loss or reduction in employment during the COVID-19 crisis and is found eligible for unemployment insurance qualifies for the Medicare Crisis Program.
- **COST-SHARING:** Enrollees will pay for deductibles, coinsurance, and copays of Part A and Part B for all other services. Enrollees may choose to purchase Part D drug coverage and a Medigap plan separately to cover additional costs.
 - For the duration of the COVID-19 crisis, Medicare Crisis and traditional enrollees will not pay premiums for Part A and Part B.
 - For the duration of the COVID-19 crisis, out-of-pocket costs for Medicare Crisis and traditional Medicare enrollees will be capped to 5% of their monthly income.
 - For the duration of the COVID-19 crisis, the Low-Income Subsidy program will be available to Medicare Crisis enrollees to assist with Part D costs like premiums, deductibles, copayments, and other prescription drug costs.
- **EFFECTIVE DATE:** Effective date of coverage would begin from the date of enrollment into the Medicare Crisis program.
- **ENROLLMENT:** The U.S. Department of Labor Claimant Portals will publish guidance to states for adjusting their unemployment insurance claim application and weekly certification application for benefits to require a response to a question about the applicant's health insurance status and the status of each household member. If the applicant indicates they or a household member do not have sufficient health coverage and if the unemployment claim is approved, this information will be sent to the Centers for Medicare and Medicaid Services for the person to be automatically enrolled into Medicare for the determined length of coverage.
 - At the point of care, providers can assist eligible patients to enroll in coverage which would begin at the date of unemployment.
 - The Centers for Medicare and Medicaid Services will create an online application portal for the Medicare Crisis Program for eligible applicants.
 - The Centers for Medicare and Medicaid Services will open the enrollment period for Parts A & B for traditional eligible persons with no penalties.

- The Centers for Medicare and Medicaid Services will establish and implement a process for determining whether a Medicare Crisis Program participant is eligible for Medicaid/CHIP. The process will provide the individual with an option to complete an application for such other forms of coverage and, if found eligible, to transfer from Medicare Crisis Coverage into other available insurance affordability programs. An affirmative election of a coverage shift is required to make such a change.
- **DURATION:** This coverage would last until the end of 2021.
- The funding and administration for new enrollees will be separate from the Medicare Trust Fund and be provided explicitly from the federal government stimulus package. The funding from the appropriated amount will cover premiums for Part A & Part B, and out-of-pocket expenses above the 5% cap for all enrollees.
- Medicare Crisis Coverage shall not be considered taxable income. It shall not count in determining eligibility for any federal, state, or local public benefit program or the amount of assistance provided by such program.

Arguments AGAINST expanding Medicare to the unemployed

- **Medicare's benefits aren't good enough for families of various ages/Medicare is specifically designed for seniors and people with disabilities** (some are concerned that those who need reproductive health services or pediatric services won't be able to access it through Medicaid)
 - Medicare has the largest network of providers nationally (93% of primary care providers accept Medicare); access to a PCP during the pandemic is the most critical point of care needed in order to mitigate patient flow to hospitals and to manage chronic conditions that contribute to greater COVID-19 disease burden ;
 - Medicare also has a broad network of pediatricians and reproductive health providers
 - Medicare Crisis proposal puts an out-of-pocket cap and makes Medicare Part A & B premium free for the duration of the crisis.
- **People should enroll in Medicaid/CHIP or the marketplace instead**
 - The Medicare Crisis proposal sets it up so that those who are unemployed are screened for their eligibility for other qualified health programs. If they are eligible for Medicaid/CHIP, their case will be sent there. If they are not, then they will enroll in Medicare. We worked with many experts on this, and all agreed (including FamiliesUSA), that the order of default should be Medicaid/CHIP, Medicare, and the ACA marketplace as the last resort.
- **Why not the COBRA subsidy?**

- Medicare Crisis covers all workers who have become unemployed due to the COVID-19 crisis as well as these workers' household members. The COBRA subsidy program covers only workers who had previously carried employer-based health insurance.
- The Medicare Crisis program provides significantly more extensive coverage at much lower costs per covered worker than the subsidized COBRA approach.
 - The COBRA approach has a 2% administrative cost plus the 12-15% administrative share of each insurance plan
 - The COBRA approach also would not protect the recently unemployed around gaps in coverage or high out-of-pocket costs that already existed in their employer-plan
- According to a study by U Mass economists, they found that the Medicare Crisis program is significantly less expensive per person than subsidizing through COBRA. For example, if we take the same group of unemployed who had employer insurance before, the costs for the Medicare Crisis program to cover these people would be 50% less than subsidizing COBRA.
- The study also found that were the unemployed population around 30 million, the Medicare Crisis Program would cover nearly 20 million Americans at a cost of around \$47 billion while a subsidized COBRA approach would only cover around 13 million and would cost nearly \$60 billion. In addition, subsidizing COBRA would mean higher out-of-pocket costs for consumers compared with the Medicare Crisis Program, which is likely to limit access to care for a family that has experienced the loss of a job.

State of Play for Medicare Crisis

- Congress is currently working on the next COVID package. COBRA subsidies have been offered as a way to keep the unemployed on their employer plans. However, this is extremely expensive and leaves millions of the unemployed and their dependents who are not eligible unprotected.
 - COBRA will cost \$20,576 plus 2% administrative overhead to cover a family plan of an unemployed worker; Medicare Crisis is 50% of this cost (and provides additional coverage for most out-of-pocket expenses)
- Chris Jennings mentioned ACA subsidies down the income-scale along with COBRA subsidies
- A similar provision in HEROES II passed:
 - Establishes an 8-week Special Enrollment Period to allow workers who receive unemployment compensation to enroll in a Marketplace plan with minimal administrative burden.

- Enhances tax credits for unemployed workers to purchase coverage, providing the typical worker access to a silver-level plan with a premium of about \$43 a month or less for self-only coverage
- For silver family plans, the deductible is about \$8,000 with an out-of-pocket maximum of almost \$14,000. For individual policies, those numbers are \$4,000 and nearly \$7,000, respectively.
- When YOU worked on the Unity Taskforce, the Biden campaign agreed to a 'COVID-19 public plan' in which those in SNAP, TANF, and UI would be automatically enrolled.
- The Taskforce also agreed to premium subsidies for marketplace plans would be linked to platinum-level.
 - A platinum-level marketplace plan is the highest premium plan available (average \$1,600 per month) and covers 90% of out-of-pocket costs
 - Medicare Crisis is premium-free for the beneficiary (normally part A is premium-free and part B is \$148 per month) and covers 95% of out-of-pocket costs.
- YOUR Medicare Crisis proposal would enroll those who have lost employment and their health insurance during the pandemic, and their households, into Medicare.
 - Last Congress, the Medicare Crisis proposal had 45 co-sponsors, including two who were not on the Medicare for All bill (Reps. Scanlon and Soto) and 75+ endorsing organizations
 - Currently, we are in discussion with Reps. Yvette Clarke (E&C) and Brendan Boyle (W&M) to champion the Medicare Crisis Proposal in their respective committees.