

Medicare Savings Programs

What are Medicare Savings Programs?

Medicare Savings Programs are a group of Medicaid programs that help Medicare beneficiaries pay some of their out-of-pocket Medicare costs, such as premiums and co-insurance amounts.

There are three Medicare Savings Programs (MSPs) that a Medicare-eligible person may qualify for depending on their financial resources:

- Qualified Medicare Beneficiary (QMB);
- Specified Low-Income Medicare Beneficiary (SLMB); and
- Qualified Individual (QI).

What are the benefits of enrolling in a Medicare Savings Program?

- **Enrollees do not have to pay their monthly Medicare Part B premium.**

Usually, Medicare beneficiaries have to pay a monthly premium for their Medicare Part B health insurance, which is deducted automatically from their monthly Social Security check. Beneficiaries who qualify for any of the three Medicare Savings Programs, however, no longer have to pay their monthly Medicare Part B premium. The state Medicaid program will pay it for them. As a result, MSP enrollees will have more money in their pocket every month.

- **Enrollees automatically qualify to get extra help paying their Medicare prescription drug plan costs.**

All Medicare beneficiaries who qualify for any of the Medicare Savings Programs will also automatically qualify for extra help paying for their Medicare prescription drug plan costs. This extra help, which is also known as the Low-Income Subsidy, will pay the plan's monthly premium and other out-of-pocket costs, such as the annual deductible.

- **QMB enrollees have even lower out-of-pocket costs.**

Medicare beneficiaries who qualify for the QMB program will see added savings, since the state Medicaid program will pay any Medicare co-insurance amounts and deductibles for the beneficiary. Additionally, if a beneficiary did not qualify for premium-free Medicare Part A coverage prior to qualifying for the QMB program, Medicaid will also pay that premium. This means there is no charge to the QMB beneficiary for any part of their Medicare insurance coverage such as stays in the hospital and visits to the doctor.

Who qualifies for Medicare Savings Programs?

- **Medicare-eligible individuals who meet the income and asset requirements.**

Individuals with incomes and assets below the level set by federal law are eligible for Medicare Savings Programs. States have the option of expanding the federal eligibility criteria to allow more beneficiaries to qualify for and enroll in a MSP.

The table below sets forth the **maximum amount** of income and assets an individual or couple can have and still be found eligible under the federal eligibility requirements.

NOTE: It is very important to check with the State Medicaid Agency because states may adopt less restrictive eligibility requirements, including higher thresholds and additional income or asset disregards.

Federal Eligibility Requirements

	QMB	SLMB	QI
Income Limits	At or below 100% of the Federal Poverty Level*	Between 100% and 120% of the Federal Poverty Level*	Between 120% and 135% of the Federal Poverty Level*
Asset Limits	\$4,000/individual \$6,000/married	\$4,000/individual \$6,000/married	\$4,000/individual \$6,000/married
Unearned Income Disregard	\$20 of unearned income (Social Security, pension, etc.) is not counted	\$20 of unearned income (Social Security, pension, etc.) is not counted	\$20 of unearned income (Social Security, pension, etc.) is not counted

* Federal Poverty Level figures change each year and are generally published in the *Federal Register* in late January or early February. They may be used as soon as they are published. The 2008 FPL figures are available at: <http://aspe.hhs.gov/poverty/08fedreg.htm>.

See: [42 U.S.C. § 1396a](#); [42 C.F.R. § 430](#) et. seq.

How can a person enroll in a Medicare Savings Program?

Medicare-eligible beneficiaries must apply for a Medicare Savings Program. There are several ways to apply.

- **Local Medicaid Offices:** Medicare Savings Program applications are available by phone or in person from local Medicaid offices. Medicaid offices can be located in the CMS contact directory: <http://www.cms.hhs.gov/apps/contacts/>.
- **BenefitsCheckUp:** Beneficiaries can download an application from the forms center at the Benefits Check Up website: <http://ssl1.benefitscheckup.org/ec/dspForms.cfm?cat=MSP>. After completing the form, the beneficiary should mail it to the designated address.