



CALIFORNIA HEALTH ADVOCATES

Low Income Assistance: Medicare Savings Programs

Medicare has several programs called Medicare Savings Programs (MSPs) that assist people with low incomes and assets. They are referred to as QMB, SLMB, QI, and QDWI and information on each program, eligibility and enrollment criteria are below. Medi-Cal (the state health program known as Medicaid in other states) administers these programs. Some beneficiaries qualify for both Medi-Cal and a Medicare Savings Program, whereas other beneficiaries qualify for one but not the other.

Note: California also has the California 250% Working Disabled (CWD) Program. Please see below for description.

Medicare Savings Programs

The benefits of each Medicare Savings Program are outlined below. An additional benefit for people who qualify for the QMB, SLMB or QI program is that they are automatically eligible for the low-income subsidy (LIS or Extra Help), which helps pay for the premium, deductible and some copayments of a Medicare Part D plan. For more information, see our fact sheets “Extra Help for Part D Costs” and “Medicare Part D: An Overview.”

The Qualified Medicare Beneficiary (QMB) program helps qualified beneficiaries pay for the following Medicare costs:

- Medicare Part A premium. **Note:** Most people do not pay a premium for Medicare Part A because they or their spouse earned enough credits by working 40 or more quarters (about 10 years of full-time work).

People who are eligible for Medicare but worked fewer than 40 quarters have to pay a premium for Medicare Part A if they want Part A benefits. Those who worked 30-39 quarters may buy Part A and pay a monthly premium of \$248. Those who worked fewer than 30 quarters may also buy Part A and pay a higher monthly premium of \$451. The

QMB program pays the Part A premium for those who qualify.

- Medicare Part B premium. (\$99.90 per month in 2012)
- Deductibles for both Part A and Part B. The Part A hospital deductible in 2012 is \$1,156 per benefit period and the Part B annual deductible is \$140.
- Coinsurance under both Part A and Part B. For example, under Part A, the QMB program pays the \$289 per day for hospital days 61-90, and the \$578 per day for the 60 hospital reserve days in 2012. Under Part B, the QMB program pays the remaining 20% coinsurance after Medicare pays 80% of the approved costs for covered outpatient medical services such as physician visits.

The Specified Low-Income Medicare Beneficiary (SLMB) program helps people who qualify pay for the Part B premium (\$99.90 per month in 2012). (Otherwise this premium would be deducted monthly from their Social Security checks.)

The Qualified Individual (QI) program allows for a higher income limit than the SLMB or QMB programs and it also helps people pay for the Part B premium (\$99.90 per month in 2012).

Note: People who qualify for full Medi-Cal benefits, or free Medi-Cal, are not eligible for the QI program because the QI program is intended to help Medicare beneficiaries who do not qualify for state medical assistance. However, people who qualify for the Medi-Cal with Share of Cost program, may qualify for the QI program.

The Qualified Disabled Working Individual (QDWI) program is available to people who had Social Security and Medicare because of a disability, but who lost their Social Security benefits and their premium-free Part A benefits because they returned to work and their earnings exceeded the limit allowed. QDWI pays

for the Part A premium, but it doesn't pay for other Part A costs or any Part B costs. People who have full Medi-Cal benefits, or free Medi-Cal, are not eligible for the QDWI program.

California 250% Working Disabled (CWD) Program

The Medi-Cal CWD program helps Californians who are working, disabled, and whose incomes are too high to qualify for free Medi-Cal. Californians who qualify may be able to get Medi-Cal by paying a small monthly premium based on their income. Premiums range from a minimum of \$20 to a maximum of \$250 per month for an individual or from \$30 to \$375 for a couple. To qualify, you must:

- Meet the medical requirements of Social Security's definition of disability, but you don't have to meet Social Security's income and work requirements.
- Be working and earning income. This can be part-time work.
- Have assets worth less than \$2,000 for an individual and \$3,000 for a couple.
- Have countable income less than 250% of the federal poverty level (\$2,328/month for individuals and \$3,153/month for couples in 2012).

These income calculations are different from the requirements to qualify for the MSPs. Any disability income does **not** count towards the income limits for the 250% CWD program. This means that Social Security Disability Insurance (SSDI), Worker's Compensation, California State Disability Insurance, and any federal, state, or private disability benefits are not considered as countable income for this program. **Note:** You do not need to be a Medicare beneficiary to enroll in the CWD program. And being a Medicare beneficiary does not preclude you from applying for the CWD program.

MSP Eligibility Criteria for 2012

To be eligible for any of the MSPs, you must be eligible for Medicare Part A. For the QMB, SLMB and QI program, your assets must be no more than **\$6,940 for an individual or \$10,410 for a**

married couple. For the QDWI program, your assets must be no more than **\$4,000 for an individual or \$6,000 for a married couple.** (Personal assets include cash, money in the bank, stocks, bonds, etc. Examples of property not counted as assets: the value of a home; household goods and personal belongings; one car; a prepaid burial plan (unlimited if irrevocable, or up to \$1,500 if revocable). For 6 months after receipt, retroactive Social Security or SSI benefits are also not counted.

In addition to these criteria, each program has different income limits (see below).

- For QMB, your monthly income cannot exceed \$931 if you are single (\$11,170/year); a couple's monthly income cannot exceed \$1,261 (\$15,130/year).
- For SLMB, your monthly income cannot exceed \$1,117 if you are single (\$13,404/year); a couple's monthly income cannot exceed \$1,513 (\$18,156/year).
- For QI, your monthly income cannot exceed \$1,257 if you are single (\$15,080/year); a couple's monthly income cannot exceed \$1,702 (\$20,426/year). If you qualify for full Medi-Cal benefits, you are not eligible for the QI program.
- For QDWI, your monthly income cannot exceed \$1,862 if you are single (\$22,340/year); a couple's monthly income cannot exceed \$2,522 (\$30,260/year). If you qualify for full Medi-Cal benefits, you are not eligible for the QDWI program.

Note: These income amounts do not include a \$20 "disregard" – where \$20 from any income is not counted towards these income limits.

Enrollment in an MSP

You may apply for any of these programs at any time. An exception is if you have not enrolled in Part A and want to apply for the QMB program.

In California, if you are eligible for Part A but did not enroll when you were first eligible, you may apply for Part A and the QMB program only during the General Enrollment Period, January 1 to March 31 of every year. If you enroll in

Medicare during the GEP, your benefits will be effective the following July 1.

If you are newly eligible for Medicare and are in your Initial Enrollment Period (a 7-month period beginning 3 months before your month of eligibility – the month of your 65th birthday or the 25th month of receiving Social Security disability benefits – and ending 3 months after your month of eligibility), you must enroll in Parts A and B before your Initial Enrollment Period ends. To enroll in Parts A and B, contact the Social Security Administration at 1-800-772-1213. To enroll in any of the MSPs – QMB, SLMB, QI, QWDI – or the Medi-Cal CWD program, go to the local Department of Social Services (DSS) office in your county.

You may apply for Part A conditionally or unconditionally. If you apply for Part A

conditionally, it means that you want Part A only if you qualify for the QMB program, which would pay your monthly Part A premium. If you apply for Part A unconditionally, it means that you want Part A even if you do not qualify for QMB and therefore must pay your Part A premium yourself.

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This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call **1-800-434-0222** to make an appointment at the HICAP office nearest you.

Summary of MSP Eligibility & Benefits

Program	Monthly Income Limit (add \$20 for eligibility limit)	Resources Limit	Benefit
Qualified Medicare Beneficiary	\$931 (individual) \$1,261 (couple)	\$6,940 (individual) \$10,410 (couple)	Part A and Part B premiums, deductibles and cost-sharing
Specified Low-income Medicare Beneficiary	\$1,117 (individual) \$1,513 (couple)		Part B premium
Qualifying Individual	\$1,257(individual) \$1,702 (couple)		Part B premium
Qualified Working Disabled Individual	\$1,862 (individual) \$2,522 (couple)	\$4,000 (individual) \$6,000 (couple)	Part A premium
250% California Working Disabled Program	\$2,328 (individual) \$3,153 (couple)	\$2,000 (individual) \$3,000 (couple)	Full Medi-Cal benefits