

# Medicare Savings Programs

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**December 13, 2017**

# Housekeeping

- All on mute. Use Questions function for substantive questions and for technical concerns.
- Problems with getting on to the webinar? Send an e-mail to [NCLER@acl.hhs.gov](mailto:NCLER@acl.hhs.gov).
- Slides 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 non-profit legal advocacy organization that fights senior poverty through law. Formerly the National Senior Citizens Law Center, since 1972 we've worked for access to affordable health care and economic security for older adults with limited resources, focusing especially on populations that have traditionally lacked legal protection such as women, people of color, LGBT individuals, and people with limited English proficiency. Through targeted advocacy, litigation, and the trainings and resources we provide to local advocates, we ensure access to the social safety net programs that poor seniors depend on, including Medicare, Medicaid, Social Security, and Supplemental Security Income (SSI).

# Introduction/Table of Contents

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# Why Medicare Savings Programs Matter

# Definition

- Medicare Savings Programs
  - 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:
  - Medicare Part B premium: \$134
  - Medicare Part A deductible: \$1,316
  - Medicare Part B deductible: \$183
  - 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 beneficiaries is \$26,200.
- Discrepancies exist among different communities.
  - Median income for African Americans is \$16,150.
  - Across all groups, median income decreased as beneficiaries age. Over half 85 and older have incomes less than \$18,850.

# 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 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 Working Disabled Individual	Medicare Part A premiums

# 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 assets (resources) limits.
- Resource limits for QMB, SLMB, QI are the same. In 2017, beneficiary cannot have more than \$7,390/single or \$11,090/couple.

# Eligibility Criteria – QDWI

- For resources, QDWI individuals are allowed \$4,000/single or \$6,000 if married.
- They must also be under 65, disabled, not currently on Medicaid, and returning to work.
- Don't confuse QDWI with other state buy-in programs like 250% Working Disabled.



# 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).

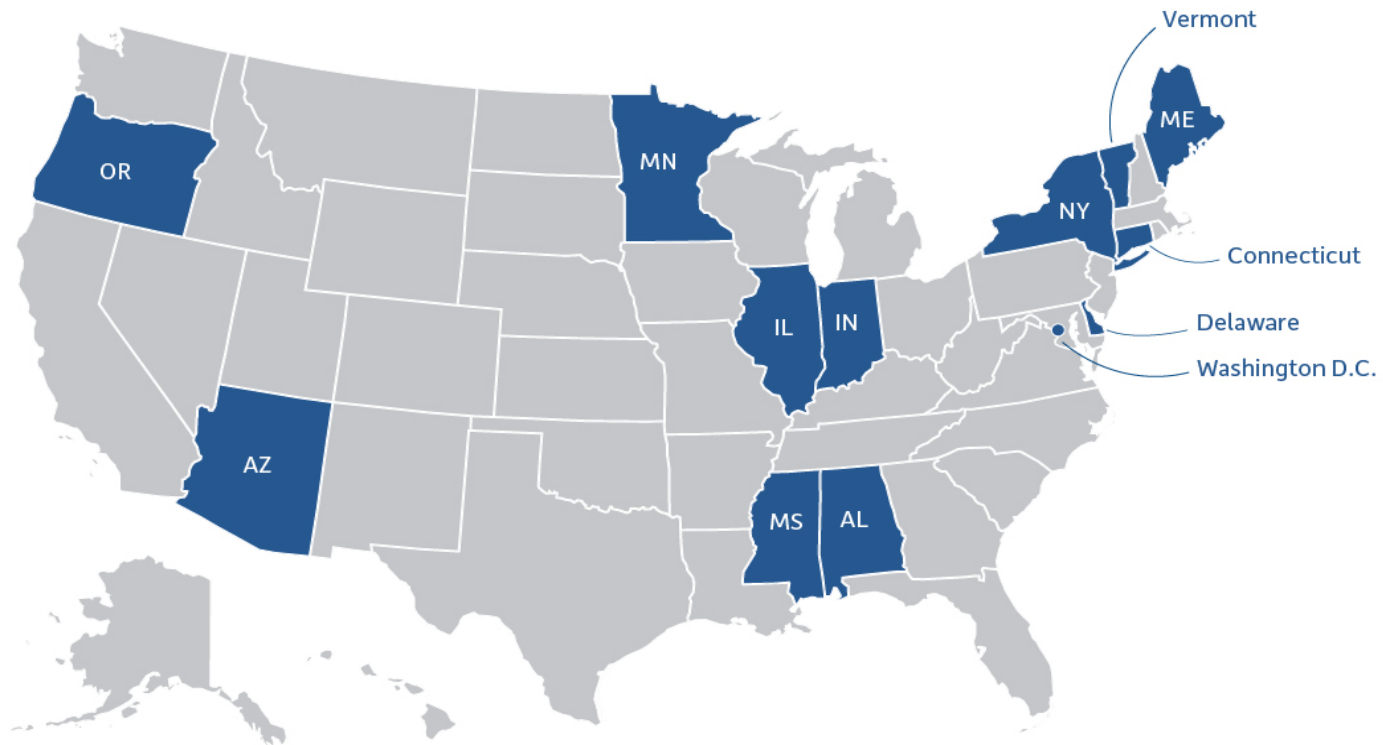
# Eligibility Criteria – Income

Medicare Savings Program	Income Level
Qualified Medicare Beneficiary	100% FPL
Specified Low Income Medicare Beneficiary	100-120% FPL
Qualified Individual	120-135% FPL
Qualified Disabled Working Individual	200% FPL

FPL in 2017 is set at \$12,060/single and \$16,240/family of two.

# States Can Change These Rules!

- 13 states have raised income or assets levels, allowing more older adults to qualify.



\*Connecticut will revert back to the federal limits in 2018.

# Medicare Savings Programs – A Summary

Medicare Savings Program	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 Working Disabled Individual	200% FPL	Medicare Part A premiums

# Improper Billing

# QMBs and Medicare Cost Sharing

- Qualified Medicare Beneficiaries cannot be billed for Medicare cost-sharing.
- Medicare providers who bill QMBs violate their agreement with CMS and federal law.\*
- Protection is not dependent on the delivery system and applies to both QMB+ and QMB-only.
- Unfortunately, the improper billing is “relatively commonplace.”

\*42 U.S.C. sec. 1396a(n)(3)(B)

# Tips To Fight Improper Billing of QMBs

- Identify QMBs 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 Justice in Aging for technical assistance and systemic issues.

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

- Ms. Lee is a QMB.
- On November 1, Ms. Lee went to visit Dr. Primary, her longstanding PCP, because of a worsening cold.
- 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 rate: \$100

Medicaid rate: \$75

Medicare pays 80%, so \$80. Because Medicaid only pays when the rate is the same or greater, Dr. Primary is owed nothing ( $\$75 < \$80$ ).

**Regardless, Ms. Lee cannot be billed!**

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

- Mr. Wong is QMB and a member of Healthy Life Medicare Advantage.
- 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 a 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.
- Healthy Life should go back to see if Dr. Smiles collected co-pays from other QMB members in violation of federal law.

# Enrollment and Related Issues

# Multiple Routes to Enrollment

- Medicaid application or re-determination
- Affirmative application with state Medicaid agency
- The Social Security Administration (SSA) also sends out notices to potential eligible individuals.

# Enrollment and “Extra Help” (1 of 2)

- Enrollment in QMB, SLMB, and QI automatically qualify the Medicare beneficiary to receive “Extra Help” for Medicare prescription drugs.
- Also known as the Low-Income Subsidy (LIS), the program helps low-income Medicare beneficiaries pay for some or most prescription drug costs.

## Enrollment and “Extra Help” (2 of 2)

- LIS application information is also sent by SSA to states for MSP review
- States can treat income information sent by SSA as verified
- State practices vary. Room for advocacy.

# Under-Enrollment

- As few as one out of three eligible individuals are enrolled for QMB, even less for SLMB.
- Another recent study concluded QMB participation around 50 percent, SLMB 33 percent, and QI 15 percent.
- Trends exist within different populations.



# Enrollment and Older Adults on SSI

- State Medicaid agencies may be less likely to screen for MSP eligibility with SSI-linked Medicaid older adults.
- Social Security Administration owns these files, not Medicaid.
- Practice Tip: Make sure your SSI-linked clients affirmatively apply for MSP with Medicaid.

# Additional Resources

- Denny Chan, [dchan@justiceinaging.org](mailto:dchan@justiceinaging.org)
- Georgia Burke, [gburke@justiceinaging.org](mailto:gburke@justiceinaging.org)
- 42 U.S.C. sec 1396a(n)(3)(B)
- 42 C.F.R. sec. 422.504(g)(1)(iii)
- [CMS QMB Access Study](#)
- [Justice in Aging Improper Billing Toolkit](#)
- 42 C.F.R. sec. 435.911(c)(2)
- 42 C.F.R. sec. 435.916(f)(1)
- *Crippen v. Kheder*, 741 F.2d 102 (6<sup>th</sup> Cir. 1984)
- [MAPAC Study on MSP Enrollment](#)
- [National Council on Aging MSP Eligibility Chart](#)
- [Part D Extra Help/Low-Income Subsidy](#)

# 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).