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**Low Income Benefits  
HIICAP Counselors  
Webinar  
December 17, 2015**

# Medicare Rights Center

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- ❖ The Medicare Rights Center is a national, not-for-profit consumer service organization that works to ensure access to affordable health care for older adults and people with disabilities through:
  - Counseling and advocacy
  - Educational programs
  - Public policy initiatives

# What is the Medicare Rights Center?

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The Medicare Rights Center has a helpline available for HIICAP counselors:

**800-480-2060**

[hiicap@medicarerights.org](mailto:hiicap@medicarerights.org)

# MSPs

- ❖ Provide help with Medicare costs
- ❖ Contrary to popular belief, the Centers for Medicare and Medicaid Services (CMS) and Social Security Administration (SSA) **do not** determine eligibility for MSPs
- ❖ Eligibility is determined at the state level
- ❖ These rules vary substantially between states
  - Asset limits between states differ
  - Some states have higher income limits
  - States count income differently

# MSPs

- ❖ Based on someone's gross monthly income they qualify for one of three MSPs:
  1. QI: Qualifying Individual
  2. SLMB: Specified Low-Income Medicare Beneficiary
  3. QMB: Qualified Medicare Beneficiary

A person is not able to choose which MSP to apply for.

There is a fourth MSP, the Qualified Disabled and Working Individuals (QDWIs) program. We will not be going into detail about this program today, however more information is found on Medicare Interactive. The links are included on the sidebar of the webinar.

# Benefits of MSPs

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## All 3 MSPs:

- ❖ Pay for the Part B premium
- ❖ Provide automatic enrollment in Full Extra Help
  - ❖ Called deeming
- ❖ Eliminate late enrollment penalties
- ❖ Enroll the applicant in Part B outside of an enrollment period, if s/he already has Part A

# Benefits of MSPs

- ❖ Enrolling in an MSP will enroll a person in Part B
  - The applicant does not need to be in an enrollment period
  - Beneficiaries do not have to have Medicare Part B to apply for an MSP
- ❖ If a person has a Part B late enrollment penalty, enrolling in an MSP will eliminate it
  - Even if they lose the MSP in the future

# Benefits of MSPs

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## QI:

- ❖ May provide up to 3 months retroactive benefits in the same calendar year

## SLMB:

- ❖ May provide up to 3 months retroactive benefits, even into the previous calendar year

# Benefits of MSPs: Case Example

- ❖ Ms. A applies for the MSP in February 2016.
- ❖ If she is found eligible for SLMB:
  - ❖ Her MSP effective date is November 1, 2015
  - ❖ If she was paying the Part B premium previously, she will be reimbursed back to Nov 1
  - ❖ If she previously did not have Medicare Part B and only had Part A, her Part B effective date will be Nov 1
  - ❖ Her Extra Help benefit will be retroactive to Nov 1
- ❖ If she is found eligible for QI:
  - ❖ Her MSP effective date is January 1, 2016
  - ❖ If she was paying the Part B premium previously, she will be reimbursed back to Jan 1
  - ❖ If she previously did not have Medicare Part B and only had Part A, her Part B effective date will be Jan 1
  - ❖ Her Extra Help benefit will be retroactive to Jan 1

*Note: Starting April 1, SLMB and QI are identical. However, a person cannot have QI and Medicaid.*

# Benefits of MSPs

## QMB:

- ❖ **No retroactive benefits.**
  - ❖ Individuals approved for QMB will have an effective date that is the first of the month following the MSP submission.
- ❖ Can be used to enroll someone in Part A if they don't have it
  - ❖ Pays the Part A and B premium for people who are not eligible due to not having enough working history
  - ❖ If a person does not have Medicare Part A or Part B and is eligible for QMB, then they can utilize QMB to enroll into both parts of Medicare. More information is on the next slide.
- ❖ Medicare providers may not charge QMB beneficiaries Medicare deductibles, coinsurance, or copays
  - ❖ More information is located on slide 12

# Part A Buy-In

- ❖ In NYS, people who apply for QMB are enrolled in Part A outside of an enrollment period
  - ❖ This is a good option for people who do not qualify for premium-free Medicare Part A
  - ❖ This includes people without enough working quarters in the United States
- ❖ If the person already has Medicare Part B and does not have Medicare Part A, then they can apply for the MSP following the normal process
- ❖ If the person does not have any parts of Medicare, then the person will need to complete additional steps. For more information, refer to our Part A Buy-In Packet.
- ❖ QMB will pay the Part A and Part B premiums.

# Balance Billing

## ❖ **Balance-billing people with QMB is prohibited by federal law**

❖ Medicare providers who offer services to QMBs are prohibited from billing them for Medicare copayments, coinsurances, or deductibles

❖ Even if their providers do not accept Medicaid

❖ Even if they are in a Medicare Advantage Plan

❖ Even though they may not be reimbursed

❖ For **all** Medicare services

❖ Providers who serve QMBs can bill Medicaid for Medicare cost-sharing

## MSP: Automatic Enrollment into Full Extra Help

- ❖ A person who is approved for the MSP will automatically be enrolled in **Full Extra Help**
  - ❖ This is called “deeming”
  - ❖ There is no need to apply separately
  - ❖ **Extra Help, when applied to directly, has asset limits. The MSP allows them to receive the benefit without needing to provide asset information.**
- ❖ People who are deemed are enrolled in a Part D plan if they do not have one already
- ❖ If a person with an MSP loses the program, they will keep Full Extra Help for the rest of the year

# Medigaps and QMB

- ❖ In general, it's illegal to sell a Medigap to someone if they already have insurance that provides the same benefits
- ❖ People should not be sold a Medigap if they already have QMB
- ❖ If someone already has a Medigap and becomes eligible for QMB, they are allowed to keep the Medigap, but should think carefully about this decision
  - ❖ Medigaps duplicate QMB coverage and are expensive
  - ❖ However, Medigap premiums can be used as income disregards to become MSP eligible

# Budgeting for MSPs

- ❖ An applicant's *current income* is used to determine eligibility for MSPs.
- ❖ Unearned income, such as Social Security, is counted in full.
- ❖ Less than half of earned income is counted
  - ❖ Subtract \$65 from **gross** earned monthly income
  - ❖ Divide the remaining income by half
  - ❖ This also applies to applying spouses, regardless of their Medicare eligibility

# How to Screen a Client

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1. Check Medicare status
2. Check marital status
3. Identify income sources
4. Identify income disregards

*AND*

1. Check for dependent children
2. Check for enrollment in Medicaid/SSI

# 1. Check Medicare Status

## ❖ Medicare Parts A and B or Part A only

- ❖ Eligible for QMB, SLIMB, and QI

## ❖ Medicare Part B only

- ❖ MSP applies only if eligible for QMB
- ❖ Still may qualify for Extra Help

## ❖ No Medicare

- ❖ Client cannot apply for MSP; *or*
- ❖ Potential for Part A Buy-In (if Medicare-eligible and QMB eligible)

**Reminder:** If client does not have Part D, Extra Help will automatically enroll them into a Part D plan

## 2. Check Marital Status

### ❖ Single

- ❖ Consider income of **applicant only**

### ❖ Married and living separately

- ❖ Consider income of **applicant only**

### ❖ Married and living together

- ❖ Consider income of applicant **and** spouse
- ❖ Check to see if spouse might be eligible for an MSP or Extra Help as well
- ❖ Budgeted as a couple, regardless of spouse's Medicare eligibility

# 3. Identify Income Sources

## Income that counts:

- ❖ Unearned Income (before deductions)
  - ❖ Social Security Benefits
  - ❖ Pensions
  - ❖ Workers' compensation
  - ❖ Unemployment income
  - ❖ Railroad Retirement Benefits
  - ❖ Veterans Benefits
  - ❖ Income from rental property
- ❖ Earned income
  - ❖ Wages
  - ❖ Tips
  - ❖ Self-employment income

# Calculating Income

- ❖ Calculated for the month of application
- ❖ Unearned income is fully counted
- ❖ How are other types of income counted: windfall payments, IRA distributions, interest and dividends.
- ❖ Less than half of earned income is counted
  - ❖ Determined by last three pay stubs, bank statements, or W-2 form
  - ❖ Mandatory payments (i.e. taxes) are not disregarded
  - ❖ Subtract \$65 from gross **earned** monthly income
  - ❖ Divide the remaining income in half

Automatic \$20 disregard per application (this is already calculated in our materials)

# 4. Identify Income Disregards

- ❖ Income that does **not** count includes:
  - ❖ Tax credits
  - ❖ Food stamps
  - ❖ Cash assistance income
- ❖ You can **subtract** the monthly premium of any health insurance other than basic Medicare premiums
  - ❖ Medigap, dental, HMO, Part D plan (amount above benchmark), etc.

# MSPs and Medicaid

- ❖ Clients with Medicaid ***do not necessarily have an MSP.***
- ❖ The Medicare Part B premium is an income disregard when budgeting for Medicaid
  - ❖ If a person has Medicaid and does not have the MSP, then the Part B premium acts as a disregard.
    - ❖ If a person in this situation then applies for the MSP, the MSP may change the person's Medicaid benefits.
    - ❖ If a person's Medicaid is altered by the MSP, the LDSS will provide the beneficiary with a Choice Notice.
      - ❖ Examples of Choice Notices: pushed into spend-down, increase in spend-down, option to choose Medicaid or QI
- ❖ For more information on Medicaid spend-downs, you can visit Medicare Interactive and/or see our spend-down flier.

# Medicaid and MLTC

- ❖ Clients can have both Medicaid and the MSP
- ❖ What is MLTC?
  - ❖ A private health insurance plan that only provides coverage for Medicaid-covered long term care services like home care, adult day care, and nursing home care inc. other select services
- ❖ Review budgeting to determine if they will have a spend-down
- ❖ MLTC plans are responsible for submitting MSP applications
- ❖ If a client with MLTC is paying their Part B premium:
  - ❖ The MLTC plan should enroll the client into the MSP
  - ❖ The client should contact someone at the plan about enrolling into the MSP

# Clients with MAGI Medicaid

- ❖ When screening for MSP eligibility, be mindful of an individual's Medicaid status. Ask applicants if they receive Medicaid through the Marketplace.
  - ❖ If Yes, then they do not necessarily need to apply for the MSP:
    - ❖ Those who receive MAGI Medicaid through the Exchange should be reimbursed by the State for their Medicare Part B premium.
    - ❖ To receive reimbursement for Medicare Part B premiums, a person should call the NYS Exchange (855-355-5777).
  - ❖ If you have a client in this situation and have any questions, contact us via the HIICAP helpline or by contacting me directly.

# Timeline for MSPs

- ❖ Federal law allows 45 days to process an MSP application
- ❖ After the application is processed and the applicant's eligibility is determined. If eligible, benefits can sometimes take 1-3 months to go into effect
  - ❖ Data sharing between SSA, CMS, the Part D plan, and the State must occur and can cause delays

# Keeping the MSP

- ❖ MSP beneficiaries may be required to renew their MSPs every year
  - ❖ This is called **recertification**
  - ❖ They will lose benefits if they do not recertify
    - ❖ Some individuals may be automatically recertified for the MSP.
    - ❖ If a person is not automatically recertified, they should receive their recertification forms via mail approximately 2-3 months before the forms are due
    - ❖ If they have not received the forms, they can call their state Medicaid agency to request these forms

# Case Study: Mr. A

- ❖ Mr. A just turned 65 and has Medicare Part A and Part B.
- ❖ Mr. A lives in Poughkeepsie, New York.
- ❖ Mr. A gets \$1104 in Social Security (gross amount).
- ❖ He has \$50,000 in savings
- ❖ Mr. A is married and lives with his spouse.
  - ❖ Mr. A's spouse earns \$650 bi-monthly. The spouse currently does not have Medicare and is 60 years old.
- ❖ Mr. A is paying anywhere from \$10-\$50 for medications and is fairly certain he pays the Part B premium.
- ❖ Is Mr. A eligible for the MSP?

# Case Study: Mr. A

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## Eligibility:

- ❖ For MSP budgeting purposes, assets are not counted.
- ❖ Even though Mr. A's spouse is not applying, since Mr. A is married and lives with his spouse, they are budgeted as a household of two.
- ❖ Since Mr. A pays \$10-\$50 copayments for his prescriptions, we can assume that he does not have the MSP.

# Case Study: Mr. A

## Budgeting:

- ❖ Mr. A's Social Security: \$1104
- ❖ Mr. A's spouse's bi-monthly earned income: \$650
  - ❖ Monthly earned income formula:  $\$650 \times 2.166 = \$1407.90$
  - ❖ Earned income formula:  $(\$1516.62 - 65) / 2 = \$671.45$ 
    - ❖ **\$671.45** = Counted Earned Income for Mr. A's spouse
- ❖ Therefore, for MSP budgeting purposes, Mr. A's income totals **\$1775.45** per month
- ❖ Is Mr. A Eligible? **Yes**. Mr. A is eligible for the MSP. According to this calculation, Mr. A would receive QI

# For more information & help

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## ❖ Medicare Rights Center HIICAP Technical Assistance Helpline:

❖ [hiicap@medicarerights.org](mailto:hiicap@medicarerights.org)

❖ (800) 480-2060

## ❖ Emily Balkan

❖ [ebalkan@medicarerights.org](mailto:ebalkan@medicarerights.org)

## ❖ Medicare Interactive

❖ [www.medicareinteractive.org](http://www.medicareinteractive.org)