

## 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 PA Department of Public Welfare may not count all of their income and assets.

<b>2014 Eligibility Guidelines for the Medicare Savings Programs</b>			
	Monthly Income Limit*	Asset Limit**	Benefits
<b>Qualified Medicare Beneficiary (QMB)</b>	\$973-single person; \$1,311-married couple (<100% FPL)	\$7,160 (single); \$10,750 (married)	<ul style="list-style-type: none"> <li>- State pays Medicare Part B premium;</li> <li>- Individual gets ACCESS card that only covers Medicare deductibles and coinsurance</li> </ul>
<b>Specified Low-Income Medicare Beneficiary (SLMB)</b>	\$973-\$1,167-single; \$1,311-\$1,573-married (100%-120% FPL)	\$7,160 (single); \$10,750 (married)	State pays Medicare Part B premium
<b>Qualified Individual (QI-1)</b>	\$1,167-\$1,313-single; \$1,573-\$1,770-married (120%-135% FPL)	\$7,160 (single); \$10,750 (married)	State pays Medicare Part B premium

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

\*\* The MSP uses the same asset limits as the full Part D Low-Income Subsidy (LIS) program when determining eligibility.

### How will the Department of Public Welfare (DPW) look at income and assets?

**Income:** DPW 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, pensions) then DPW will not count \$20/month of the gross amount received (before any deductions are taken). If income is earned (wages), DPW will not count the first \$65 someone earns in a month and then will only count half of the remaining gross earnings. Income, **after all disregards**, 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. The CAO can answer any questions people have about this.

**Assets:** DPW will consider assets when determining if someone qualifies for the MSPs. Assets 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 an asset is counted, DPW may not count the entire value of the asset. For example, DPW 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 DPW 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 (regardless of its face value).

DPW **will not** count certain assets at all. Assets that are **not** counted include the person's 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 DPW**--Individuals can download the application (PA 600M) from DPW's website at [www.dpw.state.pa.us](http://www.dpw.state.pa.us), have an application mailed to them by requesting it from their local County Assistance Office or the MA Change Center (1-877-395-8930), or apply online at [www.compass.state.pa.us](http://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.

DPW requires MSP applicants to submit certain verification documents with their application. This includes proof of income, assets, address, identification, and social security card. The application details what can be submitted as documentation.

- **Use MIPPA Process to generate MSP application**--This process can be used for individuals **who are not already on any Low-Income Subsidy (LIS)**. The individual submits an LIS application to SSA. Once SSA determines LIS eligibility, they send the

LIS application data to DPW. DPW 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 LIS no longer considers life insurance or in-kind support and maintenance, DPW does not consider this information when determining MSP eligibility under the MIPPA process. Individuals should receive a notice telling them whether they qualify or not and explaining their appeal rights if they do not agree with DPW's decision.

APPRISE representatives, volunteers and partners will have to determine whether it makes sense to apply for both the MSP and the LIS or just apply for one program (since being found eligible for the MSP gets someone the LIS and applying for the LIS **could** help someone get the MSP). There are pros and cons to each option that need to be considered when deciding what to do.



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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 DPW is needed.
- If APPRISE staff, volunteers, and partners help someone apply for LIS only, they should contact the consumer 4-6 weeks after the LIS application was submitted to see if he heard back from SSA. Follow-up with DPW 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 DPW County Assistance Office.
- If you cannot reach the MA Ombudsman, you can contact the MA Change 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 MA Change 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 DPW starts to pay the premium, the person will be reimbursed for the premiums already paid retroactive to the date MSP was approved. 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. The denial notice includes instructions for appealing.