

# public benefits

for low-income individuals and families  
applying for and using  
public benefit programs

medicare savings program

Center for  
Benefits and  
Services

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Part of CSS, the Center for benefits and Services (CBS) is a single source for social service providers for information, training, and expert case assistance on the full range of government benefit and subsidized housing programs. The Center provides training on government benefits, telephone consultations to service providers, direct assistance to the general public and publications, including the *PBRC Manual*, a comprehensive guide to government benefit programs.

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# **Medicare Savings Programs:**

**Qualified Medicare Beneficiary (QMB)  
Specified Low Income Medicare Beneficiary (SLMB)  
Qualified Individual 1 (QI-1)**

## **Center for Benefits and Services**

**A PROGRAM OF THE COMMUNITY SERVICE SOCIETY**

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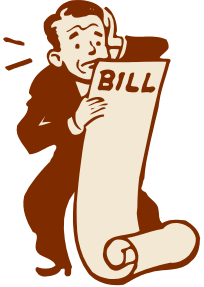
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**Last Updated: June 2008**

## Medicare Savings Program

What is the Medicare Savings Program?



Medicare does not cover all medical costs. When you see your doctor or go to the hospital, Medicare pays for some of the costs, but you may have to pay a part, as well. What you are expected to pay the deductibles, the Part B premium, and co-payments. The Medicare Savings Program (MSP) helps people who have a low-income pay for these costs.

*How does the MSP work?*

There are 3 different Medicare Savings Programs. They are:

- Qualified Medicare Beneficiary Program (QMB)
- Specified Low-Income Beneficiary Program (SLMB)
- Qualified Individuals 1 (QI-1)



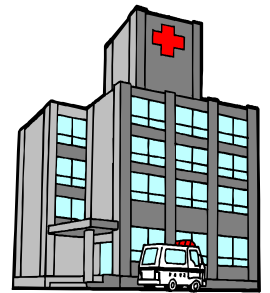
*What is the difference between QMB, SLMB and QI-1?*

QMB is for people with low incomes. It will pay for Medicare's deductibles, co-payments and the Part B premium. SLMB and QI-1 are for people who have a higher income than those who can get QMB, but who still have a low income. SLMB and QI-1 only pays for your Medicare Part B premium.

*What exactly will QMB pay for?*

QMB pays for:

- The Medicare Part A deductible and co-payments in both hospitals and skilled nursing facilities
- The Medicare Part A co-payments for those who receive skilled care in a skilled nursing facility
- The Medicare Part B premium, \$96.40 per month in 2008  
The Part B co-payments and deductible



**Note: You must go to a doctor that accepts both Medicare and Medicaid to get these QMB benefits.**

*Will QMB pay for anything else?*

People who receive SSI only (if on SSI, a person does not get Medicare because he/she does get a Social Security retirement benefit), and you are 65 and over, you are eligible to have QMB pay for both Part A and Part B of Medicare.

*How does a person who has SSI get QMB to pay for Part A and B?*

A person who is 65 and over and who is getting SSI should not have to do anything, he/she should get Part A and Part B automatically.

*What if I am getting SSI, and Part B, but not Part A, what should I do?*

If you get Part B, but not Part A, you should go to the local Medicaid office and apply for the Part A buy-in.

*What if I am getting SSI, but I am not getting either Part B or Part A?*

If you are not getting Part or Part B, go to the local Social Security office to enroll into Medicare Part B, then go to the local Medicaid office to apply for the Part A buy-in.

*What will SLMB pay for?*

SLMB will pay for your Medicare Part B premium only. In 2008, this is \$96.40 per month, and is usually taken out of your Social Security benefit every month. If you get SLMB, the \$96.40 won't be taken from your Social Security check, you will get to keep it. But you will still have to pay for Medicare's other costs, such as the deductibles and co-payments.



*What will QI-1 pay for?*

QI-1 is the same as SLMB: it will pay for your Medicare Part B premium.

## *Does Getting the Medicare Savings Program Affect Other Benefits?*

Possibly. Some benefit programs don't count the Part B premium (\$96.40) as part of your income. Once the MSP starts paying your Part B premium, the programs will include it in your income. For example, in Food Stamps, if you are paying the Part B premium yourself, Food Stamps subtracts part of the premium when figuring out how much Food Stamps you get. If you get the MSP, the State pays your premium, so Food Stamps will no longer subtract the premium when figuring out how much you get in Food Stamps.

## *How does MSP affect Medicaid's Spenddown Program?*

If you do not get regular Medicaid because your income is too high, you may be able to get the spenddown program. The amount of your income that is over the Medicaid limit is your monthly spenddown. You have to spend this amount every month on medical expenses before Medicaid will pay for your medical expenses.



For example, if your income is \$50 over Medicaid's income limit, you can either spend the \$50 on medical bills or you can pay Medicaid \$50 every month and Medicaid will cover all other medical costs during that month.

For more about Medicaid's Spenddown program see the Medicaid Excess Income Program brochure:

[www.cssny.org/pbrc/publications.html#brochures](http://www.cssny.org/pbrc/publications.html#brochures)

## *How does Medicaid's Spenddown work with the Medicare Savings Programs?*

When you apply for Medicaid, they will subtract your Medicare Part B premium from your total income, so that you may be able to get regular Medicaid without a spenddown.

However, when you get one of the Medicare Savings Programs, they pay for the Part B premium and Medicaid will no longer subtract this amount from your total income. Therefore you may only be able to get Medicaid with a spenddown.

*Which is better to get, MSP or Medicaid Spenddown?*



That depends. If you have high drug bills, need a personal care aide, or have other medical bills that only Medicaid covers, you may prefer to be on regular Medicaid. If you don't need Medicaid every month, you may want \$96.40 every month instead.

You must choose what is best for you.

*Can you give me an example of how this might work?*

Okay, let's say Mary has both Medicaid and Medicare. Her only income is her Social Security retirement benefit of \$760 a month. Everyone on Social Security gets a \$20 deduction automatically. So when Medicaid looks at her income they start with \$740. Next, since she is paying for her Medicare Part B premium, Medicaid will also deduct this from her income,  $\$740 - \$96.40 = \$643.60$ ). The Medicaid income limit for a household of one, for 2008, is \$725 per month, so Mary can get regular Medicaid because her net income is below \$725.

If she applies and gets QMB, the \$96.40 Part B premium is given back to her and Medicaid will no longer deduct this from her income. So Mary's income for Medicaid purposes would be \$740 per month. This is over the Medicaid limit of \$725. Mary can apply for QMB and get Medicaid with a spenddown of \$15 each month (which she would only have to spend on months where she has medical costs), or she choose not to get QMB and get regular Medicaid, but she would have \$96.40 less in her Social Security every month.

*Which is better for Mary?*

Let's say Mary has about \$200 every month in different types of medical expenses that Medicare does not cover, but Medicaid does. If Mary chooses to get the QMB she will have \$96.40 more in her Social Security every month, but she will have to spend \$15 every month in medical expenses. Mary would get more money if she chooses to do this. But Mary may not want to have to bother with the spenddown program because it can be complicated and she may choose to just get regular Medicaid instead. She has to make a decision based on what is best for her.



### *When do I choose which one I want?*

When you go to a Medicaid office, the worker should talk to you about both programs and which one you want. They must explain your options. The options are:

- You can either continue to pay for the Medicare Part B and keep Medicaid without a spenddown, or
- Have your Medicare Part B premium paid through the Medicare Savings Program, and have Medicaid with a spenddown.

You can call PBRC at **(212) 614-5552**, if you want help deciding.



### *What if I have a Medigap Policy how does that work?*

Medigap policies are private insurance policies that cover some of the gaps in medical coverage that Medicare does not cover. Each plan has a mix of benefits that help people with different needs. You can go to [www.medicare.gov](http://www.medicare.gov) and find out about these different Medigap plans. If you want a Medigap plan you must pay a premium for it. Some plans are more expensive than others and thus offer more benefits.

### *What if I have QMB, can I also have a Medigap policy?*

The law does not allow you to have both a Medigap policy and QMB. This is because the law protects you from paying a premium for a Medigap policy when you have the same coverage as QMB gives you.

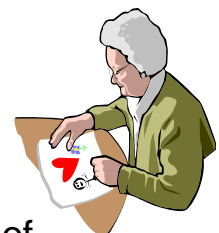
### *What if I have SLMB or QI-1, can I also have a Medigap policy?*

Yes, you can. If you have either SLMB or QI-1 you can get any Medigap plan. This is because a Medigap policy provides some benefits that SLM or QI-1 does not.

### **Who is Eligible for the Medicare Savings Programs?**

To get a MSP you must be eligible for Medicare. This means:

- You are entitled to Medicare Part A. Below are examples of



being “entitled to Medicare Part A”:

- You get Social Security Retirement benefits (RSI) and are 65 or older, or
  - You have been getting, or are eligible for, Social Security Disability benefits (SSDI) for 24 months (2 years), or
  - You have End Stage Renal Disease and can get a Social Security benefit.
- You have Medicare Part B

If you don't have Medicare Part B but you want a Medicare Savings Program, you can apply for both at the same time. Ask the worker at the Medicaid center or call PBRC at **(212) 614-5552**.

*Do I have to be a U.S. citizen to get a MSP?*

No. Medicare beneficiaries must be U.S. citizens or show they are legally present for 5 years in the United States and have a social security number.

*How many resources can I own?*

Resources (also called assets) include money in bank accounts, property, stocks, bonds or anything of value that can be turned into cash. As of April 2008, there is no longer an asset/resource limit for any of the Medicare Savings Programs.

*What are the income limits for QMB, SLMB and QI-1?*

The income limits are different for each program.



<b>2008 Medicare Savings Program Income Levels</b>		
	Individual	Couple
QMB 100% FPL	\$867	\$1,167
SLMB 120% FPL	\$1,040	\$1,400
QI-1 135% FPL	\$1,170	\$1,575

### *Is all income counted?*

No. Some income is exempt (not counted) just like resources. The following is a list of income that is not counted for the Medicare Savings Programs:

- The first \$20 of **unearned** income per household (examples are Social Security income, veterans benefits, or cash given to you by a family member).
- The first \$65 of **earned** income (money that you get from work) and half of the rest of earned income per household. If there is no unearned income, the first \$85 of earned income and half of the rest is taken off.
- In-kind income: This is when a friend or relative gives you food, pays your landlord some or all of your rent, or buys you clothes. This help does not count as income, as long as you are not given cash.
- Monthly premiums for other health insurance, like a Medigap policy (but *not* the Medicare Part B premium).

### **How Do I Apply for the Medicare Savings Programs?**

You can apply for any Medicare Savings Program in person at a local Medicaid office, at any time during the year. You can also apply through a Deputized Representative that has been approved by Medicaid. The Deputized Representatives you can call are:



- United/Oxford Health Care: (800) 261-7508
- Medicare Rights Center: (800) 333-4114
- Greater New York Health Insurance: (646) 447-7033
- Social Service Coordinators: (888) 528-9488
- Elder Health: (800) 964-2947

If applying for both Medicaid and QMB or SLMB you should use - the *LDSS-2921 Statewide Application*.

If you are applying for any of the Medicare Savings Programs you should use the DOH-4328, *Medicare Savings Program Application*. If you want to get an application package mail to your residence you can call Human Resource Administration (HRA) Infoline at **1-877-472-8411**.

*Can I apply by mail?*

Yes, some people can apply by mail. If you want to apply by mail, you should complete, sign and date the *DOH-4328, Medicare Savings Program Application*, answer all the questions, attach copies of the required documentation and return the completed application in the business reply envelope provided in the application package.

*Who cannot apply by mail?*

The following people cannot apply by mail:

- People who want to apply for both Medicaid or Medicaid Excess Income Program and one of the Medicare Savings Program.
- People who are not sure as to which program they want to apply for.
- People who are already receiving Medicaid and who are changing from full Medicaid to Medicaid Excess Income Program.
- People who are already participating in the Medicaid Excess Income Program and have an increase their excess income amount.

*Is there an Application Interview?*

Yes. You will have to go to a face-to-face interview. If you cannot make the interview you can have a friend or family member go for you.



You will be asked questions to see if you are eligible for Medicaid, as well as for the Medicare Savings Programs. The worker should talk to you about your options including Medicaid, Medicaid with a spenddown, or the Medicare Savings Programs.

### **How Long Before I Know If I'm Eligible?**

It should not take longer than 45 days. But it may take 8 to 12 weeks before your Medicare Part B premium (\$96.40 in 2008) is added back to your Social Security check.

## *When do my Medicare Savings Program benefits start?*

It is different for each program:

**QMB:** Under QMB benefits begin the first month after Medicaid finds you are eligible. For example, if Medicaid decides you are eligible in May, benefits will start in June. QMB benefits are not retroactive; this means you will not get any benefits for any previous month in which you may have been eligible.

**SLMB:** Under SLMB benefits begin the month you applied, if you are accepted. Benefits can also be paid up to three months prior to the month you applied, if you were eligible during those months.

**QI-1:** Under QI-1 benefits begin the month you applied, if you are accepted. Benefits can be paid up to three months prior to the month you applied, if it is in the same calendar year. For example, if you applied in March of 2008, you can only get benefits starting from January, if you are eligible.

## **How does Medicaid know if I am still eligible after I have been on the program a while?**

Medicaid does a yearly renewal process. Medicaid will look at your income, resources and other information to see if you are still eligible for the Medicare Savings Programs.

### *How does it work for QMB and SLMB?*

It works the same for both QMB and SLMB. You will receive a notice in the mail once a year. You should complete the renewal form and return it to Medicaid in the enclosed envelope by the date they told you in the package.

### *How does it work for QI-1?*

QI-1 is a yearly program that starts on January 1<sup>st</sup> and ends on December 31<sup>st</sup> of each year. If you are on QI-1, Medicaid will send you a notice at the end of each year telling you to reapply, if you want to keep your benefits.

## What Documents do I Need To Show?

You must prove all areas of eligibility. Below is a list of documents that you can use:

### Identity

Birth Certificate  
Passport  
Alien Registration Card  
Medicare Card  
Driver's License



### Income

Pay stubs for previous 8 weeks  
Award letters  
Social Security award  
Pensions  
Annuities

### Residence

Copy of current lease  
Recent utility bill  
Statement from primary tenant

### Citizenship

United States Passport  
Citizenship papers  
Military Discharge papers  
Documentation from INS of Alien category

### Medicare

Eligibility or receipt of Medicare Part A - Medicare Card  
Receipt of Medicare Part B services

### Social Security Number

Social Security card

### Other Third Party Health Insurance

Statements or other mail addressed to applicant from insurance company

### Child/spousal support paid out

Cashed and returned checks

## **What If I Don't Agree With a Decision About my Case? What Are My Rights?**

Medicare Savings Program recipients are entitled to the same fair hearing process as Medicaid recipients. You can ask for a fair hearing using the following information:

To ask for a fair hearing

- Call: (800) 342-3334
- Fax: (518) 473-6735
- In Person: 330 West 34<sup>th</sup> Street, reception area, 3<sup>rd</sup> floor
- Online: <https://www.otda.state.ny.us/oah/default.asp>

### **Where Can I Turn for Help?**

#### **HRA Toll Free Infoline**

(877) 472-8411

- To find local Medicaid offices

#### **Community Service Society**

**Center for Benefits and Services**

(212) 614-5552

**Get an application online at:**

[http://www.health.state.ny.us/health\\_care/medicaid/program/update/savingsprogram/msapp.pdf](http://www.health.state.ny.us/health_care/medicaid/program/update/savingsprogram/msapp.pdf)