



Testimony in Support of S-693A – Medicare Savings Program

Senate Committee on Finance

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The Economic Progress Institute strongly supports Sen. DiPalma's S-693A, which would benefit low-income seniors and disabled Rhode Islanders by expanding eligibility and health coverage through the Medicare Savings Program.

All Rhode Islanders deserve quality affordable healthcare that doesn't force them to choose between paying their rent or paying for their prescriptions. Since the passage of the Affordable Care Act, Rhode Island has achieved one of the lowest uninsured rates in the country, and nearly half of Rhode Islanders (approximately 470,000) receive their health coverage through the public programs Medicaid and Medicare. However, for many low-income Rhode Islanders, out of pocket healthcare costs have skyrocketed in ways that benefits, wages and fixed incomes have not – forcing many to delay care or forgo prescription medication due to the costs.

The Medicare Savings Program has three levels. S-693A uses the New York MSP program, which collapsed their MSPs into two levels (QMB & QI), as a model. S-693A would increase the income limit for Qualified Medicare Beneficiary (QMB-/level 1) from 100% FPL (\$1,304/month) to 125% (\$1630.21/month). This would bring the 3,993 people currently in level 2 (Specified Low-Income Beneficiaries/SLMB) into QMB – which has better benefits – and they would get their co-payments and deductibles covered with state/federal FMAP. S-693A would also increase the income limit for the Qualified Individual (QI) level from 135% FPL (\$1,760.33/month) to 168% FPL (about \$2,200/month). This would allow an estimated 6,000 more people to have their Part B Premium (\$185/month/\$2,200/yr) covered, with the federal government covering the cost. People could use these savings to help pay for their basic needs, which would also boost the economy. It also makes them eligible for the federal Low Income Subsidy program that helps with prescription costs.

S-693A would improve equity and healthcare access and affordability for low-income seniors and disabled Rhode Islanders, while also putting more money in their pockets. This is a relatively small investment that would not only improve health outcomes, but also create an infusion of federal dollars that would be recirculated into the RI economy. The Economic Progress Institute strongly urges passage.