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U.S. Senate Special Committee on Aging
Income Security and the Elderly: Securing Gains Made in the War on Poverty

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Chairman Nelson, Ranking Member Collins and distinguished Senators, I am honored to be here to testify on the topic of economic security among older Americans, and issues associated with securing the gains made in the War on Poverty. I am also pleased to share with you highlights from a video that the Kaiser Family Foundation is releasing today, entitled, *Old and Poor: America's Forgotten*. The video illuminates the daily challenges facing seniors who live in poverty and the tradeoffs they face to make ends meet.

I am Dr. Tricia Neuman, a Senior Vice President at the Kaiser Family Foundation, and Director of the Foundation's Program on Medicare Policy. I am proud to say that I once worked on the staff of this Committee when Senator John Heinz was chair, and appreciate the important role that the Senate Special Committee on Aging has always played in addressing the important issues facing older Americans.

Since the War on Poverty was launched 50 years ago, the poverty rate for seniors has declined, which is an enormous achievement. Between 1966 and 2011, the share of seniors living in poverty fell from more than 28 percent to about 9 percent, with the steepest drop occurring in the decade immediately following the start of the Medicare program (Exhibit 1). The introduction of Medicare, coupled with Social Security, played a key role in lifting seniors out of poverty. As President Johnson said, as he signed the historic Medicare bill on July 30, 1965:

No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings that they have so carefully put away over a

*lifetime so that they might enjoy dignity in their later years. No longer will young families see their own incomes, and their own hopes, eaten away simply because they are carrying out their deep moral obligations to their parents, and to their uncles, and their aunts.*¹

Despite this achievement, millions of seniors in the United States are living in poverty – with incomes below \$11,173 for an individual and \$14,095 per couple in 2013, and millions more are considered “near poor” with incomes below twice the poverty level.² Based on the Official Poverty Measure, nearly one in ten non-institutionalized seniors -- more than 3.5 million seniors -- are living at below the poverty level, and more than one in three non-institutionalized seniors – nearly 14 million seniors -- are living on incomes below twice the poverty level (34 percent).³

Poverty Rates Among Seniors Are Higher, Based on Supplemental Poverty Measure

In 2011, the Census Bureau released a new measure of poverty, known as the Supplemental Poverty Measure, which differs from the official poverty measure in that it takes into account out-of-pocket health care spending, in-kind government benefits (such as food stamps), differences in the cost of living across the country, and job-related expenses and taxes from income. The original poverty measure was developed in the early 1960s and consists of a set of thresholds for families, based on size and composition, which are compared to pre-tax cash income to determine poverty status.⁴

The poverty rate among seniors jumps from 9 percent to 15 percent, when the Supplemental Poverty Measure is used (from 3.5 million to 6.1 million seniors) (Exhibit 2). The higher poverty rate is mainly attributable to seniors’ out-of-pocket spending on health care, underscoring the

¹ U.S. President (L. B. Johnson), *Remarks With President Truman at the Signing in Independence of the Medicare Bill*, July 30, 1965, available at: <http://www.lbjlib.utexas.edu/johnson/archives.hom/speeches.hom/650730.asp>

² U.S. Census Bureau, *Social, Economic, and Housing Statistics Division: Poverty*, January 2014, available at: <http://www.census.gov/hhes/www/poverty/data/threshld/>

³ U.S. Census Bureau, *Current Population Survey 2009, 2010, and 2011 Annual Social Economic Supplement*

⁴ United States Census Bureau, *The Research Supplemental Poverty Measure: 2011*, November 2012, available at: http://www.census.gov/hhes/povmeas/methodology/supplemental/research/Short_ResearchSPM2011.pdf.

link between health and financial security for seniors.⁵ Because health problems tend to rise with age, seniors tend to have higher out-of-pocket health costs than younger adults. In fact, older households spend 3-times more than younger households on health expenses, as a share of their household budgets (Exhibit 3).⁶

Poverty Rates Among Seniors Vary Across States

Poverty rates among seniors vary across states, and are higher in all states when the supplemental measure is used. According to an analysis by the Kaiser Family Foundation, the poverty rate doubles in 12 states when using the Supplemental Poverty Measure rather than the official measure (Table 1). Under the supplemental measure, roughly one in five seniors lives in poverty in California (20%), Hawaii (19%), Nevada (19%), Louisiana (19%), New York (18%), and Georgia (18%).⁷ Here in the District of Columbia, the rate is even higher with more than one in four seniors (26 percent) living in poverty (16% under the official poverty measure).

Higher Poverty Rates for Older Women than Older Men

Under both measures of poverty, poverty rates are higher for older women than older men (11% vs. 6% respectively under the official poverty measure, and 17% vs. 13% respectively under the Supplemental Poverty Measure) (Exhibit 4 and Table 2). The income gap between older women and older men widens when the poor and near poor are examined together: 39 percent of women ages 65 and older live on incomes below twice the poverty level, compared to 27 percent of older men (under the official poverty measure), rising to 53 percent of older women and 42 percent of older men (under the Supplemental Poverty Measure).

⁵ United States Census Bureau, *The Research, Supplemental Poverty Measure: 2011*, November 2012, available at: http://www.census.gov/hhes/povmeas/methodology/supplemental/research/Short_ResearchSPM2011.pdf.

⁶ Kaiser Family Foundation, *Health Care on a Budget: The Financial Burden of Health Spending by Medicare Households*, January 2014, available at: <http://kff.org/medicare/issue-brief/health-care-on-a-budget-the-financial-burden-of-health-spending-by-medicare-households/>.

⁷ Kaiser Family Foundation, *A State-by-State Snapshot of Poverty Among Seniors: Findings From Analysis of the Supplemental Poverty Measure*, May 2013, available at: <http://kff.org/medicare/issue-brief/a-state-by-state-snapshot-of-poverty-among-seniors/>. For state-level estimates, data were pooled across three years (2009-2011).

Older women are more likely than older men to live on incomes near or below the poverty level for many reasons. With lower-paying jobs during their working years, older women tend to have lower average Social Security and pension benefits than men. Many worked part-time or left the workforce for periods of time to raise families or care for aging family members.⁸ For widows, the loss of a spouse also means the loss of significant household income from Social Security and pensions.⁹ For these women, the loss of income is often not proportionally offset by a decrease in household expenses, such as mortgage or rent and utilities, requiring them to bear a greater burden alone.¹⁰

Further, women tend to have higher out-of-pocket health expenditures than men, which contribute to their higher rates of poverty compared to men under the Supplemental Poverty Measure.

Higher Poverty Rates Among Black and Hispanic Seniors than White Seniors

Poverty rates among black seniors (18 percent) and Hispanic seniors (18 percent) are more than double the rate among white seniors (7 percent) (Exhibit 5 and Table 2). Half of black and Hispanic seniors (50 percent and 51 percent, respectively) live on incomes below twice the poverty measure, as compared to 31 percent of white seniors. The gap in poverty rates between white and non-white seniors looks similar when the Supplemental Poverty Measure is used, although the rates are considerably higher (25%, 27%, and 13% for black, Hispanic, and white seniors, respectively, living below poverty, and 63%, 70%, and 44% below 200% of poverty).

⁸ Kaiser Family Foundation, *Medicare's Role for Older Women*, May 2013, available at: <http://kff.org/womens-health-policy/fact-sheet/medicares-role-for-older-women/>.

⁹ Kaiser Family Foundation, *Income and Assets of Medicare Beneficiaries, 2013 – 2030*, January 2014, available at <http://kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-2013-2030/>.

¹⁰ Kaiser Family Foundation, *Key Issues in Understanding the Economic and Health Security of Current and Future Generations of Seniors*, March 2012, available at: <http://kff.org/medicaid/issue-brief/key-issues-in-understanding-the-economic-and/>.

People of color are more likely than whites to be poor or near poor in their retirement years because they are more likely to have worked in lower paying jobs, and less likely to have worked for employers that offered pensions and retiree health benefits. Minorities also experience a higher incidence of chronic health conditions, both before and after retirement, which leads to lower incomes, diminished capacity to save during pre-retirement years, and higher health care expenses during retirement.¹¹

Seniors With Low Incomes Tend to Have Greater Health Needs

Seniors with low incomes, defined here as incomes below \$15,000, tend to be in poorer health than those with higher incomes (Exhibit 6). Nearly one third (31%) of seniors with incomes below \$15,000 report their health status as fair/poor, nearly double the rate reported by seniors with higher incomes (16 percent). More than four in ten seniors with incomes below \$15,000 report having a functional impairment, as compared to 26 percent of those with incomes greater than \$15,000. Similarly, more than one third of these low-income seniors (35 percent) report having cognitive impairments, as compared to 21 percent of seniors with incomes greater than \$15,000. Efforts that focus greater attention on the needs of low-income seniors would therefore also target support to seniors with significant health limitations who are more likely to go without needed care if they are unable to afford the cost of their care.¹²

The Role of Medicare and Medicaid

Medicare provides important protections for more than 52 million elderly and disabled beneficiaries, including but not limited to those with low incomes. Medicare covers a wide range of essential health care services, including inpatient, outpatient, post-acute, diagnostic and preventive care, and outpatient prescription drugs that would otherwise be unaffordable

¹¹ Kaiser Family Foundation, *Wide Disparities in the Income and Assets of People on Medicare by Race and Ethnicity: Now and in the Future*, September 2013, available at: <http://kff.org/medicare/report/wide-disparities-in-the-income-and-assets-of-people-on-medicare-by-race-and-ethnicity-now-and-in-the-future/>.

¹² Kaiser Family Foundation, *Key Issues in Understanding the Economic and Health Security of Current and Future Generations of Seniors*, March 2012, available at: <http://kff.org/medicaid/issue-brief/key-issues-in-understanding-the-economic-and/>.

for many beneficiaries. Without Medicare, not only would more seniors be living in poverty, but the burden of their health expenses would most likely be extended to their children and grandchildren, who themselves may be struggling to cover routine education, housing and other expenses and saving for their own retirement.

Even with Medicare, beneficiaries are subject to premiums and high cost-sharing requirements and incur costs for services that are not covered by Medicare, such as dental visits, eyeglasses, hearing aids, and long-term services and supports. In 2014, Medicare has a Part A deductible (\$1,216), a Part B deductible (\$147) and a Part D standard deductible (\$310).^{13,14} Medicare also imposes cost-sharing requirements on most services and, unlike many large employer plans, has no limit on out-of-pocket spending for services covered under Parts A and B, and has a gap in the Part D benefit, known as the “doughnut hole” until 2020.

Medicaid, the Medicare Savings Programs, and the Part D Low-Income Subsidy Program Help Make Medicare Affordable for Low-Income Seniors

Medicaid, the Medicare Savings Programs, and the Part D Low-Income Subsidy Program provide important financial protections for low-income beneficiaries that help to make Medicare more affordable. Eligibility and benefits vary across these programs, and each require individuals to meet both an income and asset test as a condition of eligibility (Table 3). Individuals eligible for full Medicaid benefits receive help with Medicare premiums and cost-sharing, and qualify for additional Medicaid-covered benefits, such as dental care and long-term care services and supports. Eligibility levels for full Medicaid benefits that supplement Medicare vary across states, but in many states, to qualify, individuals must have incomes below 75 percent of the federal poverty level and assets at or below \$2,000/individual or \$3,000/couple. These asset levels are not indexed to rise with inflation.

¹³ Centers for Medicare and Medicaid Services, *Medicare 2014 Costs at a Glance*, available at: <http://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html#collapse-4811>.

¹⁴ Kaiser Family Foundation, *The Medicare Prescription Drug Benefit Fact Sheet*, November 2013, available at: <http://kff.org/medicare/fact-sheet/the-medicare-prescription-drug-benefit-fact-sheet/>.

The Medicare Savings Programs (MSP) help with Medicare premiums and, in some instances, cost-sharing for beneficiaries with somewhat higher incomes (up to 135 percent of poverty, with some variation across states). The MSP programs are available to individuals with assets below \$7,160/individual and \$10,750/couple. The Part D Low-Income Subsidy (LIS) program provides full premium and cost-sharing assistance on a sliding-scale basis to Medicare beneficiaries with incomes below 135 percent of poverty, subject to the same asset test as the MSP program, and partial assistance up to 150 percent of the federal poverty level and assets below \$11,940/individual and \$23,860/couple.

Even With These Programs, Many Low-Income Seniors Do Not Get Extra Help

While Medicare, together with Medicaid, Medicare Savings Programs and Part D LIS, provide important financial protections to seniors with low incomes, many low-income seniors do not receive this additional assistance— either because they did not know about or apply for coverage, had savings and other assets that exceed the eligibility thresholds, or attempted to apply but were deterred by the application process.

Among seniors with incomes below 150 percent of the federal poverty level, two thirds received additional assistance from Medicaid, the Medicare Savings Programs or the Part D Low-Income Subsidy Program (Exhibit 7). More than one third (37 percent) received full Medicaid benefits, along with premium and cost-sharing assistance for Part D. Nearly one in five (18 percent), known as “partial duals”, received help under the Medicare Savings Programs (Qualified Medicare Beneficiaries, Specified Low-Income Medicare Beneficiaries and Qualifying Individuals) and an additional 13 percent received help with their Part D premiums and cost-sharing in 2011.

However, nearly three million seniors, or one third of all seniors with incomes below 150 percent of the federal poverty level -- \$16,760 for individuals and \$21,143 for couples -- receive no additional assistance and are responsible for covering the cost of their premiums, cost-sharing requirements and other health expenses.

Future Outlook

Looking to the future, it is difficult to predict whether the poverty rate among seniors will rise or fall. There is some reason for hope, with researchers projecting modest gains in real income among seniors, which could help protect against a rise in poverty. And yet, much of the gains in income and other sources of wealth are expected to occur among seniors with relatively high incomes, with substantially smaller real gains in income expected over time for lower and middle income seniors.¹⁵ Even if the poverty rate remains unchanged, the actual number of seniors living in poverty is expected to climb due to the millions of baby boomers who will be turning 65 over the coming years.

Recent trends could portend a rise in the share of seniors living at or near the poverty level. With the decline in employer-sponsored pensions and retiree health coverage, fewer retirees in the future will have benefits that have helped keep seniors from falling into poverty. Rising out-of-pocket health expenses and long-term care costs are also a consideration. Further, if ongoing efforts to reduce the growth in Medicare and Medicaid spending shift health care costs directly onto seniors, the impact would be disproportionately felt among lower-income seniors, potentially unraveling some of the great progress that has been made in the War on Poverty in the past 50 years.

¹⁵ Kaiser Family Foundation, *Income and Assets of Medicare Beneficiaries, 2013 – 2030*, January 2014, available at: <http://kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-2013-2030/>.

Exhibit 1

The share of seniors living in poverty has dropped significantly since the introduction of Medicare

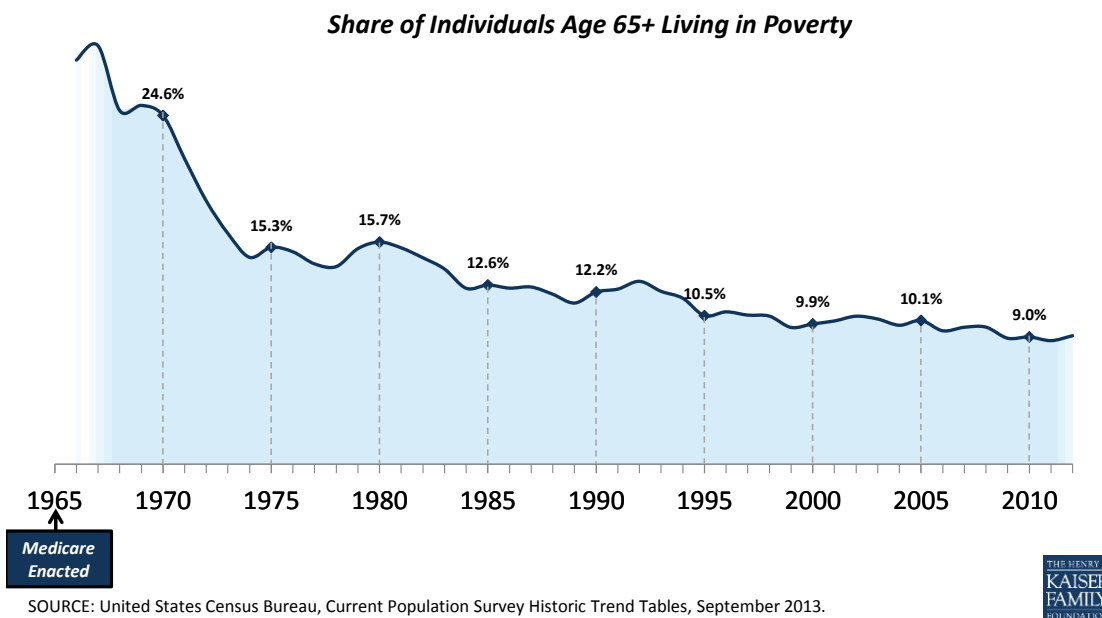
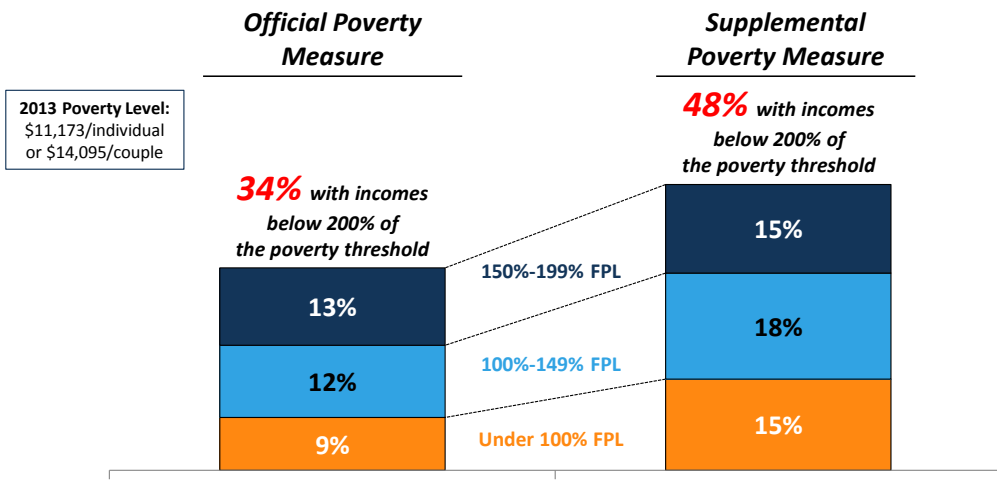


Exhibit 2

Nearly one in ten seniors live in poverty; more than one in three live below twice the poverty level

Poverty rates are higher under the Supplemental Poverty Measure



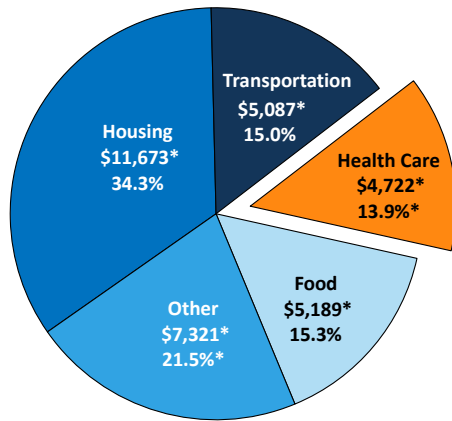
NOTES: Official poverty measure and Supplemental Poverty Measure data are pooled over three years (2009-2011). Both data sources exclude institutionalized adults age 65 or older. Numbers may not sum due to rounding.
 SOURCE: Kaiser Family Foundation analysis of Current Population Survey 2009, 2010, and 2011 Annual Social Economic Supplement.



Exhibit 3

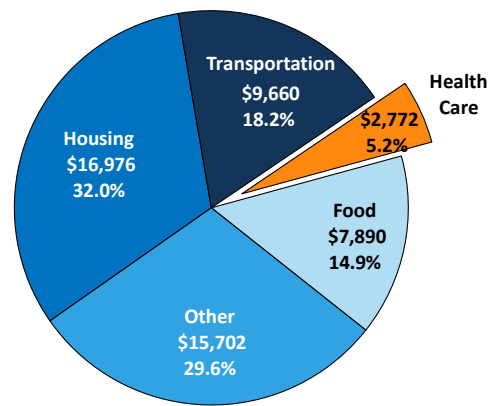
Older households spend 3-times more than younger households on health expenses, as a share of their household budgets

Medicare Household Spending



Average Household Spending = \$33,993*

Non-Medicare Household Spending



Average Household Spending = \$53,000

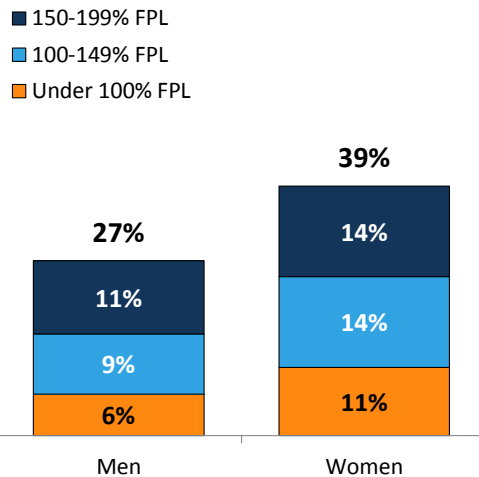
NOTE: *Estimate statistically significantly different from the non-Medicare household estimate at the 95 percent confidence level. SOURCE: Kaiser Family Foundation, *Health Care on a Budget: The Financial Burden of Health Spending by Medicare Households*, January 2014.



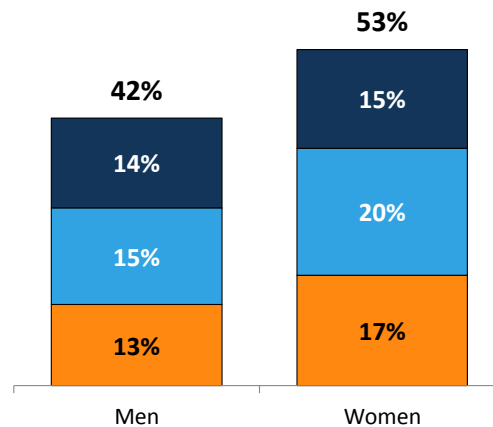
Exhibit 4

Among seniors, poverty rates are higher among women than men

Official Poverty Measure



Supplemental Poverty Measure

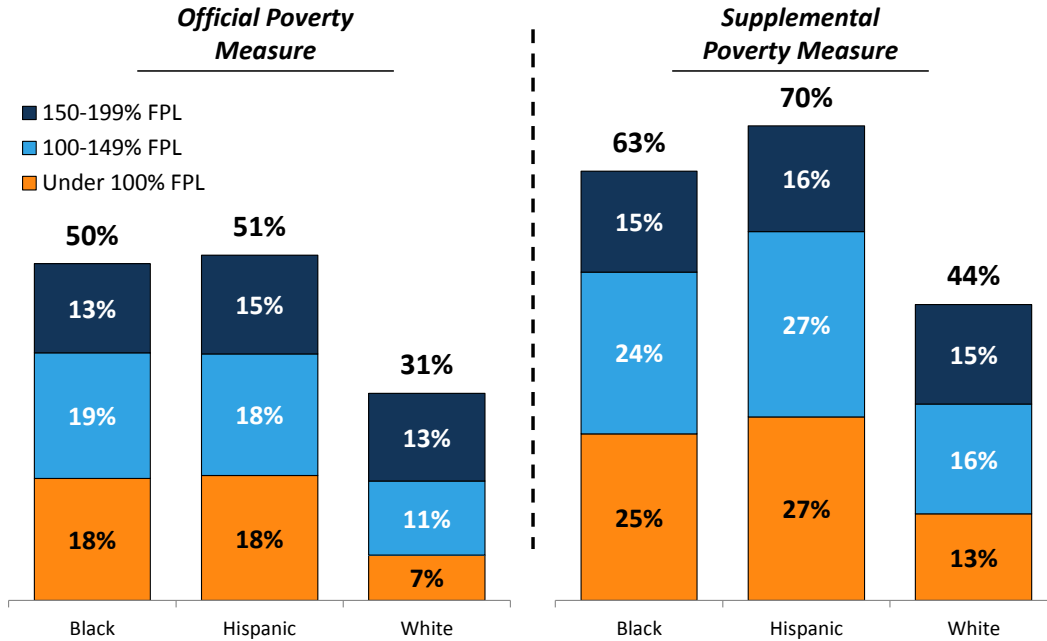


NOTES: Official poverty measure and Supplemental Poverty Measure data are pooled over three years (2009-2011). Both data sources exclude institutionalized adults age 65 or older. Numbers may not sum due to rounding. SOURCE: Kaiser Family Foundation analysis of Current Population Survey 2009, 2010, and 2011 Annual Social Economic Supplement.



Exhibit 5

Poverty rates are higher among black and Hispanic than white seniors

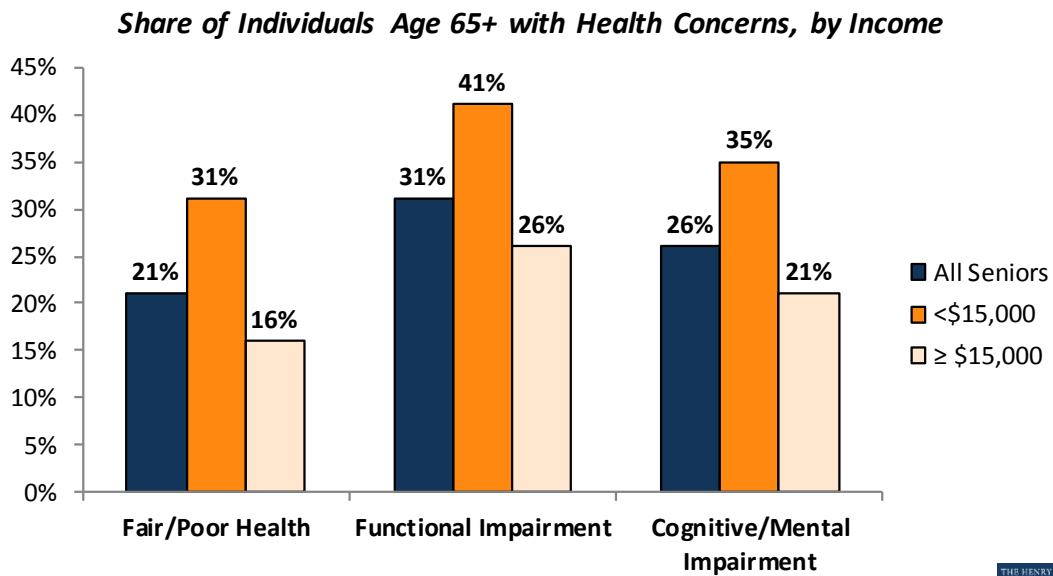


NOTES: Official poverty measure and Supplemental Poverty Measure data are pooled over three years (2009-2011). Both data sources exclude institutionalized adults age 65 or older. Numbers may not sum due to rounding.
 SOURCE: Kaiser Family Foundation analysis of Current Population Survey 2009, 2010, and 2011 Annual Social Economic Supplement.



Exhibit 6

Health problems are more common among seniors with lower incomes (below \$15,000)



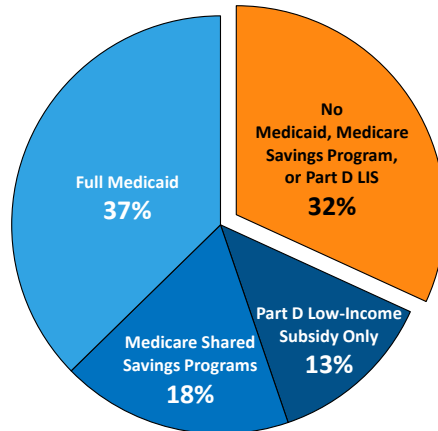
SOURCE: Kaiser Family Foundation analysis of the 2010 MCBS Cost and Use File.



Exhibit 7

Two thirds of low-income seniors on Medicare receive some help with Medicare premiums and cost-sharing -- but one third do not

Distribution of individuals age 65+ on Medicare with incomes below 150% FPL by Enrollment in Medicaid, the Medicare Savings Programs, or the Part D Low-Income Subsidy Program



Total = 8.7 million non-institutionalized seniors on Medicare with incomes below 150% FPL

Note: Excludes seniors living in nursing homes but may include some seniors living in other institutions. Analysis based on official poverty measure.

SOURCE: Kaiser Family Foundation analysis of a five percent sample of Medicare beneficiaries from the CMS Chronic Condition Data Warehouse, 2011 and the Current Population Survey, 2011 Annual Social and Economic Supplement .



TABLE 1: Percent of Individuals Ages 65 and Older With Incomes Below 100% and 200% of Poverty, 2009-2011

State	Below 100% of the poverty threshold			Below 200% of the poverty threshold		
	Official poverty measure	Supplemental poverty measure	Percentage point difference	Official poverty measure	Supplemental poverty measure	Percentage point difference
United States	9%	15%	6%*	34%	48%	14%*
Alaska	10%	15%	5%*	31%	47%	16%*
Alabama	9%	12%	3%	39%	45%	6%
Arkansas	12%	15%	3%	44%	50%	7%
Arizona	9%	15%	6%*	31%	42%	12%*
California	8%	20%	12%*	33%	56%	23%*
Colorado	7%	15%	8%*	28%	42%	15%*
Connecticut	6%	13%	6%*	26%	46%	20%*
DC	16%	26%	10%*	37%	59%	22%*
Delaware	8%	15%	7%*	29%	46%	17%*
Florida	9%	17%	9%*	33%	51%	18%*
Georgia	12%	18%	6%*	42%	54%	11%*
Hawaii	8%	19%	11%*	30%	55%	25%*
Iowa	6%	8%	2%	33%	41%	8%
Idaho	8%	15%	6%*	32%	43%	11%*
Illinois	8%	15%	7%*	34%	47%	13%*
Indiana	8%	13%	5%*	34%	48%	14%*
Kansas	7%	11%	4%	32%	41%	9%*
Kentucky	9%	12%	3%	41%	48%	7%
Louisiana	15%	19%	4%	45%	52%	6%
Massachusetts	7%	16%	9%*	30%	48%	18%*
Maryland	8%	17%	9%*	27%	48%	21%*
Maine	8%	12%	4%*	36%	47%	12%*
Michigan	7%	12%	4%*	32%	44%	13%*
Minnesota	7%	14%	7%*	31%	44%	13%*
Missouri	7%	11%	4%	35%	43%	8%*
Mississippi	12%	17%	5%*	43%	51%	8%*
Montana	8%	12%	4%*	39%	45%	6%
North Carolina	10%	15%	5%*	39%	47%	8%*
North Dakota	9%	10%	1%	30%	36%	6%
Nebraska	7%	11%	5%*	30%	40%	11%*
New Hampshire	6%	17%	11%*	30%	49%	19%*
New Jersey	8%	17%	9%*	30%	49%	19%*
New Mexico	10%	13%	2%	36%	45%	9%*
Nevada	9%	19%	10%*	30%	49%	19%*
New York	11%	18%	7%*	35%	52%	17%*
Ohio	8%	11%	3%*	35%	44%	9%*
Oklahoma	7%	12%	5%*	34%	41%	7%
Oregon	7%	11%	4%*	28%	43%	15%*
Pennsylvania	9%	14%	5%*	35%	46%	12%*
Rhode Island	8%	15%	6%*	36%	52%	16%*
South Carolina	11%	14%	3%	38%	47%	9%*
South Dakota	7%	10%	3%	29%	37%	8%*
Tennessee	11%	16%	5%*	42%	52%	10%*
Texas	11%	17%	6%*	36%	47%	11%*
Utah	7%	11%	4%	28%	43%	15%*
Virginia	9%	13%	4%*	29%	42%	13%*
Vermont	9%	12%	3%	35%	47%	12%*
Washington	7%	11%	5%*	25%	42%	16%*
Wisconsin	5%	11%	6%*	30%	40%	11%*
West Virginia	9%	11%	2%	38%	43%	5%
Wyoming	7%	14%	7%*	33%	46%	13%*

Notes: Data were pooled over three years. * Indicates statistical significance at the 95 percent confidence level.

Source: Kaiser Family Foundation, *A State-by-State Snapshot of Poverty Among Seniors: Findings From Analysis of the Supplemental Poverty Measure*, May 2013.

Table 2

Comparison of poverty rates among adults ages 65+ under the official poverty measure (OPM) and Supplemental Poverty Measure (SPM), by gender and race/ethnicity

		Under 100%		100-149%		150-199%		200-399%		400%+		Total
All Seniors	OPM	3,541,962	9%	4,853,186	12%	5,195,676	13%	13,777,984	34%	12,707,910	32%	40,076,718
	SPM	6,115,361	15%	7,123,329	18%	5,936,280	15%	13,351,789	33%	7,549,959	19%	
Gender	Men											
	OPM	1,139,735	6%	1,651,161	9%	2,010,637	11%	6,225,112	35%	6,534,042	37%	17,560,687
	SPM	2,225,126	13%	2,655,918	15%	2,465,308	14%	6,224,552	35%	3,989,783	23%	
	Women											
	OPM	2,402,227	11%	3,202,026	14%	3,185,039	14%	7,552,872	34%	6,173,868	27%	22,516,031
	SPM	3,890,235	17%	4,467,411	20%	3,470,971	15%	7,127,237	32%	3,560,177	16%	
Race/Ethnicity	Black											
	OPM	609,593	18%	627,580	19%	446,125	13%	979,655	29%	721,256	21%	3,384,210
	SPM	832,816	25%	808,083	24%	503,448	15%	890,372	26%	349,491	10%	
	Hispanic											
	OPM	530,099	18%	515,385	18%	418,554	15%	885,895	31%	520,766	18%	2,870,700
	SPM	777,407	27%	785,148	27%	448,859	16%	642,260	22%	217,025	8%	
	White											
	OPM	2,137,222	7%	3,484,328	11%	4,134,903	13%	11,299,865	35%	10,835,901	34%	31,892,219
SPM	4,078,865	13%	5,160,797	16%	4,698,780	15%	11,249,449	35%	6,704,328	21%		

NOTES: Official poverty measure and Supplemental Poverty Measure data are pooled over three years (2009-2011). Both data sources are restricted to non-institutionalized seniors. Official Poverty Measure (OPM), Supplemental Poverty Measure (SPM).

SOURCE: Kaiser Family Foundation analysis of the Current Population Survey, 2009, 2010, and 2011 Annual Social Economic Supplement.

Table 3

Common Medicaid Eligibility Pathways and Benefits for Medicare Beneficiaries, 2014

Pathway to Eligibility	Income Eligibility Level (individual/couple)	Asset Limit (individual/couple)	Covered Costs and Benefits
SSI Related (mandatory)	<75% of poverty (SSI income eligibility)	\$2,000/\$3,000 (varies by state)	Medicaid benefits, Medicare Part A and Part B premiums and cost sharing
Poverty Level (optional)	≤100% of poverty		
Medically Needy (optional)	Must spend income down to a specified level to qualify, varies by state		
Special Income Rule for Nursing Home Residents (optional)	Institutionalized individuals with income <300% of the SSI level		
HCBS Waiver (optional)	Must be eligible for institutional care		
Medicare Savings Programs			
Qualified Medicare Beneficiary (QMB) (mandatory)	<100% of poverty	\$7,160/\$10,750	Medicare Part A and Part B premiums and cost sharing
Specified Low-Income Medicare Beneficiary (SLMB) , (mandatory)	100%-120% of poverty	\$7,160/\$10,750	Medicare Part B premiums
Qualified Individual (QI) , (mandatory)	120%-135% of poverty	\$7,160/\$10,750	Medicare Part B premiums
Medicare Part D Prescription Drug Benefit			
Full Low-Income Subsidy (LIS)	<135% of poverty	\$7,160/\$10,750	Medicare Part D premium, deductible, and some cost sharing
Partial Low-Income Subsidy (LIS)	135%-150% of poverty	\$11,940/\$23,860	Medicare Part D premium (on a sliding scale) and some cost sharing

NOTES: SSI is Supplemental Security Income. HCBS is home and community based services. Medicaid benefits for dual-eligible beneficiaries are jointly financed by the federal government and states. Although certain categories of dual-eligible beneficiaries are eligible for Medicaid coverage of their Medicare cost sharing, the Balanced Budget Act of 1997 permitted states to pay less than the full amount of cost sharing if the Medicare rates minus the cost-sharing amount is higher than the Medicaid rate for these services. Resource limits for QMB, SLMB, QI, and LIS are adjusted annually for inflation. Not all income and resources (e.g., the value of a house, vehicle, etc.) are counted towards limits and asset limits exclude the \$1,500 burial allowance. In addition, states may use less restrictive methodologies for counting income and resources, enabling them to expand eligibility above limits shown here. Eleven 209(b) states may use more restrictive limits and methodologies when determining eligibility for full Medicaid benefits.

SOURCE: Centers for Medicare and Medicaid Services, Medicare Savings Program 2014 Income Limits. National Council on Aging, Chart of LIS Eligibility and Benefits in 48 Contiguous States, Alaska, and Hawaii for 2014, February 2014.