

In Focus:

Streamlining Medicare Savings Program Enrollment in Washington

Medicare Savings Programs (MSPs) are a lifeline for many low-income older adults. They add value for Medicare beneficiaries by helping cover Medicare Parts A and B premiums, cost sharing, and other out-of-pocket costs, making essential healthcare more affordable. However, millions of eligible individuals are not enrolled. Many states have taken actions to improve enrollment—such as using Part D Low-Income Subsidy (LIS) application data from the Social Security Administration (Leads data) to facilitate MSP enrollment, removing asset limits, or aligning LIS and MSP eligibility criteria. Aligned with their commitment to disseminating best practices and cost-effective strategies for benefits outreach and enrollment for older adults, through partnership with L&M Policy Research, the National Council on Aging (NCOA) developed case studies highlighting states' approaches to streamlining MSP enrollment. This case study draws on insights from interviews and publicly available resources to showcase Washington's experience with streamlining MSP enrollment and describes milestones achieved, challenges experienced, and lessons learned.

Executive Summary



Washington state has made significant strides and has ambitious plans to streamline MSP eligibility and enrollment processes to reduce barriers for older adults and alleviate state burden of administering the benefits.

Key takeaways from Washington's streamlining efforts:

- In 2023, Washington **removed the requirement to verify assets for MSP eligibility**, allowing more older adults to be eligible for the program.
- Washington **uses Leads data in a partially automated process to facilitate MSP enrollment**—the Department of Social and Health Services (DSHS) automatically sends qualified individuals identified from the Leads data a paper MSP application, and then eligibility workers input the information from the application into their eligibility system. The state **plans to enhance their eligibility system to automate enrollment**, removing the need to send a paper application, and using other data sources to fill in any gaps from the Leads data.
- Washington **plans to migrate its non-MAGI population into their state-based health exchange platform**,¹ Washington Healthplanfinder, so both MAGI and non-MAGI populations are in one eligibility system. The state is in the early stages of this effort, working to better understand the policy changes (e.g., alignment of application processing timelines) that would be needed to support this change.
- **Highly collaborative relationships and frequent communication between key state agencies facilitate the work** between DSHS and Washington Health Care Authority (HCA) and are an essential part of the state's work to streamline MSP enrollment and improve the lives of older adults.
- **Multiple factors drive the work that Washington is doing related to MSPs and public benefits for older adults**, including their mitigation strategy to be compliant with federal Medicaid renewal policies, and an overarching goal to provide better support to older adults.

The detail found in the subsequent sections in this case study contextualizes these key takeaways and provides additional insights into Washington's efforts to streamline and coordinate enrollment between MSP and LIS.

¹ Modified Adjusted Gross Income (MAGI) populations include individuals under the age of 65 who are not eligible for Medicare. Eligibility for health benefits are determined on an income-basis. Non-MAGI populations include disabled individuals under the age of 65, or individuals aged 65 and over; eligibility for health benefits is dependent on more restrictive income and resource tests than for MAGI applicants.

State Context and Background

Washington, a Medicaid expansion state, has an estimated MSP participation rate of 67% of all potentially eligible enrollees.² Among LIS recipients in the state, who often are also eligible for MSP, approximately 11% are not enrolled in an MSP.³ Washington has made significant efforts to increase MSP enrollment through some key changes to their eligibility and enrollment processes, including expanding income limits for the Qualified Medicare Beneficiary (QMB) program and Qualifying Individual (QI) program in 2024 and removing asset limits from its MSP eligibility criteria in 2023.^{4,5} Since 2007, the state has automatically enrolled Supplemental Security Income (SSI) recipients into QMB. Additionally, the state currently uses Leads data to support initiating an MSP application—this process is currently partially automated, and the state has some planned improvements described below in further detail.

Public Benefit Agency Structure

In Washington, the responsibility for the administration and coordination of enrollment into MSPs is shared primarily by two agencies: the **Washington Healthcare Authority (HCA)** and the **Department of Social and Health Services (DSHS)**. The HCA serves as the agency that administers the Medicaid program, Washington Apple Health. They are also responsible for managing policy—including Washington administrative codes, state plan amendments (SPAs), and Federal rules. The DSHS manages eligibility determinations and processes applications for public benefits programs, including Medicaid, MSPs, Temporary Assistance for Needy Families (TANF), and Supplemental Nutrition Assistance Program (SNAP). Additionally, the DSHS oversees the state's **Automated Client Eligibility System (ACES)**.

² <https://www.ncoa.org/benefits-participation-map?program=msp>

³ <https://www.cms.gov/files/document/lisenrollmentjune2021.pdf>

⁴ The Qualified Medicare Beneficiary (QMB) program pays for beneficiaries' Medicare Part A premium for people who do not have enough work history to get premium free Part A. QMB also pays the Part B premium, deductibles, and coinsurances. Medicaid eligible individuals who qualify for QMB cannot be charged Medicare co-pays.

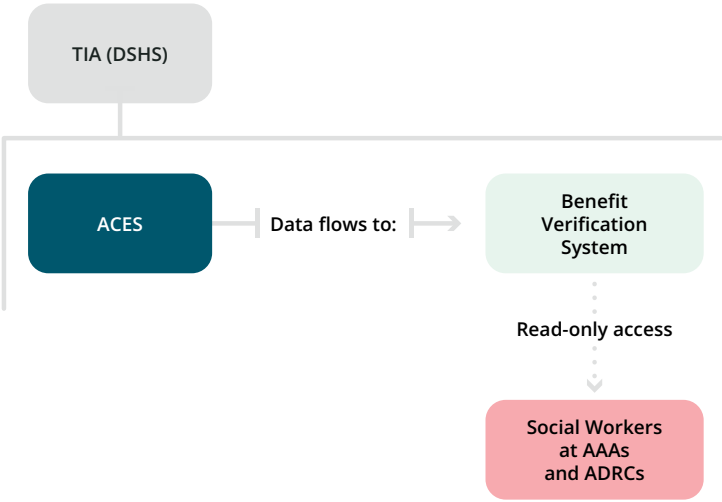
⁵ The Qualifying Individual (QI) program pays for Medicare Part B premiums.

The Office of the Insurance Commissioner (OIC) also plays a role by housing the state’s insurance market and overseeing the Washington State Health Insurance Assistance Program (SHIP), also known as the **Statewide Health Insurance Benefits Advisors (SHIBA)** program. SHIBA provides free assistance to Medicare beneficiaries, helping them navigate coverage options and accessing financial assistance programs, such as MSPs.

These agencies maintain a long-standing, collaborative relationship. There is constant inter-agency communication between HCA and DSHS, with cross-agency staff being involved in key meetings. This coordination extends to Area Agencies on Aging (AAAs) and Aging and Disability Resource Centers (ADRCs), which play a vital role in outreach and education in support of benefit applications.

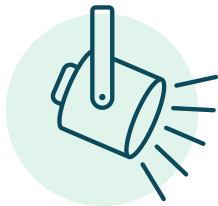
Data Systems and Infrastructure

Washington state’s ability to coordinate MSP enrollment heavily relies on a well-established data infrastructure, operated and updated by the Technology Innovation Administration (TIA), an IT division within DSHS. At the center of the infrastructure lies ACES, which integrates multiple benefit programs’ data (e.g., Medicaid, MSP, TANF, SNAP, etc.) to facilitate eligibility determinations, benefit administration, management support, and inter-agency data sharing. Additionally, ACES feeds into the Benefit Verification System, which AAAs and ADRCs use to verify eligibility for public benefit programs. Social workers are granted read-only access to client information within ACES, enabling them to support clients’ needs while preserving data and security integrity of the system.



State Efforts to Streamline Enrollment

Use of Leads Data for MSP Applications



Policy Spotlight

Federal law requires the Social Security Administration (SSA) to send states Leads data for the purposes of initiating MSP applications, but many states still do not use the data to facilitate MSP enrollment. For states that use the data, there is variation in how they use it for MSP enrollment (e.g., sending out blank MSP applications vs. automatically enrolling identified individuals into MSPs). Utilizing application information from public benefits programs with overlapping eligibility criteria could help reduce barriers to enrollment for older adults and expedite the review and approval process of applications for states.

Washington currently uses Leads data in a partially automated process to facilitate MSP enrollment—MSP applications are sent to individuals automatically, but eligibility workers must manually input their information into the system on the backend. After DSHS receives the Leads data from the SSA, ACES automatically mails a hard copy of the MSP application to any individual who had applied for LIS in the previous month, in addition to a letter informing them that they may be eligible for MSPs.⁶ Once the individual mails back the completed application, then an eligibility worker manually enters the information from the MSP application into ACES to determine eligibility and process enrollment.

One of the main challenges for the state in working with the Leads data is its lack of granularity, particularly related to income information. Income in the Leads data is aggregated at the family level, not individual, which delays enrollment as staff must verify individual income. Additionally, Leads data indicates the number of people in a household but does not indicate relationship, which is important in defining family size.

⁶ <https://www.hca.wa.gov/free-or-low-cost-health-care/i-help-others-apply-and-access-apple-health/medicare-savings-program-msp>

Given that ACES houses other public benefit program data (e.g., TANF, SNAP), the Leads data may also conflict with the data that is already in the eligibility system if the individual is enrolled in other programs. Currently, if DSHS encounters this issue, ACES will send an alert to an eligibility worker, and they contact the individual to verify the information.

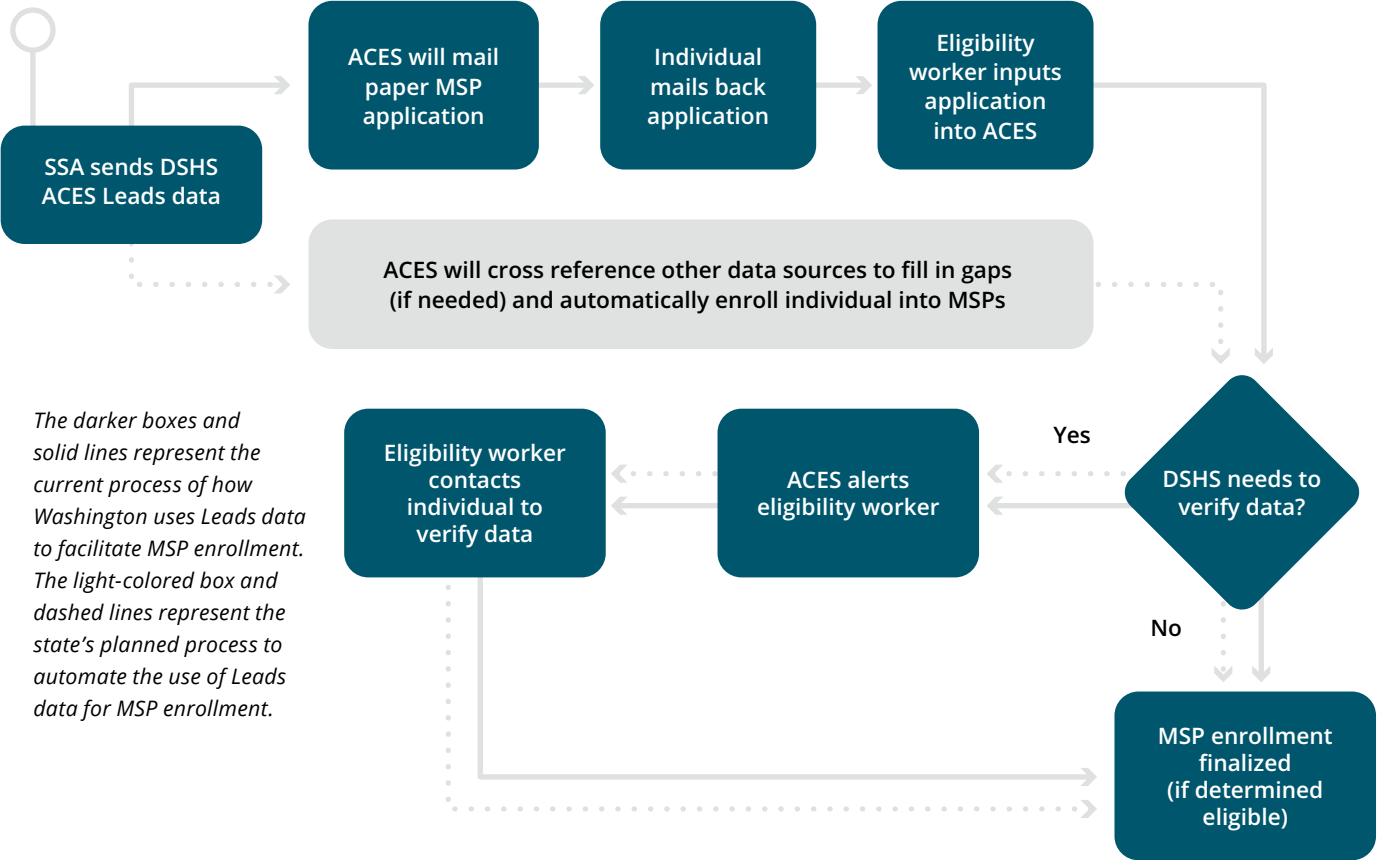
Planned Eligibility Process Enhancements

As described above, Washington currently sends paper MSP applications to individuals identified from the Leads data, but the rate of application return is low. Washington is working on enhancing ACES to automate enrollment of individuals into MSPs to minimize the need to conduct outreach to applicants.

Washington is in the beginning stages of this work and expects to be finished by spring 2026. The state anticipates that with planned system enhancements, ACES would automatically determine eligibility and process MSP enrollment using the Leads data, removing the need to send a paper MSP application. If an individual is deemed eligible and enrolled into an MSP, the state would send an approval letter informing them that they have been enrolled. To fill in any gaps in the Leads data, the updated system will be able to cross reference with other data sources. For example, ACES will be able to cross match with other Social Security data to populate individual income for MSP eligibility when applicable.



If additional information is needed to verify MSP eligibility, the individual would be conditionally approved for an MSP, and ACES would mail the individual a request letter for the additional information needed to verify eligibility. For instance, if a client already receives other public benefits and is active within ACES, but the Leads data conflicts, then ACES would send a request letter to verify (e.g., income in the Leads file meets MSP eligibility criteria, but data in ACES indicates that current income is over the limit). Once the individual returns the requested information, the system will alert the eligibility worker, and they will either confirm or deny enrollment. The graphic below shows the state's current process for using Leads data and how their system enhancements will automate the process:



Washington anticipates that most of the application information will be cross referenced using other data sources, and few cases will require additional verification from the individual. The state's plans for automating MSP enrollment processes would reduce burden on the applicant, removing the need for them to complete an entire application and result in them only having to verify information if needed. The state will also shift staffing resources from initial application processing using the MSP paper application to post-eligibility reviews and verifications; however, the state expects that these automation efforts will reduce overall burden on eligibility workers.

Removing Asset Tests⁷

Prior to the COVID-19 Public Health Emergency (PHE), an estimated 4,500 individuals were denied MSP coverage annually due to an excess of countable resources. The emergency flexibilities implemented during the PHE, which permitted resource attestation in lieu of asset verification and waived excess resources for up to 12 months after the PHE ended, facilitated improved access to MSPs. Washington state decided to permanently remove assets tests to ensure continued access to MSP benefits beyond the conclusion of the PHE.

In February 2023, CMS authorized Washington's SPA (WA-22-0034), which proposed excluding all countable resources from the determination of eligibility for QMB, Specified Low-Income Medicare Beneficiary (SLMB),⁸ and QI eligibility groups within MSP. Since this option was approved by CMS for all individuals receiving Medicare, Washington was able to leverage a 50 percent Federal Medical Assistance Percentage (FMAP).

Washington expects that permanently removing the asset test for MSPs will improve access and streamline administration processes. The change is anticipated to:

- 1 Simplify the verification process for eligibility workers** by eliminating the need to review and verify asset information
- 2 Increase enrollment** by expanding eligibility to nearly 4,500 individuals previously disqualified due to asset limits
- 3 Automatically qualify individuals for LIS**, providing federally funded assistance to older adults for prescription drug costs
- 4 Allow recipients to save \$2,000 in Part B premiums due to MSP enrollment and \$3,000 in prescription drug costs annually through LIS**
- 5 Enable low-income older adults to redirect resources** toward other necessities such as food and housing

⁷ Details about Washington's efforts to remove the requirement to verify assets for MSP eligibility determination are supplemented by publicly available resources:

(1) <https://www.hca.wa.gov/assets/22-0034-MedicareSavingsProgramPublicNotice-WSR-22-21-048.pdf>

(2) <https://www.medicaid.gov/medicaid/spa/downloads/WA-22-0034.pdf>

⁸ The Specified Low-Income Medicare Beneficiary (SLMB) Program pays for Medicare beneficiaries' part B premiums.

The cost of removing the asset test to the state was estimated to be approximately \$10 million per year. The state considered this cost “relatively low” given the increase of newly eligible individuals for MSPs.⁹ To accomplish the removal of the asset test, the HCA worked on updates to the Washington Administrative Codes and, in collaboration with TIA, ensured that assets were not accounted for in eligibility determination in ACES. This was addressed by removing Asset Verification System (AVS) requirements for MSP applications.

Washington’s client eligibility dashboard indicates that there has been a steady increase in MSP enrollment since the removal of asset tests in 2023, likely due to eligibility staff having the ability to open an MSP case based on existing program data, without requiring asset verifications or additional documentation.¹⁰

Aligning MAGI and non-MAGI Eligibility Requirements

Aligning MAGI and non-MAGI eligibility and enrollment requirements is one potential approach for states to streamline enrollment efforts for older adults and reduce state administrative burden associated with managing the different enrollment systems. Currently, there are two separate online application and eligibility systems in Washington for the MAGI and non-MAGI populations:

- 1 Washington Healthplanfinder** is the state’s Affordable Care Act (ACA)-compliant health benefit exchange where individuals can apply for Apple Health (Medicaid) or Cascade Care.¹¹ Eligibility for Apple Health and tax credits under Cascade Care are determined using MAGI.
- 2 Washington Connection** is the online platform that the aged, blind, and disabled population (i.e., non-MAGI) can use to apply for medical assistance. Individuals can also use Washington Connection to apply for cash or food benefits. Washington Connection uses ACES to process eligibility determinations.

⁹ For more details, see Washington’s SPA:

<https://www.hca.wa.gov/assets/22-0034-MedicareSavingsProgramPublicNotice-WSR-22-21-048.pdf>

¹⁰ Washington removed the asset test in January 2023 and increased income limits in April 2024:

<https://www.hca.wa.gov/free-or-low-cost-health-care/i-help-others-apply-and-access-apple-health/medicare-savings-program-msp>

¹¹ Cascade Care health plans cover essential health benefits and meet or exceed ACA standards of cost and covered services: <https://www.wahealthplanfinder.org/us/en/my-account/my-coverage/cascade-care-health-plans.html>

Washington is in the early stages of undertaking a large-scale effort to align their MAGI and non-MAGI populations into one application and eligibility system, which will entail moving the non-MAGI population from Washington Connection to Washington Healthplanfinder. State staff are considering the policy changes that will be required to support this alignment. For instance, they will need to align various timeframes for MAGI and non-MAGI populations, such as post-enrollment verification and application processing timeframes. Additionally, the state will have to start conducting ex parte renewals for non-MAGI populations.

Although DSHS and HCA have been wanting to align their MAGI and non-MAGI populations into one eligibility system since the enactment of the ACA, they have lacked the funding to begin this work until now. Washington legislature recently allocated funding for this effort in the 2025 budget. Federal policy shifts toward streamlining Medicaid renewal policies and compliance with Federal ex parte renewal policies for both MAGI and non-MAGI populations have influenced the state's funding priorities.¹²



¹² *Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment* (88 FR 65230): <https://www.federalregister.gov/documents/2023/09/21/2023-20382/streamlining-medicaid-medicare-savings-program-eligibility-determination-and-enrollment>

Wrap Up and Next Steps

Washington has taken important steps toward streamlining MSP and LIS eligibility and enrollment processes. Current and past initiatives—including ACES system enhancements to enable automated MSP enrollment using Leads data, as well as policy changes to remove asset tests—reflect the state’s commitment to reducing administrative burdens and enrollment barriers for low-income older adults.

Planned system integration efforts, a long-standing goal for both DSHS and HCA, have only recently been made possible through new state funding. Ongoing barriers to this work include differences in timeframe and verification requirements that complicate system alignment and processing standards across eligibility populations.

The insights highlighted in this case study provide an overview of the barriers and facilitators Washington has encountered in their streamlining efforts and could inform other states as they undertake their enrollment improvements. Additionally, federal partners can leverage these insights to guide program improvements, enhance support for states, and ensure policies are responsive to the varied operational environments and challenges faced at the state level.





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