

Department of Public Health  
and Human Services

Section:  
MEDICARE SAVINGS PROGRAMS

MEDICAL ASSISTANCE

Subject:  
General Overview

**Supersedes:** MA 800 (07/01/07), Bulletin MA 107 (09/09/10)

► **References:** ARM 37.82.101, ARM 37.83.201, .202, P.L. 105-33 and P.L. 110-275

GENERAL RULE – Medicaid offers special additional programs for qualifying Medicare beneficiaries. These programs are known as the Medicare Savings Programs (MSP). Each coverage group has different eligibility requirements and provides different benefits. Coverage groups include:

1. Qualified Medicare Beneficiaries (QMB) (see MA 801-1);
- 2. Specified Low-Income Medicare Beneficiaries (SLMB) (see MA 802-1);
3. Qualifying Individual (QI) (see MA 803-1).

The program known as QI is authorized by Congress from year-to-year. If Congress chooses not to extend the program, both OPAs and recipients will be given advance notice before closure occurs. If the QI program ends, individuals receiving QI benefits when the program ends may have more than one Medicare premium taken out of their next Social Security benefit payment.

Example: If the QI program ended January 31, the premium for February, which was payable in January, as well as the premium for March, which is payable in February would both be deducted from the February benefit, or possibly January, February and March premiums could be taken from the March benefit.

All applications submitted on any generic or Medicaid-specific application forms, regardless of what programs an applicant requests, must be processed for Medicare Savings Program coverage. Individuals may be eligible for the QMB or SLMB coverage in addition to categorically needy or medically needy (“regular”) Medicaid coverage.

## **MEDICARE ENTITLEMENT**

An individual is entitled to receive Medicare benefits when:

1. All Medicare eligibility criteria is met; and
2. An application for Medicare coverage is filed with the Social Security Administration.

**NOTE:** Most Medicare beneficiaries are automatically enrolled in Medicare Parts A and B when they become entitled, unless they specifically refuse the coverage. Those who are not eligible for “premium-free” Part A must apply for Medicare coverage.

Medicare entitlement (Parts A & B) may be verified using system interface web pages for current Medicaid and via SOLQ.

## MEDICARE ENROLLMENT PERIOD

There are two enrollment periods for Medicare A & B entitlement:

1. the initial enrollment period, which includes:
  - a. the three months prior to an individual’s 65th birthday or 25<sup>th</sup> month of disability benefits receipt;
  - b. the month of the 65th birthday or 25<sup>th</sup> month of disability benefits receipt; and
  - c. the three months after the month of the 65th birthday or 25<sup>th</sup> month of disability benefits receipt.
2. the general enrollment period, which includes the months of January, February and March of each year.

Open enrollment period requirements are waived for Medicare Savings Program recipients. If an otherwise-qualified individual is approved for a Medicare Savings Program, that individual will be immediately enrolled in Medicare Part B.

**NOTE:** An otherwise-qualified applicant for a Medicare Savings Program cannot be denied simply because he or she is not currently enrolled in Medicare Part A &/or Medicare Part B.

Medicare coverage (entitlement) always begins on the first day of the coverage month.



Individuals who do not accept Medicare during the initial enrollment period and are not eligible for MSP normally must wait until the general enrollment period to apply for Medicare enrollment. Additionally, individuals who apply after their initial enrollment period may pay higher monthly premiums and coverage will not begin until July 1 of the year in which they apply for Medicare.

**MEDICARE PART A  
ELIGIBILITY  
REQUIREMENTS**

Medicare Part A eligibility is established in one of two ways:

1. Individuals who receive Social Security benefits and have sufficient work quarters are eligible for premium-free Medicare Part A coverage, if one of the following applies:
  - a. they are age 65 or older;
  - b. they have been disabled for 24 months or more;
  - c. they fit into a special Medicare-covered group (such as the group for individuals exposed to environmental health hazards – asbestos);
  - d. they are enrolled through End Stage Renal Disease programs; or
  - e. they are no longer considered disabled due to work activities (continued Medicare limited to eight years).
2. Individuals age 65 or older who cannot draw Social Security benefits may be eligible for Part A coverage by paying the Part A monthly premium.

**NOTE:** A disabled person under age 65 who does not receive Social Security Disability (SSDI) benefits cannot buy into Part A coverage.

**PART A  
BENEFITS**

Medicare Part A coverage includes inpatient hospitalization, some follow-up care and skilled level nursing home care.

**MEDICARE PART B  
ELIGIBILITY  
REQUIREMENTS**

Medicare Part B coverage is available to any individual age 65 or older, or to individuals who have enough work quarters and have been disabled for a minimum of 24 months. Eligible individuals must pay monthly premiums. Premiums may be paid by:

1. reduction of Social Security benefits;
2. individual payment; or
3. Medicaid buy-in.

**PART B  
BENEFITS**

Medicare Part B coverage includes physician services, laboratory and x-ray services, medical supplies, outpatient hospital care and other services.

**► APPLICATION  
FOR MSP**

Acceptable application forms for the Medicare Savings Programs include HCS-004AA, HCS-245, HCS-250, HCS-253, the on-line application through Montana Connections, an SSI application or an application for Social Security Extra Help. In addition, a participant in an open case for other (non-Medicaid) programs administered by the OPA may apply for

the Medicare Savings Programs using a redetermination form HCS-272, at the discretion of the eligibility case manager.

An SSI cash recipient or other Medicaid recipient cannot be required to submit a separate application for the Medicare Savings Programs, and each SSI opening should be evaluated for MSP.

## **HOUSEHOLD COMPOSITION**

The living situation of each applicant for MSP must be considered in determining household composition, assistance unit and filing unit for MSP eligibility.

1. A married individual living alone in the community, separated from his/her spouse is treated as an individual for MSP.
2. A single or widowed individual living in the community with anyone other than a deemed parent is treated as an individual for MSP.
3. A couple living together in the community or in the same room in an assisted living facility is treated as a couple for MSP, even if one or both spouses are on a Medicaid waiver. (Spousal impoverishment does not apply to MSP eligibility.)
4. A couple who lives separately because one is in the community and one is in a nursing home is treated as individuals for MSP because they do not reside together. (The nursing home spouse does not receive an income deduction for a community spouse income maintenance allowance. The community spouse income maintenance allowance is countable income to the community spouse in determining his/her MSP eligibility.)
5. A couple in which both spouses reside in nursing homes is treated as individuals for MSP, even if they share a room in a nursing home.

## **► FINANCIAL AND NON-FINANCIAL REQUIREMENTS**

All MSP applicants/recipients must meet all financial and non-financial requirements of the Medicaid program. This includes citizenship/alien status, state residence, providing a Social Security number, cooperation with Third Party Liability, and Medicare Part A entitlement, as well as meeting the resource and income standards of a Medicare Savings Program.

## **RETROACTIVE COVERAGE**

QMB benefits begin in the month after application is made and all eligibility criteria has been met. Retroactive QMB is not available.

SLMB and QI benefits may be approved retroactively for up to three months prior to the month of coverage request.

► **ESTATES  
RECOVERIES  
► REDETERMIN-  
ATION**

Medicare Savings Program benefits are not subject to estates recoveries effective January 1, 2010.

Medicare Savings Program eligibility is subject to annual redetermination of eligibility. This includes SSI recipients and others who are receiving other Medicaid benefits that are not otherwise subject to redetermination.

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