

May 2021 Medicare Minute: Medicare Cost Assistance Programs Question and Answers

Question: What are the different income limits for the Medicare Savings Programs (MSPs)?

Answer: Each state has different eligibility requirements for the Medicare Savings Programs (MSPs). For instance, while all states require that applicants meet monthly income limits, those limits may vary from state to state. Additionally, some states apply asset limits for MSPs, while others may not. [You can view the federal baseline eligibility limits for the MSP here.](#) Remember that while many states follow these guidelines, not all do. To learn about exactly guidelines in your state, contact your State Health Insurance Assistance Program (SHIP). To do so, visit www.shiphelp.org or call 877-839-2675.

Question: What assets are counted in the Medicare Savings Program (MSP) application?

Answer: Assets include savings and checking accounts, stocks, bonds, mutual funds, retirement accounts, and real estate. In all states, certain assets won't count, like your primary house and one car. [You can learn more about what assets are counted in the MSP application here.](#)

Question: What is the difference between the MSP and Medicare Premium Payment Programs?

Answer: These two names refer to the same programs. MSPs are sometimes called the Medicare Buy-In programs or the Medicare Premium Payment Programs.

Question: Is Qualified Medicare Beneficiary (QMB) the same thing as Medicaid?

Answer: No. Medicaid is a type of health coverage, in the same way that Medicare is a type of health coverage. QMB itself is not health coverage. Rather, it is a cost assistance program for people who have Medicare and who have limited income and resources.

Question: Can someone be in the QMB program and not have Medicaid?

Answer: Yes. It is possible that an individual's monthly income is lower than the QMB eligibility limit, but higher than the Medicaid eligibility limit. It is also possible for people to qualify for and have both Medicaid and QMB.

Question: Can the QMB benefits be retroactive like those of SLMB and QI?

Answer: No. While SLMB and QI may offer up to three months of retroactive Part B premium payments, QMB does not.

Question: How do you become eligible for an MSP if you don't yet have Part B?

Answer: To qualify for an MSP, you must have Medicare Part A and meet income and asset guidelines. If an applicant does not have Part B and is enrolled in an MSP, they may then enroll in Part B outside of usual enrollment periods and without a late enrollment penalty (LEP). This is called the [Part B buy-in](#).

Question: If a member moves within state or to a new state, will their MSP change?

Answer: If you move within state, your MSP will not change. However, because MSP eligibility requirements are state-specific and MSP applications are processed at the state level, your MSP will not follow you if you move to another state. You will need to disenroll from your MSP and see if you are eligible for an MSP in the state to which you are moving. To ask about cost assistance programs in another state, call that state's SHIP by calling 877-839-2675 or visiting www.shiphelp.org.

Even when moving to a new state, your Extra Help benefits will not be affected, as eligibility requirements do not differ by state. It is important to note, however, that if you were automatically enrolled in Extra Help because you had Medicaid or an MSP, but then lose Medicaid coverage or the MSP because of your move to a different state, you will need to actively enroll in Extra Help to keep those benefits into the future.

Question: Can a married couple sign up individually for the MSP?

Answer: It is possible that only one individual in a married couple may apply for an MSP, but that individual must still report that they are married and living with their spouse. They must also report all forms of income from both spouses, even if only one is applying.

Question: If you approved for Extra Help, does the Social Security Administration automatically send your information to the State Medicaid office for assessment for an MSP?

Answer: No. While enrolling in an MSP automatically enrolls individuals in Extra Help, the reverse is not true. If you actively enroll in Extra Help and want to additionally apply for an MSP, you will have to do so separately.

Question: Is there a \$20 disregard on your income when applying for Extra Help, like there is a \$20 disregard for the MSP?

Answer: Yes. When applying for both Extra Help and the MSP, the first \$20 of unearned income is disregarded. Some tables that list Extra Help and MSP eligibility guidelines may already include this standard \$20 disregard, so look closely at footnotes.

Question: If someone with an MSP starts working and earning income that places them above the eligibility limit, will they lose their MSP? Will they have a Special Enrollment Period (SEP) to change plans if they lose their MSP?

Answer: It is possible that someone who experiences an increase in income may lose their MSP. People with MSPs must renew (recertify) their MSP every 12 months. You should receive a notice in the mail to recertify, and at that point you would report your new income. If it is above the eligibility limit, you would not receive your MSP benefits anymore. Do note, though, that you could reapply any time in the future if your income changes. After losing an MSP, you would have a one-time SEP to disenroll or switch your Medicare Advantage or Part D plan for three months after being notified. It is also important to know that earned income (like wages) are counted differently than unearned income (like Social Security benefits and pensions). The first \$65 of earned income is disregarded. After the \$65 disregard, half of all earned wages are not counted. This means that even if your income appears to be higher than the eligibility limits, you may still qualify if you have earned income and wages.

Question: If an individual is receiving Railroad Retirement Benefits should they still apply for Extra Help through SSA or through the Railroad Board?

Answer: They would still enroll in Extra Help through SSA, even if they are receiving Railroad Retirement Benefits or not collecting Social Security benefits yet.

Question: Is there a State Pharmaceutical Assistance Program (SPAP) in my state?

Answer: To see if your state offers any SPAPs, you should call your State Health Insurance Assistance Program (SHIP) by calling 877-839-2675 or visiting www.shiphelp.org.

Question: What is EPIC?

Answer: EPIC (or Elderly Pharmaceutical Insurance Coverage) is the New York SPAP that helps older adults with Medicare pay for their prescription drug costs. If you live in New York State and are interested in EPIC, [you can learn more here](#).

Question: Will an SPAP look at my income from this year or last year?

Answer: Each SPAP works differently and has differently eligibility guidelines. If an SPAP uses annual income to determine eligibility, it will likely assess a household's gross income from the previous year. To learn about SPAPs in your states and their eligibility guidelines, contact your State Health Insurance Assistance Program (SHIP) by calling 877-839-2675 or visiting www.shiphelp.org. You can also visit <https://www.medicare.gov/pharmaceutical-assistance-program/#state-programs>.

Question: If someone missed their Initial Enrollment Period (IEP), can they still enroll in Part B? Will they be charged a late enrollment penalty (LEP)?

Answer: Individuals who did not enroll during their IEP will likely have to enroll during either a Special Enrollment Period (SEP) or the General Enrollment Period (GEP). If

you are eligible for the [Part B SEP](#), you can enroll in Medicare without penalty at any time while you have job-based insurance and for eight months after you lose your job-based insurance or you (or your spouse) stop working, whichever comes first. The GEP, on the other hand, takes place January 1 through March 31 of each year. During this period, you can enroll in Medicare Part B. Enrolling during the GEP means your coverage will start on July 1. Until that time, you will not be covered by Medicare. Enrolling in Medicare during the GEP also means you may have to pay a [Part B premium penalty](#). You can learn more about how to enroll in Part B if you missed your IEP [here](#).

Question: If someone has Medicaid, do they need to enroll in Medicare Part D?

Answer: If you have Medicare and Medicaid (dually eligible), you are likely automatically enrolled in Extra Help and a Part D plan, so your drugs are covered by Part D. In many states, Medicaid covers some of the drugs that are excluded from Medicare coverage by law, so your Medicaid coverage may cover drugs that Medicare does not. Keep in mind that all states have a Medicaid formulary. For more information on the Medicaid formulary in your state, ask your pharmacist or contact your local Medicaid office.

Question: My pharmacy only billed Medicare and did not bill Medicaid, my secondary insurance. Why would that happen?

Answer: When you have Medicare and Medicaid, your drugs are usually coverage by Medicare Part D and you receive cost assistance through Extra Help. Medicaid would not pay secondary, but Medicaid can cover drugs that Medicare does not. You can learn more about how Medicare and Medicaid cover your prescription drugs [here](#).

Question: Can someone receive assistance filling out their Medicaid application?

Answer: Yes, an applicant may receive assistance completing a Medicaid application. Medicaid even allows for someone other than the applicant to apply for assistance. If you are acting for a friend or loved one as agent under a power of attorney or as guardian, you may be able to file the Medicaid application on their behalf.

Question: What is the Medicare giveback benefit offered by Medicare Advantage Plans?

Answer: Select Medicare Advantage Plans in some coverage areas offer a giveback benefit, in which the plan pays some of your Part B premium for you. You can see if a Medicare Advantage Plan offers this benefit by contacting the plan or using Medicare's [Plan Finder](#) comparison tool. Remember that you should consider many factors when choosing a plan, like its provider network and coverage restrictions.

Question: Has the MSP application changed for people transitioning from Medicaid to Medicare during the public health emergency (PHE)?

Answer: States have temporarily changed the transition process for people with Medicaid who are becoming Medicare-eligible. This temporary change is to ensure that

beneficiaries do not lose their Medicaid coverage during the PHE. Contact your local Medicaid office or your State Health Insurance Assistance Program (SHIP) if you have Medicaid and are becoming Medicare-eligible. Your local Medicaid office or SHIP should be able to tell you about the transition in your state at this time and your eligibility for the MSP. Calling 877-839-2675 or visit www.shiphelp.org to contact your SHIP.

Question: How can you get home health care covered if you do not qualify for Medicaid?

Answer: Medicare offers a [home health benefit](#), which includes a wide range of health and social services delivered in your home to treat illness or injury. Services covered by Medicare's home health benefit include intermittent skilled nursing care, therapy, and care provided by a home health aide. To learn more about Medicare's home health benefit and see if you are eligible, you can call 1-800-MEDICARE or contact your SHIP. You should also speak to your health care provider about your eligibility. You can also contact your SHIP by visiting www.shiphelp.org or calling 877-839-2675.

Question: How can one access long-term care?

Answer: Long-term care (LTC) refers to a range of services and support that help you perform everyday activities. LTC can be provided in a nursing home, assisted living facility, or other setting, and may include medical care, therapy, 24-hour care, personal care, and custodial care (homemaker services). Medicare usually does not cover LTC services. However, if you need care, there are other organizations and forms of insurance you can try. You can enroll in Medicaid if eligible or contact senior centers or charities in your area. [You can learn more about LTC and Medicaid here.](#)

Question: How can I find facilities that may offer care at reduced costs?

Answer: You can find use this [search tool to find Federally Qualified Health Centers](#) near you. You can also find a [list of Hill-Burton Facilities here](#). Note that there are only 131 Hill-Burton Facilities nationwide, so your access to these facilities may be more limited. You can also contact your State Health Insurance Assistance Program (SHIP) for more help by visiting www.shiphelp.org or calling 877-839-2675.