

# Medicare Savings Programs

Rachel Gershon, Senior Attorney, Justice in Aging

Samantha Morales, Senior Policy Advocate, Justice in Aging

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# Housekeeping

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- Written materials and a recording will be available at [NCLER.acl.gov](http://NCLER.acl.gov). See also the chat box for this web address.

# About NCLER

The National Center on Law and Elder Rights (NCLER) provides the legal services and aging and disability communities with the tools and resources they need to serve older adults with the greatest economic and social needs. A centralized, one-stop shop for legal assistance, NCLER provides Legal Training, Case Consultations, and Technical Assistance on Legal Systems Development. Justice in Aging administers the NCLER through a contract with the Administration for Community Living's Administration on Aging.

# About Justice in Aging

Justice in Aging is a national organization that uses the power of law to fight senior poverty by securing access to affordable health care, economic security, and the courts for older adults with limited resources.

Since 1972 we've focused our efforts primarily on populations that have traditionally lacked legal protection such as women, people of color, LGBT individuals, and people with limited English proficiency.

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# Why Medicare Savings Programs Matter

# Introduction

- Medicare Savings Programs (MSPs)
  - Administered by the state Medicaid agency.
  - Help low-income Medicare beneficiaries access and afford health services by paying for Medicare premiums, co-payments, and deductibles.
  - Assistance available depends on financial need.

# Medicare – An Expensive Price Tag (1 of 2)

- Medicare is vital for older adults. It helps with hospital care, routine check-ups, specialty care, prescription drugs, and more.
- This help comes at a cost.



# Medicare – An Expensive Price Tag (2 of 2)

- The cost for Medicare in 2024:
  - Medicare Part B premium: \$174.70
  - Medicare Part A deductible: \$1,632
  - Medicare Part B deductible: \$240
  - Co-payments for Part B services are 20%.
  - Prescription drugs carry their own costs.
- Older adults also pay out of pocket for non-covered services, like dental and vision.

# Can Medicare Beneficiaries Afford These Costs?

- Median yearly income of Medicare enrollees is \$36,000.
- Discrepancies exist among different communities.
  - Median income for Black enrollees is \$27,250.
  - Across all groups, median income decreased as enrollees age. Over half of people age 85 and older have incomes less than \$28,850.

# The Different Medicare Savings Programs: Eligibility Criteria and Financial Assistance

# Four Medicare Savings Programs

- Qualified Medicare Beneficiary (QMB)
- Specified Low-Income Medicare Beneficiary (SLMB)
- Qualified Individual Program (QI)
- Qualified Disabled and Working Individual (QDWI)

Names may vary from state to state.

# MSP Financial Assistance

Medicare Savings Program	Financial Assistance
Qualified Medicare Beneficiary	Medicare Part A and B premiums, deductibles, and co-payments
Specified Low-Income Medicare Beneficiary	Medicare Part B premiums
Qualified Individual	Medicare Part B premiums
Qualified Disabled and Working Individual	Medicare Part A premiums

- \*Note that full Medicaid can also help with costs through buy in.

# What's in a Plus?

- Some QMB and SLMB individuals may be referred to as “plus” or “only” after the MSP name:
  - “Plus” = individual has full-scope Medicaid (in addition to the MSP).
  - “Only”= individuals are ineligible for full-scope Medicaid (only have the MSP).

# Eligibility Criteria – Resources

- Beneficiary must be receiving Medicare Part A.
- Financial eligibility is separated into income and asset (resources) limits.
- Resource limits for QMB, SLMB, QI in 2024:
  - In some states, enrollees cannot have more than \$9,430/single or \$14,130/couple.
  - In three states, there is a higher asset limit.
  - In 13 states and DC, there is no asset limit.

# Eligibility Criteria – QDWI

- For resources, QDWI individuals are allowed \$4,000 if single or \$6,000 if married.
- They must also be under 65, disabled, not currently on Medicaid, and returning to work.



# How Are Resources Counted?

- Includes money in a checking or savings account, stocks and bonds.
- Excludes individual's primary home, car, household goods, wedding/engagement rings, burial spaces, burial funds (up to \$1,500), and life insurance (with cash value less than \$1,500).

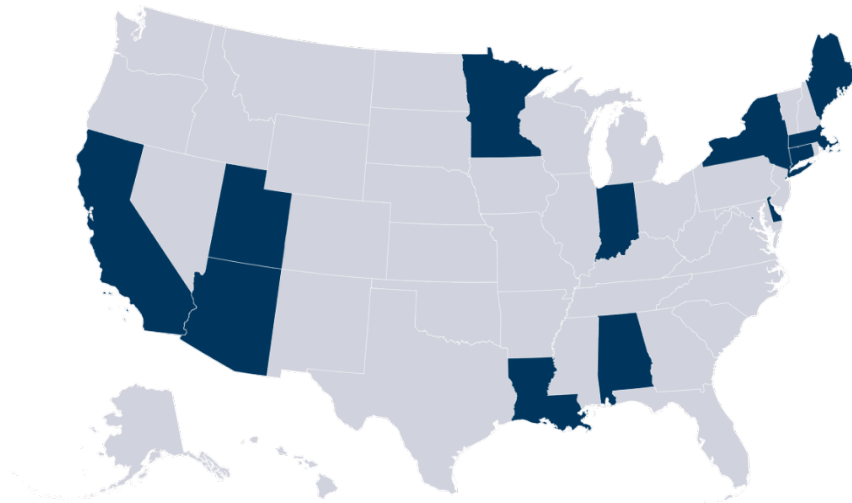
# Eligibility Criteria – Income

Medicare Savings Program	Minimum Income Level a State can set
Qualified Medicare Beneficiary	100% Federal Poverty Level (FPL)
Specified Low Income Medicare Beneficiary	100-120% FPL
Qualified Individual	120-135% FPL
Qualified Disabled and Working Individual	400% FPL (with disregards)

- \*Federal Poverty Level in 2024 is set at \$15,060/single and \$20,440/family of two.

# States Can Change Income and Asset Rules (QMB, SLMB, QI)

- 12 states (AL, AZ, CA, CT, DE, IN, LA, ME, MA, MN, NY, UT) plus DC have raised income or assets levels, allowing more older adults to qualify.



# Medicare Savings Programs – A Summary

Medicare Savings Program	Lowest level that a state can set the Income Limit	Financial Assistance
Qualified Medicare Beneficiary	100% FPL	Medicare Part A and B premiums, deductibles, and co-payments
Specified Low-Income Medicare Beneficiary	120% FPL	Medicare Part B premiums
Qualified Individual	135% FPL	Medicare Part B premiums
Qualified Disabled and Working Individual	400% FPL (with disregards)	Medicare Part A premiums

# Improper Billing

# QMB and Improper Billing

- All Medicare physicians, providers, and suppliers who offer services and supplies to QMBs may not bill QMBs for Medicare cost sharing.
- Any payment (if any) made by the state Medicaid plan should be considered payment in full.
- Medicare providers who bill QMBs violate their agreement with CMS and federal law. (42 USC 1396a(n)(3)(B)).
- Protection is not dependent on the delivery system and applies to both QMB+ and QMB-only.

# New Medicare Resource

- CMS just published a new [Medicare Learning Network resource](#) on dually eligible individuals. It includes provider responsibilities, including:
  - "If you bill a QMB Medicare cost-sharing, or turn a bill over to collections, you must recall it. If you collect any QMB cost-sharing money, you must refund it."

# Improper Billing Tips

- Identify individuals enrolled in QMB by using eligibility criteria and confirm with 1-800-MEDICARE. 1-800-MEDICARE can also help escalate individual cases when appropriate.
- Use resources from Justice in Aging's [improper billing toolkit](#).
- Contact NCLER for technical assistance and recurring issues.



# The Case of Ms. Lee (1 of 2)

- Ms. Lee is enrolled in QMB.
- On November 1, Ms. Lee went to visit Dr. Primary, her longstanding primary care physician (PCP), because of a worsening infection.
- Her doctor prescribes an antibiotic and sends her on her way.
- On November 31, she receives a bill for 20% of the costs of the office visit.

# The Case of Ms. Lee (2 of 2)

- Medicare office visit rate: \$100
- Medicare Part B pays 80%: \$80
- Medicaid office visit rate: \$75
- Since Ms. Lee's state has decided that Medicaid will pay the Medicaid rate in these circumstances, Dr. Primary is owed nothing.
- Regardless, Ms. Lee cannot be billed!

# The Case of Mr. Wong (1 of 2)

- Mr. Wong is enrolled in QMB and a member of Healthy Life Medicare Advantage Plan. On July 30, he visits Dr. Smiles, an in-network PCP with Healthy Life.
- Before he enters the exam room, he is asked for a \$15 co-pay, the standard for all Healthy Life members. He has waited weeks for his appointment, so he pays and sees Dr. Smiles.

# The Case of Mr. Wong (2 of 2)

- The \$15 co-pay is improper since Mr. Wong is enrolled in QMB.
- Mr. Wong is owed a refund of the co-pay and any other co-pays he may have paid as a Healthy Life member. The provider must recall any bills sent to collections.
- Healthy Life should go back to see if Dr. Smiles collected co-pays from other QMB members in violation of federal law.
  - For more on plan responsibilities, see Medicare managed care manual, [Chapter 4](#), section 10.5.2.

# Enrollment and Related Issues (QMB, SLMB, and QI)

# MSP Screening and Auto-Enrollment

Individuals who can be screened and auto-enrolled into an MSP:

- Individuals who are applying for, renewing, redetermining, or losing full-scope Medicaid
- Individuals on the low-income subsidy (LIS, also known as Extra Help)
- Individuals on Supplemental Security Income

# The Case of Mrs. Suni

- Mrs. Suni is on full-scope Medicaid. During a redetermination, her state found that she was no longer eligible for full-scope Medicaid.
- States must screen Medicaid enrollees for MSP during redetermination. Even though Mrs. Suni is no longer eligible for full-scope Medicaid, her state found that she was eligible for QI and enrolled her.

# The Case of Mr. Ko

- Mr. Ko receives the Low-Income Subsidy, which is a Medicare program to pay for prescription drug costs. The Social Security Administration periodically sends information about who is on the Low-Income Subsidy to each state.
- When Mr. Ko's state receives this information from the Social Security Administration, it initiated an MSP application for Mr. Ko, and reached out to Mr. Ko to gather additional information needed for the application.



# SSI and QMB: What's Happening October 1st

- For individuals with SSI-Based Medicaid:
  - All states will be required to automatically enroll individuals in QMB when they are enrolled in Premium-free Medicare Part A
  - Many individuals have to pay a premium in order to enroll in Medicare Part A. For those individuals, thirty-six states and DC will be required to automatically enroll individuals in QMB when they are enrolled in Medicare Part B.
    - Those 36 states are: AK, AS, CA (starting in 2025), CT, DE, DC, FL, GA, HI, ID, IN, IA, LA, ME, MD, MA, MI, MN, MS, MT, NV, NH, NY, NC, ND, OH, OK, OR, PA, RI, SD, TN, TX, VT, WA, WV, WI, and WY

# Applying for MSP

- Individuals can also affirmatively apply for enrollment into an MSP.
- Since MSPs are administered by state Medicaid programs, enrollment is handled by the state Medicaid agency.

# Where to Apply First

- Medicare eligibility is handled by the Social Security Administration, while MSP eligibility is handled by the state Medicaid agency.
- For a person who has not yet enrolled in Medicare or MSP, what agency should a person go to first to apply?

# Where to Apply First: Premium-Free Part A

- If a person is eligible for premium-free Part A, they can enroll at the Social Security Administration for Part A anytime.
- If a person then applies with the state Medicaid agency for MSP, then
  - The state Medicaid agency must enroll them in an MSP if they are eligible.
  - The state must also enroll the person in Medicare Part B and cover Part B premiums.

# Where to Apply First – Premium Part A

- If a person is eligible for Premium Part A, they can enroll in "Conditional Part A" at the Social Security Office.
  - The timing for this depends on the state; in group payer states people are restricted to specified enrollment periods.
- The person can then sign up for QMB at the state Medicaid agency.
  - The state Medicaid agency must enroll them in QMB if they are eligible. This will activate Part A coverage at the same time that QMB becomes effective.
  - The state must also enroll the person in Medicare Part B and cover Part B premiums.

# MSP Effective Dates

- In most states, enrollment for QMB will be effective the month after the individual is determined eligible.
  - Note that an individual may be eligible for full-scope Medicaid before QMB becomes effective. Full-scope Medicaid can also help with Medicare costs.
- For SLMB and QI, benefits are typically retroactive for three months from the date of application.

# Eligibility for Low Income Subsidy

- Once enrolled in an QMB, SLMB, or QI, individuals are deemed eligible for Low Income Subsidy (LIS).
- LIS helps pay for medication costs.
- In 2024, LIS is becoming more generous.
- Learn More:
  - [Practice Tip: Are Your Clients Missing Out on Enrollment in the Medicare Low-Income Subsidy?](#)
  - [Practice Tip: Your Low-Income Clients May be Overpaying for Part D Prescription Drug Coverage](#)

# Payment Plan

- If a person has their Social Security check deducted for back Medicare premiums, they can ask for an installment plan of \$15 a month.
- Source: [SSA POMS HI 00805.180](#)



# Additional Resources

- MSP resources:
  - National Council on Aging, [Medicare Savings Programs Eligibility and Coverage](#)
  - CMS, [Medicare Savings Programs](#)
  - Justice in Aging, [Final Rule to Streamline Enrollment in Medicare Savings Programs](#)
- Improper billing resources:
  - CMS, Medicare Learning Network resource [Beneficiaries Dually Eligible for Medicare and Medicaid](#)
  - Justice in Aging, [Improper Billing Toolkit](#)

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# Case Consultations

Case consultation assistance is available for attorneys and professionals seeking more information to help older adults. Contact NCLER at [ConsultNCLER@acl.hhs.gov](mailto:ConsultNCLER@acl.hhs.gov).