

Medicare Savings Programs (MSPs)

The Medicare Savings Programs help lower-income seniors and persons with disabilities pay for their Medicare Part B premium. Some individuals may also qualify for help with their Medicare deductibles and coinsurance. If someone is entitled to Medicare Part B and meets the income and resource guidelines below, he should apply for the program.

Please note that individuals could have higher income and resources than the figures listed below but still qualify because the Pennsylvania Department of Human Services may not count all of their income and resources.

| 2016 Eligibility Guidelines for the Medicare Savings Programs | | | |
|--|--|---|---|
| | Monthly Income Limit | Resource Limit | Benefits |
| Qualified Medicare Beneficiary (QMB) | \$990-single person; \$1,335-married couple (<100% FPL*) | \$7,280 (single); \$10,930 (married) | State pays Medicare Part B premium and individual gets ACCESS card that only covers Medicare deductibles and coinsurance |
| Specified Low-Income Medicare Beneficiary (SLMB) | \$990-\$1,188-single; \$1,335-\$1,602-married (100%-120% FPL*) | \$7,280 (single); \$10,930 (married) | State pays Medicare Part B premium |
| Qualified Individual (QI-1) | \$1,188-\$1,337-single; \$1,602-\$1,802-married (120%-135% FPL*) | \$7,280 (single); \$10,930 (married) | State pays Medicare Part B premium |

* Federal Poverty Levels are updated each year usually in January or February.

How will the Department of Human Services (DHS) look at income and assets?

Income: DHS will disregard some portion of the applicant's monthly income depending on whether it is unearned or earned income. If income is unearned (for example, Social Security or pensions), DHS will not count \$20 of the monthly gross benefit amount. If income is earned (wages), DHS will not count the first \$65 of monthly gross earnings and then will only count half of the remaining gross wages earned in that month. After these disregards are applied, income must be under the limits above.

An individual who is married and living with her spouse must report the spouse's income (even if the spouse is not applying for the MSP). Individuals with minor children should include them in their household when completing the MSP application. The County Assistance Office will review the household's income, and will count the children and any income the children have (such as support payments, disability benefits based on parents record) only if it benefits the applicant. If the children are included, individuals can have higher income than the above chart shows and still qualify for MSP. County Assistance Office staff can answer any questions people have about this.

Resources: DHS will consider resources when determining if someone qualifies for the MSPs. Resources that are counted include: checking and savings accounts, certificates of deposit, stocks, bonds, mutual funds, IRAs/401Ks, cash-on-hand, life insurance, and real property (except for someone's primary residence).

Even if a resource is counted, DHS may not count its entire value. For example, DHS will only count life insurance if the total face value of all policies is over \$1,500. If the face value of all policies is over this amount, then DHS looks at the cash surrender value (how much someone could get if they cashed in their policy) and counts any amount over \$1,000. If the life insurance policy is a term policy or some other type of policy that does not accumulate a cash value, then it is not counted at all.

DHS **will not** count certain resources. These include the person's primary residence and the property surrounding it, one motor vehicle, burial plots, and prepaid burial accounts (also called irrevocable burial reserves).

How to apply?

- **Apply directly to DHS**--Individuals can download the application ([PA 600M](#)), complete it, and mail it to their local County Assistance Office or apply online at www.compass.state.pa.us. Please note that the online application is longer than the paper application and will ask for additional information not asked for on the paper application.

DHS requires MSP applicants to submit certain verification documents with their application. This includes proof of income, resources, address, identification, and social security card. The application specifies what types of documents should be submitted.

- **Use MIPPA Process to generate MSP application**--This process can only work for those individuals **who APPRISE verifies are not already getting any Extra Help from Medicare**. In this process an Extra Help application is submitted to SSA. After SSA determines eligibility, they send the Extra Help application data to DHS. DHS

treats this data as an application for MSP and determines MSP eligibility using only that data (they do not look behind this data and they do not ask for any verification). Since the Extra Help program does not consider life insurance or in-kind support and maintenance, DHS will not have (and will not ask for) this information when determining MSP eligibility under the MIPPA process. After the MSP application is processed, individuals should receive a notice telling them whether they qualify or not and explaining their appeal rights if they do not agree with DHS' decision.

APPRISE representatives, volunteers and partners should help someone apply for **both** the MSP and Extra Help and not rely on the MIPPA process. *The MIPPA process should **only** be used in rare cases when APPRISE has verified someone is not already getting any Extra Help and the person has resources (i.e., life insurance, motor vehicles) that would make him ineligible should he apply directly to the County Assistance office for the MSP.*



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Application Tips:

- **Remember to put the APPRISE PSA on the MSP application so that it can be tracked!!**
- Keep a copy of the completed MSP Application and all supporting documentation.
- If the application is going to be mailed to the County Assistance Office, try to send it some way that there is proof that it was received by the office (such as certified mail, return receipt requested). When this is not possible, then call the CAO a week after the application is mailed to make sure that it has been received and is in the system for processing.
- APPRISE staff, volunteers, and partners should follow-up with consumers they help about 4-6 weeks after the application was submitted to see if they have received a notice of eligibility. See below for contact information if additional follow-up with DHS is needed.
- If APPRISE staff, volunteers, and partners help someone apply for Extra Help only and are counting on the MIPPA process to work, they should contact the consumer 4-6 weeks after the Extra Help application was submitted to see if he heard back from SSA. Follow-up with DHS may be necessary to see if the SSA data was received and to see if they are processing MSP application using MIPPA process.

Where to call if you have problems

- Contact the MA Ombudsman at the local DHS County Assistance Office.
- If you cannot reach the MA Ombudsman, you can contact the DHS Customer Service Center (1-877-395-8930). They can look into the system and check on the status of an application or whether benefits have been approved. If additional follow-up is needed, they can forward a message to the County Assistance Office for further follow-up. You must have the consumer on the phone with you (or in your office) in order to talk to the Customer Service Center.
- PA Health Law Project-Fran Chervenak (412-434-5779) or Erin Guay (412-434-4728)

Getting the Benefit

If MSP is approved, it can take 2-3 months for all the systems to communicate and for the Part B premium to stop coming out of the person's Social Security check (or for premium bills to stop coming if the person pays the premium directly). Once DHS starts to pay the premium, the person will be reimbursed for the premiums already paid retroactive to the MSP start date. Reimbursements will come in whatever way the person receives their monthly Social Security benefits (either by direct deposit or by a check sent via mail).

If MSP is denied, the consumer can appeal within 30 days of the date of the notice. The denial notice includes instructions for appealing.