

Benefits 101: Medicare Savings Programs (MSPs)



National Council on Aging

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What We'll Cover

- What are MSPs?
- Why are They Important?
- Different Types of Coverage
- How MSPs Work
 - Eligibility Rules
- Relationship to Other Benefits
- How You Can Help Your Clients
- Resources



What are MSPs?

- MSPs are Medicaid-administered programs
- MSPs help cover Medicare premiums and cost-sharing for those with Medicare who have limited incomes and resources and *don't* qualify for full Medicaid
- MSPs are known by different names in some states
 - In your state, the MSPs may be called Medicare Buy-In Programs, Medicaid Buy-In Programs, and Medicare Assistance Programs, or may just go by their acronyms (see slide 5)
- MSPs “buy” those who are eligible into Medicare

Why Are MSPs Important?

- Medicare is the primary health insurance for seniors age 65+ and many younger adults receiving Social Security Disability Insurance (SSDI) benefits
 - But Medicare isn't free – and out-of-pocket costs add up, including:
 - Premiums, deductibles, and copayments/coinsurance
- Some people can't afford Medicare
 - Half of people with Medicare had incomes below \$26,200 in 2016
- MSPs help make Medicare affordable for those who qualify

Different Types of Coverage

- **Qualified Medicare Beneficiary (QMB)**
 - Pays Part A premium (if applicable) and Part B premium; also, pays Parts A & B deductibles, copayments and/or coinsurance
- **Specified Low-Income Beneficiary (SLMB)**
 - Pays only the Part B premium
- **Qualified Individual (QI)**
 - Pays only the Part B Premium
 - A block grant, meaning if states exceed their allotment no more people can get QI
 - This program was made a permanent part of Medicaid under the *Medicare Access and CHIP Reauthorization Act of 2015*

About QDWI

- Very different from other three MSPs
- Qualified Disabled Working Individual (QDWI) is for people under age 65 who lost premium-free Part A because they've gone back to work after getting SSDI long enough to have received Medicare
- QDWI pays Part A premiums for those who qualify (in 2018):
 - Income up to \$4,132/month* if single, \$5,572/month* if married
 - Assets up to \$4,000 if single, or \$6,000 if married

**Income limits include \$20 standard disregard and additional earned income exclusions; see Medicaid.gov for more info on these disregards*



Benefits of MSPs (QMB, SLMB, & QI)

- No Part B late enrollment penalty
 - Any Part B penalty premium is waived for people who qualify QMB, SLMB, and QI
- No estate recovery
 - States are not allowed to ask for repayment of the costs they covered under the MSP from the estates of deceased MSP recipients
- Those eligible for MSPs *automatically* get the Part D Low Income Subsidy/Extra Help
 - They are “deemed eligible” -- meaning they automatically get Extra Help with their prescription costs

How MSPs Work: Who's Behind the Scenes?

- **CMS & States:** Centers for Medicare & Medicaid Services (CMS) and state Medicaid agencies work together to provide this help
- CMS (federal government) oversees the program
 - Provides matching funds for QMB and SLMB
 - Provides 100% of costs for QI (block grant)
- State Medicaid agencies administer the MSPs
 - Determine eligibility
 - Pay Medicare Part B premium (on behalf of QMBs, SLMBs and QIs)
 - Pay Medicare copayments, coinsurance, and deductibles to health care providers (on behalf of QMBs)
 - Pay Part A premium for those who owe it (on behalf of QMBs and QDWIs)

Who is Eligible?

- Must have Medicare Part A
- Must meet income/resource eligibility tests
 - Financial eligibility guidelines set by law, but states can raise or eliminate these tests
 - For example, 8 states (AL, AZ, CT, DE, MS, NY, OR and VT) and D.C. have eliminated the resource test for all of the MSPs
- Generally applications submitted through local Medicaid agency
 - Can also start application process for MSP by completing LIS application – more on this later
- Eligibility is generally re-determined each year

Eligibility Rules in 2018

Financial eligibility criteria*(in 2018):

	QMB	SLMB	QI	QDWI
Monthly Income	Up to 100% FPL: \$1,012 single/ \$1,372 married	Between 100-120% FPL: \$1,214 single/ \$1,646 married	Between 121-135% FPL: \$1,366 single/ \$1,852 married	\$4,132 single/ \$5,572 married
Resource Limit	\$7,560 single/ \$11,340 married	\$7,560 single/ \$11,340 married	\$7,560 single/ \$11,340 married	\$4,000 single/ \$6,000 married
Type of Benefit	Entitlement	Entitlement	Block grant to states	Entitlement
Retroactivity	None	90 days if eligible	90 days if eligible	90 days if eligible

* These amounts are higher in Alaska and Hawaii. QDWI amounts include other earned income disregards.

Notes: Income limits do not include \$20 standard income disregard per household. Resource limits do not include \$1,500 per person burial allowance.

Relationship with Extra Help

- People enrolled in an MSP automatically qualify for the Low-Income Subsidy (LIS)/Extra Help (“deemed eligible”)
 - Means your clients get the help they may need with prescription drug costs **and** automatically!
- If they don’t join a Part D plan on their own - “facilitated” into a plan by CMS
 - Occurs two months after being “deemed” eligible for LIS
 - This gives them time to select a Part D plan that best meets their needs
 - However, enrollment is done randomly into a plan within the LIS premium amount without regard to beneficiary’s medication requirements. If medications are not on the formulary, the beneficiary owes the full amount of the drug cost vs. the LIS discounted amount.

Relationship with Extra Help (cont.)

- What about those with LIS who do NOT automatically qualify for MSPs?
 - When they apply for LIS (unless they decline), Social Security sends their LIS application info to their state Medicaid agency
 - That triggers the MSP application process
 - State Medicaid agencies then have 45 days to determine MSP eligibility
 - Applicants may be asked for further information/documentation



Relationship with Medigap & Medicaid

- Who with MSP needs a Medicare supplement (Medigap) policy?
 - QMB pays all out-of-pocket Medicare Parts A & B cost-sharing
 - QMBs should not be sold a Medigap policy
 - 2-year suspension for Medigap when person qualifies for QMB (beneficiary can cease paying Medigap premiums but go back and get policy within 2 years)
 - SLMB and QI only pay Part B premium
 - You can help your clients assess whether they want/can afford a Medigap policy
- MSP for people getting long-term care Medicaid
 - At home – like all other community-based MSPs
 - In residential facilities – QMB pays SNF daily copays, days 20-100

How to Help Your Clients: Application Issues

- Those who are otherwise eligible, but not enrolled...
 - If have Medicare Part A, but not Part B:
 - State Medicaid agency must enroll in Part B during QMB application process
 - If do not have Medicare Part A:
 - Must go to Social Security for “conditional enrollment”
 - Note: In some states can only do this Jan-March during the General Enrollment Period
 - Take proof to Medicaid and apply for QMB
- Options on how to apply:
 - Short form vs. long form
 - Simultaneous with LIS or triggered through LIS

How to Help Your Clients: Billing Issues

- QMB billing issues
 - No balance-billing of QMBs allowed
 - “Piggybacking” - claims should transfer automatically from Medicare to state for Medicaid claims processing
 - How do recipients and providers know who’s a QMB? ID cards



Get FAQ from CMS:

<https://www.cms.gov/Outreach-and-Education/Outreach/NPC/Downloads/2017-09-19-QMB-FAQ.pdf>

Other Ways You Can Help Your Clients

- Become familiar with the rules for MSP eligibility in your state
 - This way, you can help prepare your clients to gather the info your state needs to make a decision
- Work with your clients to help make sure their applications are completed properly and processed in a timely manner
 - You can follow up appropriately if you have your client's consent
- Use the person-centered approach
 - Connect your clients with MSP — and other benefits (e.g., SNAP, LIHEAP)

Additional Resources

- Fact sheets, eligibility chart and more from NCOA's Center for Benefits Access: <https://www.ncoa.org/economic-security/benefits/medicare-and-medicaid/medicaid-msps/>
- CMS memo (Jan. 2015) on enrollment and retention flexibilities to better serve Medicare beneficiaries: <http://medicaid.gov/federal-policy-guidance/downloads/cib-01-23-2015.pdf>
- Use NCOA's benefits screening and enrollment electronic tool to help screen clients for MSPs and other benefits and apply for LIS at: <http://www.benefitscheckup.org>

Thank You!

- Thank you for participating in the Benefits 101 Series from the Center for Benefits Access at NCOA
- Learn more about us at:
www.ncoa.org/centerforbenefits
- Find other Benefits 101 resources at: www.ncoa.org/resources (search for Benefits 101)
- If you have any questions or comments, please contact us at centerforbenefits@ncoa.org