

JUSTICE IN AGING

FIGHTING SENIOR POVERTY THROUGH LAW

September 13, 2023

The Honorable Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: SB 311 (Eggman) – Request for Signature

Submitted via email to leg.unit@gov.ca.gov

Dear Governor Newsom,

Justice in Aging respectfully requests your signature on our sponsored 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. **Based on our conversations with the Department of Health Care Services, and analyses from the Senate and Assembly Appropriations Committees, we expect this proposal will result in general fund cost savings.** In order to ensure the Department has the staffing and technological capabilities in place to execute this transition, we accepted amendments to delay implementation until January 1, 2025.

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 \$276 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

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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.

Under SB 311, simplifying enrollment into Part A and QMB will reduce inequities by lessening administrative burdens in the current process, and provide financial relief for low-income individuals that are disproportionately women, people of color, immigrants, and formerly incarcerated older adults.

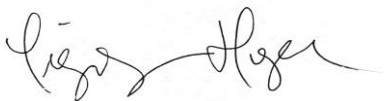
California has committed to making health care more affordable for all Californians and this bill aligns with the principles of the Master Plan for Aging and CalAIM. Under SB 311, more individuals would qualify to enroll in integrated products like CalAIM's Dual Eligible Special Needs plan model because they have Medicare Part A and will be fully dually eligible.

California may also see cost savings through the elimination of state liability for payment of Part A late enrollment penalties for QMBs. Currently, California is paying these Part A late enrollment penalties, which are substantial. SB 311 would also shift payment liability for Part A services from the Medi-Cal program to the federal Medicare program. For this population of high utilizers, this shift could **result in significant savings for the Medi-Cal program.**

We are proud to sponsor this legislation and look forward to working with the Administration to simplify the enrollment process into QMB for low-income individuals faced with high Part A premiums so that otherwise qualifying older adults and people with disabilities can benefit from premium assistance. For these reasons, we respectfully request your signature on SB 311.

For more information or to answer any questions, please contact Tiffany Huyenh-Cho at thuyenhcho@justiceinaging.org.

Sincerely,



Tiffany Huyenh-Cho
Director, California Medicare and Medicaid Advocacy
Justice in Aging

Cc: Senator Susan Eggman, Author