

# MEDICARE SAVINGS PROGRAMS

## OVERVIEW

Medicare Savings Programs provide assistance with Medicare costs including premiums, deductibles, and co-insurance costs for Medicare A and B covered services.

## PROGRAMS & BENEFITS

- ▶ QMB-BAS - Qualified Medicare Beneficiary Basic
- ▶ QMB-SMB - Specified Low-Income Medicare Beneficiary (called SLMB in other states)
- ▶ QMB-SMF - Oregon's version of Qualified Individual program (QI) \*

\* *The Balanced Budget Act of 1997 expanded the SMF program for certain "qualified individuals" by increasing the income guidelines. Congress only appropriated a limited amount of funds to each state to pay for this expansion. Once a state's appropriated money is gone, even eligible individuals will not be able to get into the program.*

## QMB-BAS

- ▶ Covers Medicare Part B premiums, deductibles, and co-insurance
- ▶ QMB-BAS provides a medical benefit and will generate a monthly medical ID card. It can also pay for Part A premiums.
- ▶ Always takes effect the month following the month eligibility is established

## QMB-SMB

- ▶ Pays Part B premium only (no Part A)
- ▶ Does not provide additional medical benefits and does not generate a medical ID card
- ▶ Takes effect the month eligibility is established but may also be retroactive for 3 months if recipient is eligible

## QMB-SMF

- ▶ Pays Part B premium only (no Part A)
- ▶ Does not provide additional medical benefits and does not generate a medical ID card
- ▶ May not always be available depending on enrollment cap for the year
- ▶ Takes effect the month eligibility is established but may also be retroactive for 3 months if recipient is eligible
- ▶ Individuals who receive full Medicaid (OHP Plus) can no longer receive SMF

## INCOME LIMITS

- ▶ QMB-BAS - adjusted income at or below 100% of the Federal Poverty Level (FPL). The financial group must have adjusted income at or below the income standard. This is the only APD medical program where this applies.
- ▶ QMB-SMB - adjusted income over 100% up to 120% of the FPL. The financial group's adjusted income must be below this standard.
- ▶ QMB-SMF - adjusted income equal to or greater than 120% up to 135% of the FPL. The financial group's adjusted income must below the standard.

*“Adjusted income” means after certain deductions are applied to countable income.*

## Countable Income

**Countable Income:** Countable income is the amount of available earned and unearned income remaining after exclusions. Two examples of excluded income include:

- ▶ Excluded self-employment business expenses; and
- ▶ Certain Native American benefits
- ▶ Example: Biff receives \$1000 per month in Social Security Retirement benefits.
- ▶ He gets \$100 per month in Per Capita payments from the Confederated Tribes of Warm Springs. His countable income would be \$900 (\$1000 minus \$100 Per Capita = \$900).

## Adjusted Income

**Adjusted income.** Adjusted income is the total countable income of the applicant/recipient and spouse minus deductions. In the Medicare Savings programs, the standard deductions are:

- ▶ \$20 from total unearned income first, then from earned income if there is no unearned income or less than \$20 in unearned income;
- ▶ \$65 from earned income;
- ▶ An income deduction for documented Impairment-Related Work Expenses or Blind Work Expenses;
- ▶ Half of the remaining earned income; and
- ▶ Deductions under a plan of self-support approved by the Social Security Administration

## Annual Changes

- ▶ The MSP income standards change in March when the Federal Poverty Levels are published by the Federal Government.
- ▶ Because Social Security Benefit increases (SSA COLA) occur in January, ongoing MSP clients are protected from losing eligibility until March. This is done in case the COLA increases by a larger percentage than the Federal Poverty Levels do (which is usually the case).

## Example

Frank, a single QMB-BAS client received \$1,015 of SSB in 2017. His adjusted income was \$995 ( $\$1,015 - \$20 = \$995$ ). In January, his SSB increased by 2% to \$1,035 and his adjusted income is now \$1,015, which is over the current QMB-BAS income limit of \$1,005 for one person. However, he is “protected” until the new QMB-BAS income standards are updated in March. If the FPL numbers increase at a lower rate or percentage, then Frank will be over income for QMB-BAS and will probably be reduced to SMB effective March 1.

## RESOURCE LIMITS

- ▶ Oregon eliminated the resource limit for all Medicare Savings Programs effective January 1, 2016.

## ASSUMED ELIGIBLE

- ▶ Individuals who receive SSI and who are Medicare Part A eligible are assumed eligible for QMB-BAS
  - ▶ This means that a financial eligibility determination is not necessary
  - ▶ Staff must simply verify current SSI eligibility with the Social Security Administration

## WHO MUST APPLY TOGETHER?

- ▶ The filing group for Medicare Savings Programs include the applicant and spouse if living together
- ▶ Children under age 18 can be included, if the parent wants to include these children in the filing group
- ▶ Each parent of children under age 18 must be included if the children are applying and are not assumed eligible

*Note: Clients would want to include a child if the child has little or no income and the parent is over the income standard without them. Also, if there is more than one child, clients can pick and choose which child to include (or to include all if more beneficial).*

## WHAT ABOUT SERVICE CLIENTS?

- ▶ An application for home and community-based or nursing facility services has no effect whatsoever on Medicare Savings Program filing groups
- ▶ Spouses must apply together unless they are not living together under the same roof
  - ▶ For example, one spouse is living in the home (community spouse) and the other is residing in foster care (institutionalized spouse)
  - ▶ In this case, the community spouse would be excluded at the household group level and would not be in the filing group

## OTHER CONSIDERATIONS FOR SERVICE CLIENTS

- ▶ If individuals receiving any type of long-term-care services become over income for all Medicare Savings Programs, they are simply coded with a State Buy-In code (SBI) or Client Buy-In (CBI) on their medical case
- ▶ The SBI code will trigger payment from the state for the Part B premium
- ▶ The CBI code is used when a client's service payment (liability or pay-in) is more than the current Part B premium (set by SSA). The state will not pay the premium; instead, the client will pay but will also receive a medical deduction for the premium which will reduce the service payment. The effect is the same for the client but cheaper for the state.

*Note: SBI and CBI are simply codes placed on the medical case, not actual medical programs. This means that there is no federal match of monies and a financial eligibility determination is not necessary.*

## ADDITIONAL BENEFITS

- ▶ Individuals eligible for Medicare Savings Programs (including State Buy In) are automatically or “deemed” eligible for the Medicare Part D Low Income Subsidy (LIS)
  - ▶ This means they will pay little or no Part D premium and have reduced prescription co-pays
  - ▶ They do not have to apply for LIS through Social Security
- ▶ They are also eligible to change Part D plans every 30 days

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