Financial Help for Medicare
Medicare Savings Programs and the Extra Help Program for Ryan White HIV/AIDS Program Clients

What is a Medicare Savings Program?

Medicare Savings Programs (MSPs), also known as Medicare Buy-In programs or Medicare Premium Payment programs, are federally funded programs administered by each individual state for income eligible Medicare beneficiaries. These programs help pay for some or all of an enrollee's Medicare premiums and out-of-pocket expenses. MSPs help people with limited income and assets.[1,2]

Clients who are approved for an MSP (with one exception, described below), are then automatically eligible for **Extra Help**, a federal program that helps pay for some or most of the out-of-pocket costs associated with Medicare prescription drug coverage (Medicare Part D).[1,2]

Medicare Savings Programs are paid for by state Medicaid programs.

What Types of Medicare Costs Are Covered?

Medicare Savings Programs may be able to pay the monthly premium for Original Medicare (Medicare Parts A and B) and other out-of-pocket costs (such as deductibles, co-insurance, and copayments), depending on the specific program.[1,3]

Most enrollees may already qualify for **premium-free Medicare Part A** coverage if they or their spouse paid Medicare taxes while working for a certain amount of time (roughly 10 years of full-time work).

This resource provides Ryan White HIV/AIDS Program (RWHAP) staff and program administrators with an overview of Medicare Savings Programs and Extra Help eligibility and coverage for RWHAP clients.

? Find the answers to these questions:

1. What are the different Medicare Savings Programs?
2. What is the Extra Help program?
3. How can you support RWHAP clients to enroll in Medicare Savings Programs?
4. What are other sources of financial help for Medicare premiums and out-of-pocket expenses?

Learn more about the Medicare Savings Program: www.medicare.gov/ your-medicare-costs/ get-help-paying-costs/ medicare-savings-programs

Four Types of MSPs

There are four types of Medicare Savings Programs:

1. Qualified Medicare Beneficiary (QMB)

2. Specified Low-Income Medicare Beneficiary (SLMB)

3. Qualifying Individual (QI)

4. Qualified Disabled and Working Individuals (QDWI)

All 50 states and most U.S. territories offer at least one of these MSPs, with the exception of Puerto Rico and the U.S. Virgin Islands.[1,4]

The names of MSP programs, the eligibility requirements, and how they work may vary slightly by state or territory.

Contact your **state Medicaid office** at **www.medicaid.gov/about-us/contact-us/index.html** or **State Health Insurance Assistance Program (SHIP)** at **www.shiptacenter.org** for more information about what MSP options may be available for your clients' needs.

> **Visit TargetHIV.org for more Medicare resources for RWHAP clients and other people with HIV: targethiv.org/ace/medicare**

Medicare At-A-Glance

People may qualify for Medicare if they are age 65 or over or under age 65 with a qualifying disability.

Original Medicare

Includes:

- Medicare Part A (Hospital Coverage)

- Medicare Part B (Medical Coverage)

- *Supplemental (optional)* Medicare Part D (Prescription Drug Coverage)

Medicare Advantage

- Also referred to as Medicare Part C

- A "bundled" plan that includes Medicare Part A (Hospital Coverage), Part B (Medical Coverage), and Part D (Prescription Drug Coverage).

Medicare Savings Programs At-A-Glance[1,5]

	Qualified Medicare Beneficiary	Specified Low-Income Medicare Beneficiary	Qualifying Individual	Qualified Disabled and Working Individuals
What does it pay for?	100% of all Medicare Part A and Part B costs	Medicare Part B premiums only	Medicare Part B premiums only	Medicare Part A premiums only
Can a client receive Medicare and Medicaid benefits (dual eligibility)?	Yes	Yes	No	No
Does enrolling also make a client eligible for Extra Help?	Yes	Yes	Yes	No

Beneficiaries must be Medicare eligible and enrolled in Medicare Part A to apply for a Medicare Savings Program.

Qualified Medicare Beneficiary

The **Qualified Medicare Beneficiary** (QMB) program is available to eligible clients with both Medicare Part A and Part B coverage. The QMB program pays for 100% of Medicare Part A and Part B costs, including premiums, deductibles, co-insurance, and copayments, with no cost-sharing. Clients who qualify for the QMB program may also qualify for other state Medicaid programs, and are automatically eligible for the Extra Help program.[1-5]

Specified Low-Income Medicare Beneficiary

The **Specified Low-Income Medicare Beneficiary** (SLMB) program is available to eligible clients and pays for Medicare Part B premiums **only**. Clients without Medicare Part B may be granted a Special Enrollment Period (SEP) and enrolled in Part B and may have their Part B late enrollment penalty waived. Clients who qualify for SLMB may also qualify for other state Medicaid programs to help cover some of the gaps in Medicare Parts A and B. Clients who are enrolled in the SLMB program are automatically eligible for the Extra Help program.[1-5]

Qualifying Individual

The **Qualifying Individual** (QI) program is available to eligible clients and pays for Medicare Part B premiums **only**. Clients without Medicare Part B may be granted a Special Enrollment Period (SEP) and enrolled in Part B and may have their Part B late enrollment penalty waived. Clients who qualify for Medicaid are **not** eligible for QI benefits. Clients who are enrolled in the QI program are automatically eligible for the Extra Help program.

QI program applications are granted on a first-come, first-served basis, with priority given to people who received QI benefits the previous year.[1-5]

Qualified Disabled and Working Individuals

The **Qualified Disabled and Working Individuals** (QDWI) program is available to eligible clients with Medicare Part A coverage who meet any of the following criteria:

- They are a working but disabled person under age 65.
- They lost their premium-free Medicare Part A coverage when they returned to work.
- They are not receiving medical assistance from their state.
- They meet the income and resource limits required by their state.

The QDWI program pays for Medicare Part A premiums **only**. Clients who qualify for Medicaid are **not** eligible for QDWI benefits, and clients who are enrolled in the QDWI program are **not** eligible for the Extra Help program. [1-5]

Learn more about how Medicare enrollment works, Medicare Special Enrollment Periods (SEPs), and how to avoid late enrollment penalties: **https://targethiv.org/library/how-medicare-enrollment-works**

Eligibility Criteria

Clients are considered eligible for a Medicare Savings Program if they have Medicare Part A coverage and meet state-specific income and asset criteria. [2,3,6]

In general, **income and assets** may include money in a checking or savings account, stocks, bonds, mutual funds, and retirement accounts. An individual's primary home, car, and other belongings are not counted as assets.[3,6]

How to Apply for a MSP

Clients should apply for a Medicare Savings Program through their state Medicaid program. Even if your client's income and assets are higher than the limits listed by your state Medicaid program, they may still qualify for a MSP depending on whether they still work, live in certain states, have dependents living with them, and other factors.[1,4]

What is the Extra Help Program?

Extra Help, also known as the Part D Low-Income Subsidy (LIS), is a federal program that helps individuals pay for some or most of the out-of-pocket costs associated with Medicare prescription drug coverage (Medicare Part D). Depending on income and assets, your client may qualify for either full or partial assistance from the Extra Help program. Enrolling in the Extra Help program will eliminate any Medicare Part D late enrollment penalty your client may have incurred.[3,4,5,7]

The Extra Help program is not available in Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, or American Samoa.

When a client enrolls in Medicaid, Supplemental Security Income (SSI), or the QMB, SLMB, or QI Medicare Savings Programs, they are automatically eligible to receive Extra Help. Once a client has been approved for any of these three MSPs, they will receive a purple colored notice from CMS informing them that they automatically qualify for Extra Help and that they do not need to take further action to apply for benefits. Clients who are not already enrolled in a Medicare Part D prescription drug plan should receive a yellow or green automatic enrollment notice from Medicare or can opt to enroll themselves prior to receiving this notice. Clients will continue to receive Extra Help as long as they are still enrolled in a MSP.[4,7]

If your client is not enrolled in Medicaid, SSI, or the QMB, SLMB, or QI MSPs, they can apply for Extra Help through the Social Security Administration website at **www.ssa.gov**. In some states, this application can also screen clients for their eligibility for a MSP.[4]

If your client is eligible for Extra Help and already has other **creditable drug coverage**, they should evaluate their costs and coverage when deciding whether to enroll in Medicare Part D and Extra Help or to keep their current drug coverage.[7]

Income and asset guidelines vary by state. Some states do not have asset limits.[6] **Contact your state Medicaid office or State Health Insurance Assistance Program (SHIP) for more information about MSP eligibility criteria in your state.**

The Extra Help program is not prescription drug coverage. Clients must be enrolled in a Medicare drug plan in order to use Extra Help. **To get help choosing a Medicare drug plan, contact your State Health Insurance Assistance Program (SHIP) for more information.**

Creditable prescription drug coverage is prescription drug coverage that provides at least as much as Medicare's standard prescription drug coverage. Most people have creditable prescription drug coverage through employer-sponsored health plans.

Other Sources of Financial Help for Medicare Premiums and Out-of-Pocket Expenses

In addition to MSPs and the Extra Help program, there are other sources of financial help for Medicare premiums and out-of-pocket expenses.

- The **RWHAP** can help eligible Medicare beneficiaries with health coverage expenses. In many cases, RWHAP funds may be used to pay for Medicare premiums and cost sharing associated with Medicare Parts B, C, and D coverage (see HAB PCN #18-01).[3,4]

- Some states have **State Pharmacy Assistance Programs** that help certain eligible people pay for their prescription drugs based on financial need, age, or medical condition.[3,4]

- Many major drug manufacturers offer **Pharmaceutical Assistance Programs**, also known as Patient Assistance Programs, for people with Medicare drug coverage who meet certain requirements.[3,4]

- Some states offer **Programs of All-inclusive Care for the Elderly**, a Medicare and Medicaid program that allows people who need a nursing home-level of care to remain in the community.[4]

- Clients may also be eligible to receive **SSI benefits**, a cash benefit paid by Social Security to people with limited income and resources who are blind, aged 65 or older, or have a disability.[4]

Local One-on-One Medicare Enrollment Resources

The **State Health Insurance Assistance Programs (SHIPs)** provide free, local insurance counseling and assistance to Medicare-eligible individuals, their families, and caregivers. The program may have a different name in your state.

Check with your local **State Health Insurance Assistance Program (SHIP)** to find out what state and local programs your clients may be eligible for. Use the **SHIP locator** at **www.shiptacenter.org** to find a program in your area, or call 1-877-839-2675.

References

1. https://www.medicare.gov/your-medicare-costs/get-help-paying-costs/medicare-savings-programs

2. https://www.medicareinteractive.org/get-answers/cost-saving-programs-for-people-with-medicare/medicare-savings-programs-qmb-slmb-qi/medicare-savings-program-basics

3. https://www.healthmarkets.com/resources/medicare/help-with-medicare-premiums/

4. https://www.medicare.gov/sites/default/files/2020-03/10050-Medicare-and-You_0.pdf

5. https://www.ncoa.org/economic-security/benefits/medicare-and-medicaid/medicaid-msps/

6. https://www.medicareinteractive.org/get-answers/cost-saving-programs-for-people-with-medicare/medicare-savings-programs-qmb-slmb-qi/medicare-savings-program-income-and-asset-limits

7. https://www.medicareinteractive.org/get-answers/cost-saving-programs-for-people-with-medicare/the-extra-helplow-income-subsidy-lis-program/extra-help-basics

8. https://hab.hrsa.gov/sites/default/files/hab/program-grants-management/18-01-use-of-rwhap-funds-for-premium-and-cost-sharing-assistance.pdf

The Access, Care, and Engagement TA Center (ACE) Technical Assistance (TA) Center builds the capacity of the RWHAP community to navigate the changing health care landscape and help people with HIV to access and use their health coverage to improve health outcomes. For more information, visit: **www.targethiv.org/ace**