
MEDICARE SAVINGS PROGRAMS: HELP PAYING FOR MEDICARE COSTS

SOLID GROUND – BENEFITS LEGAL ASSISTANCE

APRIL 2020

1. Are you eligible for help paying for Medicare premiums or deductibles?

If you're on Medicare, you may qualify for help with Medicare premiums, deductibles, and cost-sharing. There are four programs that can help. They are called "Medicare Savings Programs" or "MSPs." The MSPs are:

- Qualified Medicare Beneficiary (QMB)
- Specified Low Income Medicare Beneficiary (SLMB)
- Qualified Individual (QI-1)
- Qualified Disabled Working Individual (QDWI)

2. Do I have to be 65?

No, with one exception. As long as you are on Medicare, your age does not matter **except** for QDWI. For QDWI, you must be under 65 and not eligible for free Part A.

3. What are the names of the MSPs? Am I eligible?

A Summary Table of the countable income and resource limits for each MSP are on the last page.

Qualified Medicare Beneficiary (QMB) Program:

QMB pays for most premiums, deductibles, co-payments and coinsurance. QMB pays for your Medicare Part A hospital deductible, hospital coinsurance, and nursing home coinsurance. QMB also pays for your Part B monthly premium, deductible, and coinsurance. If you don't have free Part A coverage, QMB will pay your Part A premium.

QMB starts paying for your Part A and Part B premiums the first of the month after you are found eligible. For example, if you are found eligible on May 10th, QMB starts paying on June 1.

QMB only pays for deductibles, coinsurance, and copayments for services that Medicare would cover and only up to the Medicare allowed amount. QMB does not pay prescription co-pays.

Important Note: Health care providers such as doctors, hospitals, and ambulance services are not allowed to bill people on QMB for what Medicare does not pay for. Example: you are on QMB. You go to the doctor. Medicare pays the doctor 80% of the Medicare-approved amount. The 20% Medicare does not cover is called Medicare cost-sharing. Health care

providers can bill the state for the 20% Medicare cost-sharing part, but cannot bill you. Billing you for the 20% violates federal law. **Be sure you show your Apple Health card to your provider's staff so they know you are on QMB.**

Who qualifies for QMB?

Your countable income must be at or below 100% of the federal poverty level (FPL). This number changes once a year in April. As of May 2020, you qualify if your countable income is \$1,064 per month or less if you are single and \$1,437 or less for a married couple. Your countable resources must be less than \$7,860 if you are single and \$11,800 for a married couple.

Specified Low Income Medicare Beneficiary (SLMB) Program:

SLMB pays for your Medicare Part B premiums. And, if you are eligible, SLMB pays premiums for up to three months before you are found eligible. For example, you apply for SLMB on April 1 and are declared eligible on April 15. It turns out you were eligible for SLMB during March, February, and January, too. SLMB will pay for your Part B premiums starting in January. You will get a refund from Social Security for the premiums you already paid for January-March.

Who qualifies for SLMB?

Your countable income must be at or below 120% of the federal poverty level (FPL). This number changes once a year in April. As of May 2020 you qualify if your countable income is \$1,276 per month or less if you are single and \$1,724 or less for a married couple. Your countable resources must be less than \$7,860 if you

are single and \$11,800 for a married couple.

Qualified Individual (QI-1) Program:

QI-1 pays for your Medicare Part B premiums unless you already receive Medicaid. If you are eligible, QI-1 pays for premiums for up to three months before you are found eligible. For example, you apply for QI-1 on April 1 and are declared eligible on April 15. It turns out you were eligible during March, February, and January, too. QI-1 will pay for your Part B premiums starting in January. You will get a refund from Social Security for any premiums you already paid for January – March.

You may still be eligible for the QI-1 program so long as you are not eligible for any other Medicaid program.

Who qualifies for QI-1?

Your countable income must be at or below 135% of the federal poverty level (FPL). As of May 2020, you qualify if your countable income is \$1,436 per month or less if you are single and \$1,940 or less for a married couple. Your countable resources must be less than \$7,860 if you are single and \$11,800 for a married couple.

Qualified Disabled Working Individual (QDWI) Program:

QDWI is available to people who had Social Security and Medicare benefits because of a disability, but lost them because they went back to work and earned more than Social Security allows. QDWI pays for your Medicare Part A premiums, if you have to pay them, but does not pay for Part B premiums. QDWI can pay for your Part A premiums for up

to three months before you are found eligible. For example, you apply for QDWI on April 1 and are declared eligible on April 15. It turns out you were eligible during March, February, and January, too. QDWI will pay for your Part A premiums starting in January.

You may still be eligible for the QDWI program so long as you are not eligible for any other Medicaid program.

Who qualifies for QDWI?

You must be under age 65. Your countable income must be no more than 200% of FPL. As of May 2020, 200% of FPL is \$2,127 for an individual and \$2,874 for a married couple. QDWI does not count a lot of your earned income. This means you could still be eligible even if your income is a lot more than \$2,127 or \$2,874. It does not cost anything to apply, The smart thing to do is apply and see if you qualify. A client must be working to qualify for QDWI. Countable resources must be less than \$4,000 for a single person and \$6,000 for a couple.

4. What income and resources count? And, what is “countable income?”

What counts as income? What doesn’t count?

Income is usually money, either earned through working, or unearned, such as Social Security or pensions. Income also includes interest earned on savings accounts or certificates of deposit, as well as dividends on stocks.

Important Note: The first \$20 of the applicant’s unearned income is not “counted.” It is disregarded. Earned income is “counted” but under some

circumstances, some or all earned income may not be “counted.” The rules are complicated. It doesn’t cost anything to apply. The smart thing to do is apply and see if you qualify.

Income does not include cash assistance from the state or in-kind federal, state, or local government assistance for medical care or for needs other than food, shelter, or clothing.

Your “countable income” must be at or below the income limits to qualify for an MSP. “Countable income” is the money you have left after the \$20 unearned income disregard (discussed above) and other eligible income exclusions discussed below.

Example: Bill is on Medicare. He is single. His only income is Social Security of \$1,400 per month. His “countable income” is \$1,380 per month. He is eligible for QI-1.

Calculation of Bill’s countable income:

$\$1,400 - \$20 = \$1,380$ (\$20 is the unearned income disregard)

Bill is eligible for QI-1 because his “countable income” is \$1,380 which is less than \$1,436 per month. \$1,436 per month is the income limit for a single person for QI-1.

Important Note: Do your spouse or minor children have earned income from wages or unearned income? If so, other deductions may be taken which can lower “countable income.” The last three examples in Question 5 explain these deductions and how they work.

What counts as a resource? What doesn't count?

Cash, liquid assets, and real or personal property are all resources.

The following resources are not counted when figuring eligibility:

- Your home and surrounding land, household goods and personal effects, including jewelry, life insurance with cash value less than \$1,500, burial spaces, and burial funds of less than \$1,500.
- A vehicle of any value is not counted if you use it for transportation for you or someone in your household. A vehicle can be anything used to transport people.
- Trust or restricted Indian property.
- Up to \$6,000 in land or personal property used to produce goods and services essential to everyday living.

5. What if I'm on Medicare, but my spouse or children are not?

If you are on Medicare, but your spouse, or unmarried children are **not**, you may be eligible for an MSP. Children are included in your household if they are not married, seventeen or younger, or if they're under twenty-one and go to high school, college, a training program, or are home schooled in grades seven through twelve.

Here are examples:

First example: 66-year old Nancy lives with her 64-year old husband, Ted. Nancy is on Medicare. Ted isn't. Nancy's income is \$1,215 per month from Social Security. Ted has no income. Nancy may be eligible

for QMB because her countable income is \$1,195 which is under 100% of the federal poverty guideline of \$1,437 for a family of two. The resource limit is the two-person resource limit which is \$11,800.

Calculation of Nancy's countable income:

$\$1,215 - \$20 \text{ unearned income disregard} = \$1,195.$

Second example: 67-year old Bill is on Medicare and lives with his 64-year old wife, Jane. Jane isn't on Medicare. Bill's income is \$850 from Social Security. Jane earns \$400 per month from part time work. Some of Jane's wages are not counted – they are disregarded. The first \$65 of Jane's wages aren't counted and ½ of her wages don't count, either. Bill's countable income is \$997.50 per month. Bill may be eligible for QMB. Bill's countable income of \$997.50 is under 100% of the federal poverty guideline of \$1,437 for a family of two. The resource limit is the two-person resource limit of \$11,800.

Calculation of Bill's countable income:

$\$850 \text{ (Bill)} + \$400 \text{ (Jane)} = \$1,250$

$\$850 - \$20 \text{ unearned income disregard} = \830

$\$400 - \$65 \text{ (first \$65 of Jane's income)} = \335

$\$335 \div 2 \text{ (}\frac{1}{2} \text{ of the remainder of Jane's income)} = \167.50

Bill's total countable is $\$830 + \$167.50 = \$997.50$

Third example: A single mom, Sally, lives with her 13-year old daughter, Linda. Sally is disabled. She gets \$995 in Social Security disability. She is on Medicare. Linda gets \$200 per month Social Security

dependent benefits. Sally's countable income is \$789.50 per month. Because Linda's income is under a certain amount*, some of Sally's income is allocated to Linda and doesn't count. Sally may be eligible for QMB. Sally's countable income is under 100% of the federal poverty limit of \$1,437 for a family of two. The resource limit is the one-person resource limit of \$7,860.

Calculation of Sally's countable income:

\$995 - \$20 unearned income disregard = \$975.

\$385.50 - \$200 (Linda's income) = \$185.50.

\$975 - \$185.50 (amount of Sally's income allocated to Linda) = \$789.50.

* This amount changes once a year.

Fourth example: Kevin is married to Laurie. He is on Medicare. The couple has three children under age 18. Kevin gets Social Security disability benefits of \$1,800 per month. Each of his children get Social Security dependent benefits of \$245 per month. Laurie gets \$245 per month from Social Security, too. She does not work outside the home. Kevin may be eligible for QMB.

Kevin's countable income of \$1,780 per month is less than 100% of FPL for a family of five which is \$2,930. The resource limit is the two-person resource limit of \$11,800.

Calculation of Kevin's countable income:

\$1,800 - \$20 unearned income disregard = \$1,780

Laurie's \$245 income is allocated to each child evenly because each child receives less than a certain amount, which changes once a year. This means that Laurie's

income does not count. The children's income does not count, either.

Important note about single parents: when a single parent on Medicare has children, the child's income typically doesn't count. If the child's monthly income is less than a certain amount, which changes once a year, some of the parent's income is allocated to the child to bring that child's income up to that certain amount. The amount that is allocated to the child is not counted. If the child has income more than the certain amount, none of the parent's income is allocated to the child.

Important note about married parents:

When one or both parents are on Medicare, their children's income typically doesn't count. If a child's monthly income is less than a certain amount, which changes once a year, and only one spouse is on Medicare, some of the non-Medicare parent's income, if they have any, is allocated to the child or children to bring the child's income up to that certain amount. The amount that is allocated to the child is not counted. If the child has income more than the certain amount, none of the nonapplying parent's income is allocated to the child. If both parents are on Medicare, neither parent's income may be allocated to the child to bring that child's income up to that certain amount.

You can discuss your MSP eligibility, including the family size issue, at no cost with an advocate. Call the Northwest Justice Project or contact them online. People under 60, call: 1-888-201-1014.

People over 60, call: 1-888-387-7111.

Contact online at:

<https://waoi.legalserver.org/modules/a2j/intake.php>

7. What about married couples that are both on Medicare?

If both spouses are on Medicare, both will be MSP-eligible or neither will be.

Here are examples:

First example: Steve and Cindy are both on Medicare. Steve gets \$905 per month from Social Security. Cindy gets \$995 per month from Social Security. Steve and Cindy may both be eligible for QI-1. Steve and Cindy's countable income is \$1,880 per month. The couple's countable income is under 135% of the federal poverty limit for a family of two. Calculation of Steve and Cindy's countable income:

$$\$905 + \$995 = \$1900$$

$$\$1900 - \$20 \text{ unearned income disregard} = \$1,880.$$

Second example: Jim and Gloria are both on Medicare. They have two children under age 18. Jim gets \$1,200 per month in Social Security. Gloria gets \$900 per month in Social Security. Each child gets \$300 per month in Social Security dependent benefits. The couple may both be eligible for QMB. Jim and Gloria's countable income is \$2,080 per month. The couple's countable income is under 100% of the federal poverty limit for a family of four.

Calculation of Jim and Gloria's countable income:

$$\$1,200 + \$900 = \$2,100$$

$$\$2,100 - \$20 \text{ unearned income disregard} = \$2,080$$

Note: The couple's children's income does not count. It is disregarded.

7. What about MSPs and Long-Term Care?

If you are on the COPES program, you are automatically eligible for QMB even if your countable income would ordinarily be too much. If you are on Community First Choice (CFC) and are not on QMB, ask your DSHS Public Benefits Specialist if you are eligible for COPES. If you are, ask your worker to switch you to COPES. For more information about COPES see our publication [Questions and Answers on the COPES Program](#).

8. What about Medicare Part D?

The MSPs do not pay for Medicare Part D prescription drug coverage. But, eligibility for QMB, SLMB, or QI-1 means you are eligible for the Part D *federal* Low-Income Subsidy (LIS) which is also called "Extra Help." This subsidy allows you to sign up for some Part D Plans with no premiums, deductibles or gaps in coverage, and with low, or in some cases, no copayments.

You enroll in a Part D Plan through Medicare, not through DSHS. More information is available at:

www.ssa.gov/prescriptionhelp/

You can also get free help from a Statewide Health Insurance Benefits Advisor. Call 1-800-562-6900 to get information about your local SHIBA or visit:

<http://www.insurance.wa.gov/about-oic/what-we-do/advocate-for-consumers/shiba/find-a-local-shiba-office/>

9. How do I apply?

You can apply at the local Department of Social and Health Services (DSHS) office or online at:

www.washingtonconnection.org

DSHS is listed in the phone book under the State of Washington listings.

If DSHS say you are not eligible and you don't agree, you can appeal by asking for a hearing. To ask for a hearing, write to the Office of Administrative Hearings at P.O. Box 42489, Olympia, Washington 98504-2489. To find out more, see our publication [*Representing Yourself at a Fair Hearing*](#).

10. Is there Estate Recovery for Medicare Savings Programs?

Beginning in January 2010, there is no estate recovery for MSP expenses.

Recovery is allowed for MSP expenses paid between June 1, 2004 through December 31, 2009 if the person was also on a non-MSP Medicaid program such as COPEs or the Medically Needy program.

MSP 01-2020

<p>Benefits Legal Assistance - Solid Ground</p>
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SUMMARY TABLE

Monthly Income Limits*		People in Household			
		1	2	3	4
QMB		1,064/mo	1,437/mo	1,810/mo	2,184/mo
SLMB		1,276/mo	1,724/mo	2,172/mo	2,620/mo
QI-1		1,436/mo	1,940/mo	2,444/mo	2,948/mo
QDWI Must be employed		2,127/mo	2,874/mo	3,620/mo	4,367/mo
QMB, SLMB, QI-1 Resources		7,860	7,860 11,800**	7,860 11,800**	7,860 11,800**
QDWI Resources		4,000	4,000 6,000**	4,000 6,000**	4,000 6,000**

Monthly Income Limits		People in Household			
		5	6	7	8
QMB		2,558/mo	2,930/mo	3,304/mo	3,677/mo
SLMB		3,068/mo	3,516/mo	3,964/mo	4,412/mo
QI-1		3,452/mo	3,956/mo	4,460/mo	4,962/mo
QDWI Must be employed		5,114/mo	5,860/mo	6,607/mo	7,354/mo
QMB, SLMB, QI-1 Resources		7,860 11,800**	7,860 11,800**	7,860 11,800**	7,860 11,800**
QDWI Resources		4,000 6,000**	4,000 6,000**	4,000 6,000**	4,000 6,000**

* The first \$20 of unearned income is not "counted." The "countable" income limit is \$20 less than the amount in the table. If you have income from working, you may qualify even if your income is higher than the limits listed.

** The two-person **resource** limit applies only if there is a married couple in the household. Both spouses do not have to be on Medicare for the two-person resource limit to apply. For households without a married couple, the one-person resource limit applies.