

Medicare Savings Programs

*A strategy for enrolling into Part B outside of an enrollment period**

If you want to enroll in Medicare Part B outside of a formal enrollment period, one strategy is to enroll into a Medicare Savings Program (MSP). An MSP is a state-administered benefit for people with Medicare who have limited incomes. While the primary purpose of an MSP is to help pay Medicare premiums and in some cases, deductibles and co-insurance, the secondary benefit of this program is that by enrolling into an MSP, you are automatically enrolled into Medicare Part B. MSPs also eliminate any premium penalties you may have incurred for not enrolling into Part B when you should have. Additionally, if you are enrolled in an MSP, you automatically receive “Extra Help”, the federal benefit that helps pay for prescription drug coverage.

There are three different MSPs:

- QMB – Qualified Medicare Beneficiary
- SLMB – Specified Low Income Beneficiary
- QI – Qualified Individual

Each MSP has its own income and resource eligibility criteria. To determine if you qualify, call your local State Health Insurance Assistance Program (SHIP). To obtain this number, call the Medicare Rights Center at 800-333-4114 or go online and visit www.shiptalk.org.

QMB – Qualified Medicare Beneficiary

If you qualify for QMB, this benefit will pay your monthly Part B premium as well as your Medicare deductibles and co-insurance.

In most states, if your application is approved, your QMB benefit will begin on the first of the month after the month you are found eligible. For example if you applied for QMB in February, but are found eligible in March, your QMB benefit will begin on April 1st. However, in New York State, your QMB benefit will begin on the first of the month following application. Using the above example, in New York State QMB would begin on March 1st.

If you are using QMB as a means to enroll into Medicare Part B, your Medicare Part B will begin on the same day as your QMB.

SLMB – Specified Low Income Beneficiary

If you qualify for SLMB, this benefit will pay your monthly Part B premium.

If your application is approved, your SLMB benefit can begin as early as 3 months prior to the month you applied. For example, if you applied for SLMB in March, 2010 and your application is approved, your SLMB benefit may begin up to three months earlier, on December 1st, 2009.

If you are using SLMB as a means to enroll into Medicare, your Medicare Part B will begin on the same day as your SLMB.

QI – Qualified Individual

If you qualify for QI, this benefit will pay your monthly Part B premium.

If your application is approved, your QI benefit can begin up to 3 months prior to the month you applied, *within the same calendar year*. For example, if you applied for QI in March 2010 and your application is approved, your benefit will begin on January 1st, 2010 (two months earlier) -- because retroactivity only extends to the beginning of the same calendar year. If you apply in April, 2010 and are approved, your benefit can begin up to three months earlier -- in January, 2010 -- because it is within the same calendar year.

If you are using QI as a means to enroll into Medicare, your Medicare Part B will begin on the same day as your QI.

You do not have to take any action to enroll into Part B. If your MSP application is approved, you will automatically be enrolled into Medicare Part B.

How to Apply for a Medicare Savings Program

To apply for this program, go to your local Department of Social Services (LDSS) office (Medicaid) or call your local SHIP office for assistance. In New York State, you can mail your application.

Issues/Problems to consider when using an MSP to enroll into Medicare Part B

The application and processing time for the MSP can be lengthy. From the day you apply, it can take up to 45 days to receive an approval letter from your LDSS office. Once approved, it can take anywhere from three to six months from the day you receive your approval notice for the benefit to be fully processed. *Once the benefit is processed, you will be enrolled retroactively into Part B,*

Case Example

On May 12th, 2010 Mr. Smith went to his LDSS and applied for an MSP. On July 2nd (approximately 45 days later) he received an approval letter for SLMB. The letter stated that his benefit would be effective February 2010 (three months retroactive from the date of application). Though officially approved, the benefit took some time to be processed. In October 2010 --- nearly three months after he was approved -- Mr. Smith finally received SLMB. Shortly thereafter, Mr. Smith received a Medicare card indicating that his Part B was effective in February, 2010 – three months prior to the date of his initial application in May, 2010.

From February 2010 to the present, Mr. Smith had accumulated thousands of dollars of Medical bills. Now officially approved for Medicare with a retroactive date of February 2010, Mr. Smith contacted his doctors and asked them to submit all of his claims to Medicare. Medicare paid the claims without a problem.

* If you do not currently have Part B and you are using an MSP to enroll, you must currently have Part A. If you do not have Part A, contact the Medicare Rights Center for further assistance.