

Medicare Savings Programs

What are the Medicare Savings programs (MSP's)?

There are three different programs: Qualified Medicare Beneficiary (QMB), Specified Low Income Medicare Beneficiary (SLMB) and Qualified Individual (QI). They are called "buy-in programs" because they pay the Part B premium for people with limited incomes who otherwise might not be able to afford Medicare. QMB will also pay for Part A premiums for those who aren't eligible for free Part A. They are part of Federal Medicaid, administered by the State of California Medi-Cal agency.

How does one apply?



People with full aged and disabled Medi-Cal with no Share of Cost are usually automatically enrolled, if eligible. One can apply for one of these MSP programs without applying for Medi-Cal. The application is still processed by the Contra Costa Medi-Cal personnel. See HICAP's handout "Medi-Cal Facts for Seniors *date*" for more information on the application process.

What are the criteria for qualifying?

Individuals must be eligible for, although not necessarily enrolled in, both Medicare A and B. It's possible to apply for Medicare via Social Security while also applying for the MSP programs with the County Medi-Cal offices.

There are no asset limits for the MSPs starting in 2024.

Here are the 2024 income limits for the 3 programs. Income is gross income, before the Part B premium is deducted from the Social Security benefit. After a \$65 disregard, only half of work income is included in countable income. These also include a \$20 disregard.

- Q-I income Limit \$1,782 (S) \$2,401 (M)
- SLMB Income Limit \$1,586 (S) \$2,136 (M)
- QMB Income limit \$1,325 (S) \$1,783 (M)

Unlike for full scope Medi-Cal, people can't qualify for these programs by "spending down" their countable income by buying other health insurance such as dental and vision.

What are the other benefits besides Part B Premium?

All programs automatically provide Federal level of "Extra Help" for drug costs for the year. There is no premium for an assigned Medicare Part D Prescription Drug Plan. Covered prescription drugs cost from \$1.⁶⁰ to \$4.⁹⁰ for generic and from \$4.⁸⁰ to \$12.¹⁵ for brand. Participants can change Prescription Drug (but not Medicare Advantage) plans any month of the year for an effective date the first of the following month.

Qualified Medicare Beneficiary - QMB



This is the only program that pays the Medicare Part A premium. It also pays the Part B premium.

It is against the law for providers to bill QMB recipients for Medicare deductibles, coinsurance and co-pays, although not all providers may be aware of this.

This program allows immigrants and others with very low incomes who don't qualify for free Part A to have it paid by the State of California on their behalf. Someone can conditionally apply for Part A contingent upon being approved for QMB. Those with Medi-Cal should still get QMB if they don't get free Part A, because only QMB pays the Part A premium. See HICAP's handout "Help with Part A Medicare Hospital Insurance Prems., date" for more information on the application process.

SLMB and QI

These programs pay only the Part B premium and provide the more expensive Extra Help benefit. Medical co-insurance and deductibles are not covered.

Contra Costa County Health Insurance Counseling and Advocacy Program HICAP

Contact Us: 925-655-1393, (800) 510-2020 or (800) 434-0222

Email: ehsdhicap@ehsd.cccounty.us Visit: www.cchicap.org



Navigating Medicare



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