



AGED, BLIND, AND DISABLED MEDICAID 201-8 Medicare Savings Programs

Supersedes: ABD 201-8 (July 1, 2016)

Reference: ARM 37.82.101, ARM 37.83.201, .202, P.L. 105-33, P.L. 110-275; P.L. 100-360 (1988), P.L. 101-239 § 6411 (1989), and P.L. 101-508 § 4501 (1990); Federal Register; 42 U.S.C. 1396d (p)

Overview: Qualifying Medicare beneficiaries may be eligible for additional coverage to help with Medicare-related expenses. There are three Medicare Savings Programs (MSP):

1. Qualified Medicare Beneficiaries (QMB);
2. Specified Low-Income Medicare Beneficiaries (SLMB);
3. Qualifying Individual (QI).

Clients may be eligible for QMB or SLMB coverage in addition to categorically or medically needy ("regular") Medicaid coverage. When the OPA is notified (via interface or client report) that a current Medicaid client is entitled to Medicare Part A or Part B, MSP eligibility must be evaluated.

MEDICARE ENTITLEMENT:

Unless refused, Medicare Part A and B enrollment is automatic for most Medicare beneficiaries. MSP coverage cannot be denied for an otherwise-eligible client simply because they are not enrolled in Medicare Part A and/or Part B. Medicare coverage (entitlement) always begins on the first day of the coverage month.

MEDICARE ENROLLMENT PERIOD:

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

1. The initial enrollment period, which includes the:
 - a. Three months prior to an individual's 65th birthday or 25th month of disability benefits receipt;

- b. Month of the 65th birthday or 25th month of disability benefits receipt; and
 - c. Three months after the month of the 65th birthday or 25th month of disability benefits receipt.
2. The general/open enrollment period: every January, February and March.

NOTE: MSP clients can enroll in Medicare outside the open enrollment period. They are automatically enrolled in Medicare Part B when a MSP is approved.

QMB clients are automatically enrolled in both Part A and Part B (if they do not qualify for free Part A).

MEDICARE PART A BENEFITS:

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

MEDICARE PART B BENEFITS:

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

MSP PROGRAM BENEFITS:

QMB benefits include payment of:

1. Medicare Part A premiums (for individuals who do not receive premium-free Part A coverage);
2. Medicare Part B premiums;
3. Medicare deductibles; and
4. Medicare coinsurance (the cost share amount the recipient is responsible to pay).

SLMB and QI pay only Medicare Part B premiums. **NOTE:** Because SLMB and QI only pay Medicare Part B premiums, no Medicaid ID card is issued.

HOUSEHOLD COMPOSITION:

Evaluate each MSP applicant's living situation to determine the correct household composition, assistance and filing units. Treat the following as individuals:

1. Married individual living alone in the community, who is separated from their spouse;
2. Single or widowed individual living in the community with anyone other than a deemed parent;

3. Couple living separately because one spouse lives in the community and the other is in a nursing home;

NOTE: NH spouse does not receive an income deduction for a CSIMA; the CSIMA is countable income to the community spouse when determining their MSP eligibility.

4. Couple with both spouses residing in nursing homes; even if they share a room at the nursing home.

Treat a couple living together in the community or in the same room in an assisted living facility as a couple, even if one or both spouses receive Medicaid waiver coverage. (Spousal impoverishment does not apply to MSP eligibility).

DEEMING:

When the household consists of a married couple with an ineligible spouse, deeming applies. Use the MSP income standard for an individual when no income is deemed from the ineligible spouse to the eligible spouse; use the couple standard when income is deemed.

NONFINANCIAL REQUIREMENTS:

Medicaid standard nonfinancial requirements are listed in section CMA 300. In addition to the standard criteria that applies to all Medicaid programs, the following nonfinancial criteria are specific to all MSP programs:

- Medicare Hospital Insurance (Part A) entitlement

Additional QI nonfinancial requirement:

- Other medical coverage (i.e., medically needy) cannot overlap QI for more than one month
 - o Medically needy clients who have not met their spend down for the month can receive QI

NOTE: QI continues when a QI recipient requests and meets medically needy eligibility for only one month.

FINANCIAL REQUIREMENTS:

Countable income must be within the following guidelines for the appropriate household size:

QMB: at or below 100% FPL

SLMB: above 100% and at or below 120% FPL

QI: above 120% and at or below 135% FPL

Countable resources cannot exceed the MSP resource standards listed in CMA 001.

COST OF LIVING ADJUSTMENT (COLA):

Yearly COLA increased as disregarded for QMB clients who would lose eligibility due to the COLA. **NOTE:** The system automatically disregards these COLA increases.

SSI RECIPIENTS:

An individual in receipt of SSI or State Supplement payment or 1916b is not required to have an independent evaluation of income and resources when the recipient requests additional coverage, such as MSP.

COVERAGE EFFECTIVE DATE:

QMB benefits begin the first of the month after application, provided all eligibility criteria are met. QMB coverage cannot be approved retroactively.

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

ESTATE RECOVERY:

Effective January 1, 2010, Medicare premiums paid for through an MSP benefit are not subject to estate recovery.

SEE BUSINESS PROCESSES: Acting on Changes Medicare and Qualified Individual and Medicare Auto Enrollment Process

Effective Date: July 01, 2024