



Module 9: MEDICARE SAVINGS PROGRAMS (MSPs)

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MODULE 9 LEARNING OBJECTIVES

1. Identify the different types of Medicare Savings Programs (MSPs) available in New York State
2. Educate clients on the benefits of MSP enrollment
3. Help clients determine if they are eligible for an MSP and know where to apply

MEDICARE SAVINGS PROGRAMS (MSP)

Medicare beneficiaries with limited incomes may be able to get assistance with their health care costs through a Medicare Savings Program (MSP). Specifically, each MSP pays for the monthly Part B premium and eliminates the Part B late enrollment penalty (LEP), if applicable. Additionally, MSPs enrollees automatically receive Extra Help, the federal program that helps with Part D prescription drug costs.

There are three types of MSPs in New York State:

- Qualifying Individual (QI)
- Qualified Medicare Beneficiary (QMB)
- Qualified Disabled and Working Individual (QDWI) program

Note: **Specified Low-Income Medicare Beneficiary (SLMB)** is the third MSP. This MSP is no longer available in New York as it was absorbed into the other programs as part of the 2023 expansion of MSP income limits. SLMB continues as a separate MSP in other states.

Although the Medicaid agency administers the Medicare Savings Program benefits, an MSP recipient does not have full Medicaid benefits unless they apply for Medicaid in addition to the MSP. It is also important to note that individuals with Medicaid do not necessarily automatically receive the MSP. People who have QMB may apply for and receive Medicaid if they want services that Medicaid offers that Medicare may not, such as dental care and home care. Individuals with QI cannot have Medicaid at the same time as QI.

Background and History

Congress first enacted Medicare Savings Programs as part of the Medicare Catastrophic Coverage Act of 1988. The programs were subsequently expanded by the Omnibus Budget Reform Act (OBRA) of 1990, the Balanced Budget Act of 1997 (BBA), and Medicare Improvements for Patients and Providers Act (MIPPA) of 2008. These programs are sometimes called the Medicare Buy-In or the Medicare Premium Payment Programs. In New York these programs are most often referred to as the Medicare Savings Programs (MSPs) to avoid confusion with the Medicaid Buy-In for Working People with Disabilities (MBI-WPD). For information about MBI-WPD, see HIICAP Notebook Module 14: Medicaid.

The MSP is funded by both the state and federal government. Specifically, the administrative costs for QMB and QDWI are split between federal (50%), state (25%), and county (25%) governments. However, QI benefits are fully federally funded. The state Medicaid office within the New York State Department of Health (NYSDOH), the Office of Health Insurance Programs (OHIP), administers all of these programs.

QMB, QI, and QDWI are entitlement programs. This means that anyone eligible for the benefit will be able to receive it. Previously, the QI program was funded by block grants, which meant that beneficiaries received benefits contingent on the availability of funds. But in 2015, the Senate and Congress permanently funded the QI program.

MSP BENEFITS

Each MSP pays for the monthly Part B premium (\$185 in 2025). Enrollees also receive the following benefits:

- Elimination of Part B late enrollment penalties: There is a 10% Part B premium penalty for each 12-month period a person delays Medicare enrollment. In most cases, this penalty is permanent. MSP enrollment eliminates this LEP. Even if your client loses their MSP later, they will not owe the LEP.
- Part B enrollment: MSP allows individuals to enroll in Part B outside of usual enrollment periods. The Part B effective date will be the same as the individual's MSP effective date. For more information, see this [Part B enrollment flier](#) from the Medicare Rights Center.
- Extra Help enrollment: Enrollees automatically receive full Extra Help, which provides prescription drug assistance. Clients over assets who need prescription drug assistance can use MSP enrollment to receive Extra Help. For more information, see HIICAP Notebook Module 10: Extra Help.

Enrollees automatically receive the Extra Help program, which helps with Part D prescription drug costs. Additional benefits depend on which type of MSP a beneficiary is eligible for.

Qualified Individual

QI recipients may receive up to three months of retroactive reimbursement for Part B premiums deducted from their Social Security checks. QI only reimburses premiums paid up to three months before the individual's MSP effective date, and within the same year of that effective date. For example, if your client

submitted an MSP application at the end of 2024 and are approved for February 2025, they can only receive premium reimbursement for January 2025 because they cannot be reimbursed for premiums paid in the previous year. If your client's QI effective date is April 2025, they would receive premium reimbursements for January, February, and March. Note that an individual cannot have QI and Medicaid.

Qualified Medicare Beneficiary

Unlike QI, QMB does not offer retroactive premium reimbursement. An additional QMB benefit is improper billing protections. Federal law prohibits Medicare providers from billing QMB recipients. This means Medicare providers should not bill QMB recipients for any Medicare-covered services they receive. For more information, see <http://www.medicaid.gov/Federal-Policy-Guidance/downloads/CIB-01-06-12.pdf> and <http://wnylc.com/health/entry/99/>.

Additionally, QMB can pay the Part A premium for those who do not qualify for premium-free Part A. QMB recipients receive a Medicaid card even if they are not also receiving Medicaid. Their doctors and other providers may use the card to bill Medicaid for the beneficiary's Medicare Part A and Part B coinsurance and deductibles.

No Medicaid lien on estate to recover MSP benefits paid

In some circumstances, states may place liens on the estates of deceased Medicaid recipients to recover the cost of Medicaid services that were provided after the recipient reached the age of 55. Since 2002, states have not been allowed to recover the cost of Medicare premiums paid under MSPs. Further, states may not place liens on the estates of Medicaid recipients who died after January 1, 2010 to recover costs for coinsurance paid under the QMB program for services rendered after January 1, 2010. The federal government made this change in order to eliminate barriers to enrollment in MSPs.

See *NYS DOH GIS 10-MA-008 - Medicare Savings Program Changes in Estate Recovery*

http://www.health.ny.gov/health_care/medicaid/publications/gis/10ma008.htm. The GIS clarifies that a client who receives both QMB and full Medicaid is exempt from estate recovery for Medicare cost-sharing expenses.

MSP ELIGIBILITY AND APPLICATION

Income limits for QI and QMB are listed below. MSPs applicants can apply by mail or in person by using the DOH-4328 application. Keep in mind that QI applicants must have Medicare Part A.

2025 New York gross monthly income limits

2025 New York asset limits

Program	Individuals	Couples	Individuals	Couples
QI (139% FPL-186% FPL)	\$2,446	\$3,299	No limit	No limit
QMB (138% FPL and below)	\$1,820	\$2,453	No limit	No limit

Income limits are based on the Federal Poverty Level (FPL), which changes every year in February or March. These limits include a standard \$20 disregard.

Important budgeting considerations

Medicaid rules for counting income under the DAB category (age 65+, blind, or disabled) are used for MSP applications. For information about these rules, see HIICAP Notebook Module 14: Medicaid.

Individuals who apply for an MSP cannot choose which benefit they would like to apply for (QI or QMB). Applicants will be awarded whichever benefit they are eligible for based on their income.

Per [GIS 13 MA/05](#), MSP applicants and recipients age 65 and older who are eligible for but are **not receiving Social Security retirement benefits must apply for Social Security as a condition of receiving the MSP**. Some people prefer to wait to apply for Social Security until after age 65 to increase their benefit. Beneficiaries who decide to apply while they are not collecting Social Security benefits will likely be denied the MSP. It is up to them to choose between electing the Social Security benefits to get the MSP and delaying both. See <http://www.wnylc.com/health/entry/185/>.

Note: There is an exception to the above requirement for individuals delaying Social Security retirement benefits because they are working full time, explained in [GIS 16 MA/12](#).

A person’s SNAP (food stamp) benefits may be reduced once they receive the MSP. However, their SNAP benefits will not be reduced immediately.

Many people receive both SNAP benefits and an MSP. Income, for purposes of SNAP, is reduced by a deduction for medical expenses, which includes payment of the Part B premium. Since approval for an MSP means that the client no longer pays for the Part B premium, their SNAP income goes up, so the SNAP may be reduced. Here are some protections:

- MSP households do **not** have to report the decrease in their medical expenses to the SNAP/food stamp office until their next SNAP recertification. Even if they do report the change, or the local district finds out because the same worker is handling both the MSP and SNAP case, there should be no reduction in the household’s benefit until the next recertification. New York’s SNAP policy per administrative directive 02 ADM-07 is to “freeze” the deduction for medical expenses between

certification periods. Increases in medical expenses can be budgeted at the household's request, but NYS never decreases a household's medical expense deduction until the next recertification. Most elderly and disabled households have 24-month SNAP certification periods.

- The decrease in medical expenses will need to be reported when the household recertifies for SNAP, and the household should expect to see a decrease in their monthly SNAP benefit. It is vital to stress that the loss in SNAP benefits is NOT dollar for dollar. For example, a \$100 decrease in out of pocket medical expenses would translate roughly into a \$30 drop in SNAP benefits.
- See more info on SNAP/Food Stamp benefits at <http://wnylc.com/health/entry/99/#4> - [4 Special Benefits of MSPs](#) and <http://otda.ny.gov/programs/food-stamps/>

Individuals who receive Medicaid or have the Medicaid spend-down may be pushed into a spend-down or may have an increased spend-down. This is because the individual will no longer pay for the Part B premium, and their income will increase by the cost of the Part B premium for the current year. Because QMB and Aged, Blind, Disabled (ABD) Medicaid income limits are the same, someone would not be pushed into a spend-down if they qualify for QMB. However, those eligible for QI will have to choose between QI and Medicaid with a spend-down. This is because beneficiaries cannot have both the Qualifying Individual Medicare Savings Program and Medicaid. Since the expansion of the Medicare Savings Program and ABD Medicaid in New York State, it has become more common as one of the SLMB MSP was eliminated.

To apply for an MSP, beneficiaries should use the [DOH-4328 application](#) and submit it by mail or in-person. Along with the MSP application, they must also include supporting documents. These documents include:

- Copy of U.S. Birth Certificate, U.S. Passport or State ID (Driver's License)
 - Note: If the applicant is not a U.S. citizen, the applicant must include a copy of their permanent resident card.
- Copy of Social Security Card
- Copy of Medicare Card
- Proof of Other Names (if applicable)
 - Copy of Marriage License or Death Certificate of spouse
- Proof of Home Address
 - Copy of Phone, Electric, or Rent bill with name and home address on it
- Proof of Income (all applicable sources)
 - Social Security Income (copy of current year's Social Security award letter)
 - Income from employment (3 pay stubs, if they are weekly pay stubs then must include 4 pay stubs)
 - Income from self-employment (most recent 1040 tax return with Schedule C)
 - Pension or Veterans' Benefits (statement indicating amount and frequency of payment or 1099 form)
 - Income from Annuity (3 bank statements OR 1099 form)

- Retirement Account Dividends (3 bank statements OR 1099 form)
- Proof of Other Health Insurance Premium (ex: Medigap or HMO premium)
- Copy of Premium Statement or Bill

QUALIFIED DISABLED AND WORKING INDIVIDUAL PROGRAM (QDWI)

The Qualified Disabled and Working Individual Program pays the Medicare Part A premium only, **not the Part B premium for people who meet the following criteria.**

- **Under age 65 and eligible for Medicare due to disability.**
- **Lost Part A** benefits because of a return to paid work
- Disability status not changed

Unlike other MSPs, there are resource limits for QDWI in New York. A beneficiary's income may be up to 200% FPL. Note that this income is calculated according to the same methods for SSI and Medicaid, and so the earned income disregards will likely apply.

- **Individuals:** Monthly income up to \$2,430 (2023); Resources up to \$4,000 (2023)
- **Couples:** Monthly income up to \$3,287 (2023); Resources up to \$6,000 (2023)

Note: Amounts listed include a standard \$20 income disregard.

The client must be eligible for Medicare Part A and B to apply for QDWI. **If a person wants to apply for Medicaid and QDWI**, they must complete a Medicaid application (LDSS 2921). Eligibility can be **retroactive** back to three months before the month of application if income and resources are within limits.

PART A BUY-IN

New Yorkers who are eligible for Medicare Part A with a Premium but did not enroll when they were first eligible may be able to enroll outside of the General Enrollment Period through the Part A Buy-in ([GIS 04 MA/013](#)). The Part A Buy-in enrolls a beneficiary into "conditional" Part A and Medicare Part B so that they can apply for QMB at their local Department of Social Services. QMB is the only level of the MSP that pays for the Part A premium.

To be eligible for the Part A Buy-in, the individual must:

- Be 65 years or older
- Be a current U.S. resident and either:
 - A U.S. citizen
 - OR, a lawful permanent U.S. resident having lived in the U.S. for five continuous years before applying for Medicare
- Be ineligible for premium-free Part A
- Meet the eligibility requirements for the QMB MSP



Note: Individuals with Supplemental Security Income (SSI) should be automatically enrolled in full Medicaid, Medicare Parts A and B, and in QMB without needing to file an application. Contact your local Department of Social Services if an SSI recipient is being charged for Medicare premiums to correct the issue.

After successfully getting the Part A Buy-in, beneficiaries should be enrolled in

- Medicare Parts A, B, and D
- QMB program, which pays their Part A and Part B premiums, and will cover or waive their Medicare coinsurances, copayments, and deductibles
- Full Extra Help

Please note that if a person **already has Medicare Part B**, then the person can apply for QMB directly without using the Part A Buy-In process. (However, sometimes a beneficiary with Part B but Part A will enroll in QMB but still not be bought into Part A in error. Follow up with the Medicaid office and SSA to resolve this problem.)

For more information about the Part A buy-in process, see the Medicare Rights Center's [step-by-step guide](#).

2024 MEDICARE SAVINGS PROGRAMS SUMMARY CHART

(to be updated with 2025 limits when they are released)

Name of Program	Benefit (What Medicaid Pays)	Monthly Income Eligibility (**amounts listed include a standard \$20 income disregard)		Resource Limits		Retroactive?
		Individual	Couple	Individual	Couple	
Qualified Medicare Beneficiary (QMB) 138% FPL	Medicare premiums, deductibles and coinsurance People 65+ eligible for but without Medicare may enroll in Part A, B & QMB through Buy-In	Under **\$1,752	Under **\$2,371	None	None	No. Effective in month following month of application
Qualified Individual (QI) 186% FPL	Medicare Part B premium	**\$1,753 to \$2,355	**2,372 to \$3,189	None	None	Yes. 3 months within same calendar year
Qualified Disabled and Working Individual (QDWI) 200% FPL Under age 65 only	Medicare Part A premium	Under **\$2,530	Under **\$3,427	\$4,000	\$6,000	Yes. 3 months before month of application



Sources of Assistance

New York State Medicaid Helpline (NYS Dept. of Health)

1-800-541-2831

NYSOFA HIICAP Helpline

1-800-701-0501

NY Connects

1-800-342-9871

Managed Care Consumer Assistance Program (MCCAP) Technical Assistance Hotlines:

- Community Services Society Community Health Advocates **1-888-614-5400**
- Empire Justice Center/Legal Services for the Elderly,
Disabled of Western New York (Upstate and Long Island Only) **1-800-635-0355**
- The Legal Aid Society Hotline **1-888-500-2455**
(NYC and Long Island) **1-212-577-3575**
- Medicare Rights Center HIICAP Hotline **1-800-480-2060**
- New York Legal Assistance Group (NYC only) **1-212-613-5000**
- Evelyn Frank Legal Resources Program at NYLAG
– NYC Hotline or eflrp@nylag.org **1-212-613-7310**

Check for news items and information on <http://nyhealthaccess.org> - a joint project of Empire Justice Center, Legal Aid Society, and Selfhelp Community Services.

Application forms:

- MSP only (DOH-4328): <https://www.health.ny.gov/forms/doh-4328.pdf>
- Medicaid application (LDSS 2921): <https://www.health.ny.gov/forms/doh-4220.pdf>