



CALIFORNIA HEALTH ADVOCATES
Medicare: Policy, Advocacy and Education

March 1, 2023

Senator Susan Eggman, Chair
Senate Health Committee
State Capitol
Sacramento, CA 95814

Re: SB 311 (Eggman) – SUPPORT
As Introduced February 6, 2023

Dear Senator Eggman,

California Health Advocates (CHA) supports your bill, SB 311 (Eggman), which would require the Department of Health Care Services (DHCS) to submit a State Plan Amendment for California to become a Part A Buy-In State. SB 311 would benefit low-income older Californians and persons with disabilities, who rely on Medicare and Medi-Cal but struggle to pay costly Medicare Part A premiums, by simplifying the enrollment process for financial assistance.

Medicare Part A (which covers inpatient hospital stays, short-term rehabilitation stays, home health, and hospice) is generally free for individuals with sufficient work history. However, individuals who do not have the requisite work history can purchase Part A coverage by paying a monthly premium, which runs from \$278 or \$506/month in 2023. Individuals with a Part A premium have typically worked in low-wage jobs in the informal economy; were prevented from joining the workforce due to caregiving needs or discrimination; or are older immigrants, many of whom have limited proficiency in English. Many older adults leaving incarceration and returning to the community also face high monthly Part A premiums. Many individuals who face a high Part A premium fail to enroll in Part A during their initial eligibility period because they cannot afford the high premiums.

Currently, California will pay Part A premiums on behalf of individuals in the Qualified Medicare Beneficiary (QMB) program. To obtain this assistance, individuals must first navigate a cumbersome QMB application process in a short window of time – January to March of each year. California is one of 14 states that require individuals to navigate a confusing and multistep process involving the Social Security Administration and Medi-Cal. For individuals with limited English proficiency, this complex process is especially daunting, leaving low-income individuals behind and costing California more in health care expenses. By becoming a buy-in state, the state could bypass the Social Security Administration enrollment process and directly enroll individuals into Part A at any time of year.

CHA strongly supports SB 311, as simplifying Part A and QMB enrollment would reduce inequities and provide financial relief for low-income individuals that are disproportionately women, people of color, immigrants, and formerly incarcerated older adults. Part A Buy-In would also have additional benefits for the state, including:

- Supporting the goals of CalAIM to use Dual Eligible Special Needs Plans (D-SNPs) as a primary vehicle for integration of Medicare and Medi-Cal services for dually eligible individuals. D-SNP eligibility is limited to individuals who have both Part A and Part B coverage.
- Eliminating state liability for payment of late enrollment penalties for QMBs. States without buy-in agreements must pay those penalties, which are substantial.
- Reducing administrative burdens on the Medi-Cal program with a streamlined QMB application process.
- Shifting the payment liability for Part A services from the Medi-Cal program to Medicare (for dual eligibles who do not have Part A and are not QMB) through payment of Part A premiums. For this population of high utilizers, this shift could result in significant savings for the Medi-Cal program. Part A includes inpatient hospital stays, short-term rehabilitation stays, home health, and hospice.

For these reasons, California Health Advocates supports SB 311 and respectfully asks for your support of this important legislation to simplify the enrollment process into QMB for low-income individuals faced with high Part A premiums.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Isidro', written in a cursive style.

Catherina Isidro
Executive Director
California Health Advocates