

## Medicare Minute Teaching Materials — May 2022 Medicare Savings Programs

### 1. What is the Medicare Savings Program?

Medicare Savings Programs (MSPs), also known as Medicare Buy-In programs or Medicare Premium Payment Programs, help pay your Medicare costs if you have limited income and savings. There are three main programs, each with different benefits and eligibility requirements. \*

1. **Qualified Medicare Beneficiary (QMB):** Pays for Medicare Parts A and B premiums. If you have QMB, typically you should not be billed for Medicare-covered services when seeing Medicare providers or providers in your Medicare Advantage Plan's network.
2. **Specified Low-income Medicare Beneficiary (SLMB):** Pays for Medicare Part B premium.
3. **Qualifying Individual (QI) Program:** Pays for Medicare Part B premium.

[See question 3 for more details about the differences between QMB, SLMB and QI.]

Note: You may sometimes hear people with an MSP be called “partial dual-eligibles.” Individuals with both Medicare and Medicaid are considered “full dual-eligibles.” An individual who qualifies for both an MSP and Medicaid coverage would still be considered a “full-dual eligible.”

If you enroll in an MSP, you will automatically get Extra Help, the federal program that helps pay your Medicare prescription drug (Part D) plan costs.

To qualify for an MSP, you must have Medicare Part A and meet income and asset guidelines. Note that these guidelines vary by state, and some states do not count assets when determining MSP eligibility (see question 2 for more details). If you do not have Part A but meet QMB eligibility guidelines, your state may have a process to allow you to enroll in Part A and QMB. Many states allow this throughout the year, but others limit when you can enroll in Part A.

Remember, states use different rules to count your income and assets to determine if you are eligible for an MSP. Examples of income include wages and Social Security benefits you receive. Examples of assets include checking accounts and stocks. Certain income and assets may not count when determining your MSP eligibility, and some states do not have an asset limit.

If your income or assets seem to be above the MSP guidelines, you should still apply if you need the help.

\*Qualified Disabled Working Individual (QDWI) is the fourth MSP and pays for the Medicare Part A premium. To be eligible for QDWI, you must:

- Be under age 65
- Be working but continue to have a disabling impairment
- Have limited income and assets
- And, not already be eligible for Medicaid.

### 2. What are the income and asset limits for the MSP?

Each state has different eligibility requirements for the MSPs. For instance, while all states require that applicants meet monthly income limits, those limits may vary from state to state. It is important to know that many states require you to apply for any money you might be eligible for, including Social Security retirement benefits, in order to qualify for an MSP.

Below are the baseline federal income and asset limits for each MSP. Most states use these limits, but some states have different, more generous, guidelines. For example, Alaska, Connecticut, the District of Columbia (DC), Hawaii, and Maine have higher income limits. Additionally, several states do not apply asset limits. As of April 2022, Alabama, Arizona, Connecticut, Delaware, Louisiana, Mississippi, New Mexico, New York, Oregon, Vermont, and the District of Columbia do not have asset limits for MSPs.

MSP	Income limit for 2022	Asset limit for 2022
QMB	\$1,153 Individual \$1,546 Couple	\$8,400 Individual \$12,600 Couple
SLMB	\$1,379 Individual \$1,851 Couple	\$8,400 Individual \$12,600 Couple
QI	\$1,549 Individual \$2,080 Couple	\$8,400 Individual \$12,600 Couple

Assets are resources such as savings and checking accounts, stocks, bonds, mutual funds, retirement accounts, and real estate. In all states, there are certain resources that will never be counted as assets (see question 5).

Remember that some states have higher or no MSP asset limits. Call your local State Health Insurance Assistance Program (SHIP) or local Medicaid office for more information about MSPs in your state. Contact information for your SHIP is on the last page of this document.

### 3. What are the benefits included in the Medicare Savings Programs?

If you qualify for one of the three main MSPs, your Medicare Part B monthly premium will no longer be deducted from your Social Security check. Additionally, you will automatically get Extra Help, the federal program that helps with Part D prescription drug costs. Another benefit is that enrolling in an MSP will eliminate your Part B late enrollment penalty (LEP) if you have one. You will not have an LEP even if you later lose MSP eligibility. If you have a Part A LEP because you delayed enrollment in premium Part A, enrolling in the QMB MSP will eliminate your Part A LEP. The QMB program also covers Medicare cost sharing (deductibles, coinsurances, and copayments), as long as you see the right kind of provider. Remember, you cannot choose to apply for a certain MSP; you will be enrolled in the MSP that corresponds to your income, assets, and other application details.

#### **Qualified Medicare Beneficiary (QMB)**

Federal law prohibits Medicare providers from billing you if you are enrolled in QMB (see question 8). This means Medicare providers should not bill you for any Medicare-covered services you receive. Additionally, if you have to pay Part A premiums, QMB will pay the Part A premium for you. (If you or your spouse did not work 40 quarters, or 10 years, in the United States and pay into the Social Security payroll tax system, then you owe a premium for Part A.) Unlike QI and SLMB (see below), QMB does not offer retroactive premium reimbursement.

Note: Some states may impose Medicaid copays for certain Medicare-covered services, even if you are in the QMB program. If that is the case in your state, Medicare and Medicaid should pay the majority of

the cost, leaving you a nominal, or small, copay. Contact your local Medicaid office to learn more about Medicaid copays in your state.

### **Specified Low-income Medicare Beneficiary (SLMB)**

If you are enrolled in the SLMB program, you may receive up to three months of retroactive reimbursement for Part B premiums. Unlike QI, you may be reimbursed for premiums from the previous calendar year. For example, if you submitted an MSP application at the end of 2021 and were approved for February 2022, you may be reimbursed for premiums paid in November and December of 2021 as well as January 2022.

### **Qualified Individual (QI)**

If you are enrolled in the QI program, you may receive up to three months of retroactive reimbursement for Part B premiums that were deducted from your Social Security check. Note that you can only be reimbursed for premiums paid up to three months before your MSP effective date, and within the same year of that effective date. For example, if you submitted an MSP application at the end of 2021 and were approved for February 2022, you can only receive premium reimbursement for January 2022 because you cannot be reimbursed for premiums paid in the previous year. If your QI effective date is May 2022, however, you would receive premium reimbursements for February, March, and April because all three months are in the same calendar year.

## **4. How can I apply for a Medicare Savings Program?**

Below is a general guide to the MSP application process. Before applying for an MSP, you should call your SHIP or local Medicaid office for application steps, submission options (online, by mail, by appointment, or through community health centers and other organizations), and other state-specific guidelines. Contact information for your SHIP is on the final page of this document.

Examples of documentation that may be required for your MSP application include:

- Your Social Security card
  - Your Medicare card
  - Your birth certificate, passport, or green card
  - Proof of your address (e.g., electric or phone bill)
  - Proof of your income (e.g., Social Security Administration award letter, pay stub)
  - Information about your assets (e.g., bank statements, stock certificates, life insurance policies)
1. Contact your local SHIP or Medicaid office to find out how to fill out an application and which documents you must submit. Contact information for your SHIP is on the last page of this document.
    - a. Remember, application and required documentation vary by state. For instance, some states may not require that you submit certain information, such as income or asset documentation.
    - b. Before submitting your application, be sure to make a copy. If you are at a Medicaid office, ask that they make a copy for you.
  2. You should be sent a Notice of Action within 45 days of filing an application. This notice will inform you of your application status.
    - a. If you receive a denial and are told you do not qualify for an MSP, you have the right to request a fair hearing to challenge the decision.
    - b. If you receive an approval:
      - i. And are found eligible for SLMB or QI, the state will pay your Part B premium starting the month indicated on your Notice of Action.

- i. However, it may take several months for the Part B premium (\$170.10 in 2022) to be added back to your monthly Social Security check. Do not be concerned: you should be reimbursed with a lump-sum check for each month that your benefits should be paid for.
- ii. And are found eligible for QMB, your benefits begin the next month.
- c. If you do not receive a Notice of Action within 45 days, contact the Medicaid office where you applied.

If you are approved, you will need to renew (recertify) your MSP every year. If you do not receive a notice in the mail reminding you to recertify, contact your local Medicaid office and ask what you need to do to make sure you receive your MSP benefits in the following year.

### **5. Are there forms of income and assets that are not counted in MSP when determining your MSP eligibility?**

Yes. If your income and assets seem to be above the MSP guidelines in your state, you should still apply if you need the benefit. You may qualify for an MSP because certain income and assets may not be counted when determining your eligibility.

Note: How your income and assets are counted to determine eligibility varies from state to state. You can contact your SHIP find out if you are eligible for an MSP in your state. Contact information for your local SHIP is on the last page of this document.

In all states, the following income is not counted:

- The first \$20 of all income
- The first \$65 of your monthly wages
- Half of your monthly wages (after the \$65 is deducted)
- Supplemental Nutrition Assistance Program (SNAP) support, known commonly as “Food Stamps.”

In addition to the above, some states may disregard or exclude other income, such as the cost of certain health insurance premiums (like Part D premiums). Also, in some states the eligibility limits may be higher if there are more than two people in your household.

In all states, the following assets are not counted:

- Your primary house
- One car
- Household goods and wedding/engagement rings
- Burial spaces
- Burial funds up to \$1,500 per person
- Life insurance with a cash value of less than \$1,500

Many states do not count other types of assets. In addition, some states have no asset test. You can contact your SHIP to learn more. Information for your local SHIP is on the last page of this document.

### **6. What is the Part B Buy-in program?**

All states have a Part B Buy-in, which is a process that can help you enroll in Part B outside regular enrollment periods. Normally, you must wait until the General Enrollment Period (GEP) to sign up for Part B if you did not

enroll in Part B when first eligible. However, if you qualify for an MSP, you can enroll in Part B outside the GEP. This enrollment in Part B is automatic when you are deemed eligible for an MSP.

To be eligible for the Part B Buy-in, you must:

- Meet the eligibility requirements in your state for any level of MSP (see question 2)
- Be enrolled in Part A.
  - If you are eligible for premium-free Part A, you can enroll in Part A at any time.
  - If you would pay a premium for Part A, you may have to wait for the GEP to enroll unless you live in a state that has a Part A Buy-in agreement and you meet the criteria for that program (see question 7). Once you enroll in Part A, you can apply for an MSP.

After successfully getting the Part B Buy-in, you should be enrolled in:

- Medicare Parts A, B, and D
- A Medicare Savings Program, which at a minimum pays the Part B premium
- Extra Help, which lowers Part D drug costs

If you are eligible for the Part B Buy-in, go to your local Medicaid office and ask to apply for an MSP. For more information about how to navigate the Part B Buy-in process, contact your SHIP using the contact information on the last page of this document.

## **7. What is the Part A Buy-in program?**

The Part A Buy-in is a process available in certain states if you would have to pay a premium for Part A, did not enroll during your IEP and income and assets that qualify you for QMB. [Click here to see if your state has a Part A Buy-in](#). The Part A Buy-in process allows qualifying individuals who delayed Part A enrollment to get Part A outside the GEP. Through the Part A Buy-in, you can have your Part A premium paid for by the QMB MSP, can eliminate any LEPs and can enroll at any time during the year.

To be eligible for the Part A Buy-in, you must:

- Be at least 65 years or older
- Be a current U.S. resident and either:
  - A U.S. citizen
  - OR, a lawful permanent U.S. resident having lived in the U.S. for five continuous years before applying for Medicare
- Be ineligible for premium-free Part A
- Meet the eligibility requirements in your state for the QMB MSP (see question 2)

After successfully getting the Part A Buy-in, you should be enrolled in:

- Medicare Parts A, B, and D
- Qualified Medicare Beneficiary MSP, which pays Part A and Part B premiums, and will cover or waive Medicare coinsurances, copayments, and deductibles
- Extra Help, which lowers Part D drug costs

The process for the Part A Buy-in varies greatly by state. It sometimes involves first applying for conditional Part A through the Social Security Administration. Conditional enrollment allows the individual to apply for premium Part A but only get the coverage if their QMB application is approved. If the QMB application is not

approved, the person will not be enrolled in premium Part A. You should contact your local Medicaid office or Social Security office to learn whether your state has a Part A Buy-in and how to access the benefits if it does..

## **8. What is QMB improper billing?**

In Medicare, the term improper billing refers to a provider inappropriately billing a beneficiary for Medicare cost-sharing. Cost-sharing can include deductibles, coinsurance, and copayments. Federal law prohibits providers from billing people enrolled in the QMB program for any Medicare cost-sharing. This means that if you have QMB, Medicare providers should not bill you for any Medicare-covered services you receive.

More specifically, if you have QMB and are enrolled in Original Medicare, you should not be billed when receiving a Medicare-covered service from either:

- A participating provider: a provider who agrees to always take assignment, meaning they accept Medicare's approved amount for health care services as full payment.
- A non-participating provider: a provider who accepts Medicare payment but has not agreed to take assignment in all cases.

If you have QMB and are enrolled in a Medicare Advantage Plan, you should not be billed when receiving a plan-covered service from in-network providers, as long as you meet your plan's coverage rules, such as getting prior authorization to see certain specialists.

To protect yourself from improper billing, be aware that:

- You retain improper billing protections when seeing Original Medicare and Medicare Advantage providers who do not accept Medicaid.
- You keep your improper billing protections even when receiving care from Medicare providers in other states.
  - Note: You can be billed if you are enrolled in a Medicare Advantage Plan and see an out-of-network provider, or if you have Original Medicare and see an opt-out provider.
- You cannot choose to waive these protections and pay Medicare cost-sharing, and a provider cannot ask you to do this.

Remember that if you have QMB, the Medicare providers you see must accept Medicare payment and any QMB payment as the full payment for any Medicare-covered services you received. Providers who violate improper billing protections may be subject to penalties. If you are having issues with a provider who continually attempts to bill you, or if you have unpaid cost-sharing bills that have been sent to collection agencies due to improper billing that could be due to potential fraud, errors, or abuse, call your local Senior Medicare Patrol (SMP) and 1-800-MEDICARE (or contact your Medicare Advantage Plan). Contact information for your SMP is on the last page of this document.

Note: Some states may impose Medicaid copays for certain Medicare-covered services. If that is the case in your state, Medicare and Medicaid should pay the majority of the cost, leaving you a nominal, or small, copay. Contact your local Medicaid office to learn more about Medicaid copays in your state.

## **9. What is a fair hearing?**

A fair hearing is an opportunity for you to challenge a decision made about your MSP application. You have the right to a fair hearing to ask the agency that decides eligibility for the MSPs in your state to reconsider their

decision to deny your MSP application or change your benefits. You should follow the instructions listed on your denial about how to request a fair hearing. The process for fair hearings varies by state. In general, during a fair hearing a representative from the agency that decides eligibility for the MSPs in your state will explain why the decision was made about your case. Then you or a representative will explain why you think that decision is wrong, and an administrative law judge will decide if you should have been approved for the MSP or not. For more information about fair hearings, contact your local SHIP using the contact information on the last page of this document.

## 10. What are helpful resources and contacts for help with MSPs?

**State Health Insurance Assistance Program (SHIP):** Contact your local SHIP to learn if you are eligible for an MSP in your state and for assistance with your application. You can also contact your SHIP to learn more about fair hearings or the availability of the Part A Buy-in in your state. Find your local SHIP by calling 877-839-2675 or visiting [www.shiphelp.org](http://www.shiphelp.org). Say “Medicare” when prompted.

**Senior Medicare Patrol (SMP):** SMPs empower and assist Medicare beneficiaries, their families, and caregivers to prevent, detect, and report health care fraud, errors, and abuse. Your SMP can help you address potential QMB improper billing. Contact information for your SMP is on the final page of this document.

**Your local Medicaid office:** Contact your local Medicaid office to learn more about MSP guidelines in your state or to request an MSP application.

**Medicare:** If you have QMB, contact Medicare at 1-800-MEDICARE (or your Medicare Advantage Plan if you have one) if a provider continually tries to bill you or if you have unpaid cost-sharing bills that were sent to a collections agency.

### SHIP case example

Mary is 68, and she has Medicare Parts A and B. She pays a 10% penalty in addition to the Part B premium because she did not enroll in Medicare when she first turned 65. Along with the cost of her Part D plan, some expensive drugs and her other expenses are making it difficult for Mary to make ends meet on her Social Security income of about \$1,150 per month. She wants to know what she can do to lower her expenses.

### What should Mary do?

- Mary should contact her State Health Insurance Assistance Program (SHIP).
  - If Mary does not know how to contact her SHIP, she can call 877-839-2675 and say “Medicare” when prompted or use the online SHIP Locator at [www.shiphelp.org](http://www.shiphelp.org).
- The SHIP counselor can screen Mary for MSP eligibility. If Mary’s income and assets are within the guidelines for her state, she should apply.
- The SHIP counselor can help Mary get her application ready by telling her which documents she’ll need to submit and instructing her about where to submit her completed application.
- If Mary is approved for the MSP, she can get her Part B premium paid for.
  - The level of the MSP that Mary qualifies for will determine if there are other benefits the MSP will provide—like retroactive Part B reimbursement with SLMB and QI, or cost sharing coverage with QMB.
  - Mary will also be automatically enrolled in Extra Help. Extra Help will pay the cost of her Part D plan premium up to the benchmark amount and will likely lower the cost of her drug copays.

- Because the MSP eliminates the Part B premium penalty, Mary will not be responsible for paying that either. Even if she no longer qualifies for the MSP in the future, she will not have to pay the premium penalty again.

### **SMP case study**

Larry recently enrolled in an MSP with the help of his local SHIP. He is now a QMB beneficiary and understands that he should no longer owe any Medicare cost-sharing when seeing Medicare providers. When he next sees his primary care provider (PCP), though, he is still charged the usual copay. Larry has a great relationship with his PCP and is too nervous to bring up the topic of improper billing. He is considering just paying the coinsurance.

### **What should Larry do?**

- Larry can contact his local Senior Medicare Patrol (SMP), which helps Medicare beneficiaries (as well as family members and caregivers of those with Medicare) detect and prevent Medicare related errors, fraud, and abuse.
  - If Larry doesn't know how to contact his local SMP, he can visit [www.smpresource.org](http://www.smpresource.org) or call 877-808-2468.
- The SMP can empower Larry to bring up this issue to his provider. Not all providers are familiar with QMB protections, so the improper billing could be an honest mistake or error from Larry's provider.
  - The SMP can refer Larry to the [MLN SE1128](#), which can be useful in showing providers to remind them of QMB billing protections.
  - Also, the SMP may suggest Larry check if his state imposes Medicaid copays for certain Medicare-covered services. If that is the case in his state, Medicare and Medicaid should pay the majority of the cost but there may be a nominal, or small, copay.
  - The SMP can also help Larry show his provider how they may confirm his QMB status, such as in provider Remittance Advices (RAs) or from a Medicare Summary Notices (MSNs).
- If the problem persists, the SMP can assist Larry in reporting it as potential fraud or abuse to 1-800-MEDICARE and the proper authorities
  - Medicare representatives can refer improper billing cases to the Medicare Administrative Contractors, which will send notices to both the provider and the beneficiary.
  - The SMP can report this to the Office of Inspector General (OIG).



Local SHIP Contact Information	Local SMP Contact Information
<p><b>SHIP toll-free:</b> <b>SHIP email:</b> <b>SHIP website:</b></p> <p><b>To find a SHIP in another state:</b> Call 877-839-2675 or visit <a href="http://www.shiphelp.org">www.shiphelp.org</a>.</p>	<p><b>SMP toll-free:</b> <b>SMP email:</b> <b>SMP website:</b></p> <p><b>To find an SMP in another state:</b> Call 877-808-2468 or visit <a href="http://www.smpresource.org">www.smpresource.org</a>.</p>
<p>SHIP National Technical Assistance Center: 877-839-2675   <a href="http://www.shiphelp.org">www.shiphelp.org</a>   <a href="mailto:info@shiphelp.org">info@shiphelp.org</a>            SMP National Resource Center: 877-808-2468   <a href="http://www.smpresource.org">www.smpresource.org</a>   <a href="mailto:info@smpresource.org">info@smpresource.org</a>            © 2022 Medicare Rights Center   <a href="http://www.medicareinteractive.org">www.medicareinteractive.org</a>  </p>	
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