OVERVIEW OF
MEDICARE SAVINGS PROGRAMS

October 28, 2021

Presented by:
- Kathy Holt, Associate Director/Attorney -
- Sue Greeno, Medicare Advocate -
*With a Medicare Fraud Overview*
by Sandy Morales, California Health Advocates & Senior Medicare Patrol
The Center for Medicare Advocacy is a non-profit, non-partisan law organization founded in 1986 that works to advance health equity, access to comprehensive Medicare, and quality health care. Based in CT and Washington, DC, with additional attorneys in CA, MA, NJ.

- Attorneys, advocates, communication and technical experts
- Education, legal analysis, writing, assistance, and advocacy
- Systemic change – Policy and Litigation
  - Based on our experience with the problems of real people
- Medicare coverage and appeals expertise
- Medicare/Medicaid Third Party Liability Projects
Thank You
To
California Health Advocates
and the Senior Medicare Patrol
for Sponsoring Today’s Presentation
Webinar Program

• Medicare Fraud Overview – Current Issues
• What are the Medicare Savings Programs (MSPs)?
• Why are MSPs needed?
• How do MSPs work in different states?
• How do you apply for MSP?
• Encouraging use of the MSP program
• Examples of MSP calculations
SMP Updates

CA-SMP toll free hotline: 855-613-7080

Presenter: Sandy Morales

E-mail: smorales@cahealthadvocates.org

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The mission of the SMP program is to empower and assist Medicare beneficiaries, their families, and caregivers to prevent, detect, and report health care fraud, errors, and abuse through outreach, counseling, and education.

Located in all 50 states plus:

- District of Columbia
- Guam
- Puerto Rico
- U.S. Virgin Islands

To Find your state SMP:

Internet: www.smpresource.org

Toll Free: 877-808-2468
Three Roles of SMP

• Provide Medicare fraud prevention education via health fairs, presentations, etc.
• Address complaints reported via our SMP State-wide fraud hotline 1-855-613-7080.
• Refer potential Medicare fraud cases to appropriate investigative entities.
Providing quality Medicare and related healthcare coverage information, education and policy advocacy.

- **Advocacy & Policy** – Improving rights and protections for Medicare beneficiaries and their families
- **Education** – Website, fact sheets and educational workshops
- **Senior Medicare Patrol** – Fraud prevention education
Hospice agencies are visiting:
- food banks
- senior apartment complexes

They search for seniors with:
- Medicare (MA or FFS)
- limited English-proficiency

They call themselves a Medicare program, NOT HOSPICE.

They offer incentives:
- free cooking & cleaning
- free DME & meds delivered at home
- provide shampoo, lotion, gloves, hand sanitizer, nurse visits at home
- compensate $100 for enrolling, $250 per month & $50 per referral

Red flags:
- Medicare beneficiary does not have a terminal illness
- brochures & flyers mention “hospice” not “Medicare Program”
- pharmacists can’t dispense medication & they say it’s due to “hospice status”
- cardiologist postpones surgery, PCP reschedules medical visit & specialists cancel apt.
- Medicare Summary Notice statements show thousands of dollars worth of hospice claims.
Genetic Testing Scams

Scammers are
→ posting ads on social media like Facebook
→ calling non-stop

They search for seniors with:
→ Medicare (MA or FFS)

They’ll say:
→ your doctor ordered a cardiac genetic test for you
→ Medicare now covers genetic testing that can screens for cancer and for heart disease
→ Medicare is offering a free genetic testing kit, easy to complete, just answer a few questions...
→ We can add a free back or knee brace along with your kit. Free!
→ Medicare is issuing new Medicare cards with added benefits, such as genetic testing. Get yours today!

Red flags:
→ Medicare will not call to offer genetic testing kits.
→ If caller says your doctor ordered a test, check with your doctor first!
→ Caller wants the Medicare number. Guard your card!
→ Medicare Summary Notice statements show thousands of dollars worth of genetic testing claims, that are medical unnecessary. Leads to waste and potential fraud on your Medicare record.
Click on the Fraud & Abuse tab:
Hospice Fraud Alert 2019

CALIFORNIA SENIOR MEDICARE PATROL WARNING!

Beware of Fraudulent Hospice Enrollments

Individuals promoting hospice enrollment for Medicare beneficiaries who are not terminally ill through cold calls, meet and greet educational sessions could be using the hospital benefit to commit Medicare fraud and abuse.

855-613-7080

For additional information on healthcare fraud, visit cahealthadvocates.org

Betty & the Medicare Health Plan
Making the Right Choice

Each year from October 15 to December 7 Medicare offers its beneficiaries the opportunity to make a change in their health insurance. If they choose to do so, they can switch plans during Open Enrollment. For new, enhanced Medicare counseling, call the Medicare Health Insurance Counseling and Advocacy Program (HICAP) at 1-800-434-0221.

A Story About

If Betty & Your Health Plan
If you are satisfied with your plan, you do not need to change anything.

Avoid Medicare Fraud & Scams!

Never give your Medicare number to a stranger or anyone you shouldn’t trust.

To report fraud call Senior Medicare Patrol:
(855) 613-7080

Back Brace Fraud Alert 2019

CALIFORNIA SENIOR MEDICARE PATROL WARNING!

Beware of Offers for “Free” Braces Covered by Medicare

Individuals offering Medicare “free” or low-cost” knee, back and other orthotic braces could be using the medical equipment benefit to commit Medicare fraud and abuse.

855-613-7080

For additional information on healthcare fraud, visit cahealthadvocates.org

cahealthadvocates.org
www.cahealthadvocates.org

Welcome to CHA’s homepage:
Scroll down on CHA’s homepage:

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First Name

Last Name

Email address:

Your email address

Choose the news you’d like to receive

- Medicare Updates and More
- Fraud Alerts
- Upcoming Webinar Announcements

Sign up
SMP Materials Order Form

When you need SMP materials, be sure to complete the SMP Materials Order Form and submit this to Jasmine G. Suo at jsuo@cahealthadvocates.org

Be sure to let her know where you would like the supplies mailed to.

ORDER FORM
MATERIALS AVAILABLE FOR DISTRIBUTION

<table>
<thead>
<tr>
<th>ITEM DESCRIPTION</th>
<th>LANGUAGE</th>
<th>QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP Brochure: &quot;Don’t be a Target of Healthcare Fraud&quot;</td>
<td>English, Chinese, Korean, Russian, Spanish, Vietnamese, Tagalog</td>
<td></td>
</tr>
<tr>
<td>New Medicare Card Brochure</td>
<td>English</td>
<td></td>
</tr>
<tr>
<td>SMP Manila Folders</td>
<td>English</td>
<td></td>
</tr>
<tr>
<td>Scammy &amp; Greedy Agent Booklet (Novella)</td>
<td>English, Spanish</td>
<td></td>
</tr>
<tr>
<td>Protect Yourself from Fraud booklet (ships directly from Dept. of Business Oversight)</td>
<td>English, Spanish</td>
<td></td>
</tr>
</tbody>
</table>

Please complete the order form and submit to Jasmine G. Suo at jsuo@cahealthadvocates.org.
COVID-19 Scams Warning Door hangers

- Health Care Trackers w/pages for appt. details, notes & important phone numbers (2 sizes to choose from)
- COVID 19 Vaccine Scams Flyers with Spanish on backside

jsuo@cahealthadvocates.org
Vaccine Card Holders

Reminder! Return for a second dose!
¡Recordatorio! ¡Regrese para la segunda dosis!

<table>
<thead>
<tr>
<th>Vaccine</th>
<th>Date / Fecha</th>
</tr>
</thead>
<tbody>
<tr>
<td>COVID-19 vaccine</td>
<td>mm / dd / yy</td>
</tr>
<tr>
<td>Vacuna contra el COVID-19</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>mm / dd / yy</td>
</tr>
<tr>
<td>Otra</td>
<td></td>
</tr>
</tbody>
</table>

Bring this vaccination record to every vaccination or medical visit. Check with your health care provider to make sure you are not missing any doses of routinely recommended vaccines.


You can report possible adverse reactions following COVID-19 vaccination to the Vaccine Adverse Event Reporting System (VAERS) at vaers.hhs.gov.

To place your order, e-mail: jsuo@cahealthadvocates.org
Services Offered

- Presentations
- Fraud Alerts, e-Newsletter
- Billing Research
- Fraudulent billing referred for investigation
History and Overview of the Medicare Savings Program
WHAT ARE THE MEDICARE SAVINGS PROGRAMS (MSPs)?

- MSPs help lower-income people pay all or some of Medicare costs
- Eligibility is based on income and, in 40 states, assets/resources
- MSP income and asset criteria varies by state/DC
  - Program criteria can change, e.g., CA is removing asset “test” as of 7-1-2022
- MSPs are administered by state Medicaid agencies (E.g., Medi-Cal in California)
EXAMPLES OF MEDICARE COSTS THAT MSPs MAY COVER

In Traditional Medicare:

**2021 Medicare Part A costs**
- Part A hospital deductible: $1,484/per benefit period
- Part A hospital copays: $371 daily (61-90), $742 daily (91-150)
- Part A skilled nursing facility copays: $185.50 daily (21-100)

**2021 Medicare Part B costs**
- Part B monthly premium: $148.50
- Part B annual deductible: $203
- Part B coinsurance: 20%
MEDICARE MADE A SUBSTANTIAL IMPACT ON POVERTY

- Medicare has been improving access to health care since 1965

- Before Medicare
  - Less than 50% of people had health insurance
  - 35% of people over 65 lived in poverty
  - Life expectancy was 8 years less for men, 5 years less for women

- After Medicare began
  - Access to health care increased by 1/3
  - Poverty decreased by nearly 2/3
THE NEED FOR MSPs

Medicare allows many to live out of poverty, but some people still struggle to bear Medicare out of pocket costs.

MSPs are essential to economic security and health care access for millions of Americans with low income.
THE NEED FOR MEDICARE SAVINGS PROGRAMS - INCOME

Figure 1
Half of all Medicare beneficiaries had incomes below $26,200 per person in 2016

1% had incomes above $182,900
5% had incomes above $103,450
50% had incomes below $26,200
25% had incomes below $15,250

THE NEED FOR MEDICARE SAVINGS PROGRAMS - SAVINGS

Figure 5
Half of all Medicare beneficiaries had savings below $74,450 per person in 2016

1% had savings above $4,008,150
5% had savings above $1,367,000
50% had savings below $74,450
25% had savings below $14,550
8% had $0 in savings or were in debt

MEDICARE BENEFICIARIES BELOW 100% OF POVERTY (KFF 2017)

United States Average: 14.1%
MEDICARE BENEFICIARIES BELOW 200% OF POVERTY (KFF 2017)
POVERTY IS PERVERSIVE IN MEDICARE

Distribution of Medicare Beneficiaries by Federal Poverty Level: 100 – 199%

In 2019, 12% of Medicare beneficiaries (7 million) are living under the poverty line, and another 20% (another 11 million) are living just above it.

Kaiser Family Foundation’s State Health Facts Income and Assets of Medicare Beneficiaries, 2016 to 2035
# POVERTY GUIDELINES

**2021 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA**

<table>
<thead>
<tr>
<th>Persons in family/household</th>
<th>Poverty guideline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$12,880</td>
</tr>
<tr>
<td>2</td>
<td>$17,420</td>
</tr>
<tr>
<td>3</td>
<td>$21,960</td>
</tr>
<tr>
<td>4</td>
<td>$26,500</td>
</tr>
<tr>
<td>5</td>
<td>$31,040</td>
</tr>
<tr>
<td>6</td>
<td>$35,580</td>
</tr>
<tr>
<td>7</td>
<td>$40,120</td>
</tr>
<tr>
<td>8</td>
<td>$44,660</td>
</tr>
</tbody>
</table>

For families/households with more than 8 persons, add $4,540 for each additional person.
MEDICARE SAVINGS PROGRAM

There is Work to do to Enroll More People in MSPs
OPEN ENROLLMENT GOALS

- Encourage people with Medicare to review and compare Medicare health and drug plans
- Emphasize the October 15 – December 7 dates
- Promote the Medicare Plan Finder tool that makes it easy to compare coverage options and shop for Medicare health and drug plans
- Highlight that Medicare Savings Programs are available for people who may be having trouble paying for their Medicare costs
- Target audiences with traditionally lower access to health care
Eligibility factors like income, assets, and functional status are relatively stable over time for dually eligible individuals, but dually eligible individuals still experience high degrees of churn on and off Medicaid.

ASPE: Loss of Medicare-Medicaid Dual Eligible Status: Frequency, Contributing Factors and Implications
**MEDICARE SAVINGS PROGRAMS (MSPS) ARE UNDERUTILIZED**

Medicare coverage can be expensive, and for millions of people it’s made affordable by the MSPs, yet millions more are eligible but not enrolled.


*September 2021*
MEDICARE SAVINGS PROGRAM
INCREASING ENROLLMENT

Resources to generate awareness and screenings for MSP eligibility:

- Center for Medicare Advocacy has MSP Fact Sheets and Flyers in English and Spanish at MedicareAdvocacy.org
- Search Individual State MSP Programs
- Search the SHIP TA Center Resource Library
Qualifying Characteristics and Eligibility Criteria
QUALIFYING FOR MSPs

Must be eligible for Medicare (not necessarily enrolled)

- Individual must be a U.S. citizen or have Legal Permanent Resident (LPR) status for 5 years immediately prior to applying

- Individual must be 65 years of age or under age 65 and eligible for Medicare due to disability

- Income and assets/resources (if applicable) must be within eligibility guidelines
MSP NATIONAL SNAPSHOT
FINANCIAL ELIGIBILITY

- **Income**
  - 42 states use federal guidelines
    - ($1,074/month [single]; $1,452/month [couple])
  - 8 states (AK, CT, HI, IL, IN, ME, MA, MS) and DC have higher income guidelines

- **Asset/resource limits**
  - 37 states use federal guidelines ($7,970[single]; $11,960 [couple])
    - NEW: For 2022 ($8,400; $12,600 [couple])
  - 3 states have a higher asset test (ME, MA, MN)
  - 10 states (AL, AZ, CT, DE, LA, MS, NM, NY, OR, VT) and DC have no asset limit
Examples of assets/resources that may be excluded from the allowable assets amount calculation:

- One home
- Household goods
- Personal belongings
- One car
- Pre-paid burial plan (may have higher amount allowed if irrevocable)  
  Example: in CA, $1,500 limit if revocable, unlimited if irrevocable
- Burial plot
Expected impact of asset test removal in California:

- A provision in the CA state budget approved earlier this year will eliminate the asset test for 2 million people enrolled in both Medicare and Medi-Cal
- Effective date July 1, 2022
- State assembly analysis showed that 17,802 additional Californians would have become eligible in 2018 if no asset test
MEDICARE SAVINGS PROGRAM

MSP Eligibility Categories
# MSP NATIONAL SNAPSHOT

## MAIN ELIGIBILITY CATEGORIES

<table>
<thead>
<tr>
<th>Medicaid Eligibility Category</th>
<th>Benefit</th>
<th>Monthly Income Limit 2021 (single/couple)</th>
<th>Enrollees March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualified Medicare Beneficiary (QMB)</td>
<td>Part A &amp; B premiums, all deductibles and copayments</td>
<td>100% FPL</td>
<td>7.4m</td>
</tr>
<tr>
<td>Specified Low Income Beneficiary (SLMB)</td>
<td>Part B premium</td>
<td>101 to 120% FPL</td>
<td>$1,308/$1,762</td>
</tr>
<tr>
<td>Qualifying Individual (QI)</td>
<td>Part B premium</td>
<td>121 to 135% FPL</td>
<td>$1,469/$1,980</td>
</tr>
</tbody>
</table>
MAIN MSP ELIGIBILITY CATEGORIES

- **Qualified Medicare Beneficiary (QMB)**
  Pays Part A Premiums (if applicable), Pays Part B monthly premiums, co-pays, co-insurance and deductibles

- **Specified Low Income Medicare Beneficiary (SLMB)**
  Pays Medicare Part B premiums

- **Qualifying Individual (QI)**
  Pays Medicare Part B premiums
QUALIFIED MEDICARE BENEFICIARY (QMB)

- QMB pays Part A premiums (even if not enrolled) when an individual is not entitled to premium-free Part A
- QMB pays Part B premiums
- QMB pays all Part A and Part B cost-sharing: Parts A and B deductibles, co-pays, and co-insurance
QMB ELIGIBILITY

- **2021 Federal Guidelines (most states follow)**
  - **Income:** At or below 100% FPL plus a $20 income disregard per household
    - $1,074/$1,094 single
    - $1,452/$1,472 married
  - **Assets/Resources:** $7,970 single; $11,960 married

- **Other States & DC**
  - **Income:** Varies by state but ranges up to 300% FPL (DC)
  - **Assets/Resources:** Varies by state but ranges up to unlimited
“BALANCE BILLING” PROHIBITED (QMB)

• Medicare participating providers who deliver services to people with QMB cannot bill an individual above the Medicare allowed amount

• Providers must accept Medicare payment as payment in full
  Can’t classify people with QMB as “private” patients in order to charge above Medicare

se1128 (cms.gov)
SPECIFIED LOW-INCOME BENEFICIARY (SLMB) AND QUALIFYING INDIVIDUAL (QI)

• SLMB and QI programs pay monthly **Part B premium only**

• Enrollment:
  • **SLMB** – Year-round open enrollment
  • **QI** – Enrollment subject to available federal funding (QI program may close if funding runs out)

  ▪ In 42 states:
    • **SLMB**: 100% - 120% FPL
    • **QI**: 121% - 135% FPL

  ▪ Other state’s MSPs eligibility ranges from 136% to 246% FPL
EFFECTIVE DATE OF MSP ENROLLMENT

- **QMB** – First of the month following the month eligibility is documented

- **SLMB and QI** – Three months retroactive from the date of application if beneficiary meets eligibility criteria during those months.
MSP ELIGIBLITY CATEGORIES

MISCELLANEOUS INFORMATION

• The waiting period may be eliminated for individuals who missed their Initial Enrollment Period.

• States may pay Medicare late enrollment penalties, if applicable.

• All MSP categories provide automatic enrollment in federal Low-Income Subsidy (LIS / “Extra Help”) that helps with Part D costs.
A FOURTH MSP ELIGIBILITY CATEGORY - QDWI

Qualified Disabled Working Individual (QDWI)

- Monthly income $4,379 single/$5,892 couple (other than AK and HI)
- Earned ($65) and unearned ($20) income disregards
- Pays Medicare Part A premiums up to $471/month (2021)
- For people with Medicare under 65, disabled, and no longer qualify for free Medicare Part A or Medicaid because they returned to work and income exceeds limit
- Up to 3 months retroactive from date of application if meets eligibility criteria during those months.
- Assets/Resources currently limited to $4,000/single or $6,000/couple
MEDICARE SAVINGS PROGRAM TRANSITION PERIOD (NATIONAL)

- Addresses the months between the announcement of the SSA COLA (5.9% in 2022) and the announcement of FPL
- SSA COLA announced in the fall (effective for January 1)
- FPL updates announced in January.
- Benefits eligibility for MSP are updated no sooner than the last day of the month following the publication of the FPL in the Federal Register notice.
- As a result, state Medicaid agencies should disregard (not count) the COLA increase in determining MSP eligibility during the transition period.
- Verify end of transition period in each state/territory.
CALCULATING INCOME TO DETERMINE MSP ELIGIBILITY

- Based on gross income (before any deductions)
- Some states apply a “disregard” to earned or unearned income before or after calculating countable income
- Some states may divide earned income by 50% (divide by 2) to determine countable wages
- Add the countable wages to the unearned income (retirement, pensions, dividends, etc.) and compare the total to the MSP income limits
- **Note:** Legally married couples must report combined income even if only one spouse is applying
MSP COUNTABLE INCOME CALCULATION EXAMPLE

Mr. Blue is a single, Medicare beneficiary in California with $7,000 in countable assets. His countable income is as follows:

• $500 net monthly **Social Security (SS) retirement** (add back the Medicare part B premium of $148.50 that was deducted from SS = **$648.50** (gross))
• Plus **$180** monthly **pension** (gross)
• Plus $200/wk from **part-time job** ($200 wk x 4.3 wks/month = $860 (gross))
  • $860, divide by 50% ($860 / 2 = **$430**)

Add together: monthly unearned income and re-calculated earned income

**Result:** $648.50 + $180 + $430 = **$1,258.50** gross monthly income

Less: $20 disregard = **$1,238.50**

Mr. Blue is eligible for SLMB (Below $1,288 gross monthly countable income) and LIS/”Extra Help”
APPLICATION FOR MSPs VARIES BY STATE

- May have continuous enrollment during the year
- May allow by paper application or online
- Annual renewal may be required
- Income changes during the year must be reported and may affect eligibility
- If MSP eligibility ends, LIS/”Extra Help” may continue, at least for remainder of the calendar year
MSP APPLICATION SCREENING
FOR QMB, SLMB, QI

- In the 42 states using Federal Guidelines, Medicare beneficiaries, with monthly incomes less than $1,469 (single)/ $1,980 (couple) should be screened.

- For all other states and DC, see NCOA Chart (more on next page) at: https://www.ncoa.org/article/medicare-savings-programs-eligibility-coverage

AND for a free MSP screening
Contact your state SHIP (Find it at “Ship Locator”) at https://www.shiphelp.org/ to review qualifications for an MSP program to help pay Medicare premiums and/or other Medicare costs.
MSP Resources and References
KEY MSP RESOURCE, BY STATE

Medicare Savings Programs (MSPs): Eligibility and Coverage (2021) Updated March 2021

Authored by the National Council on Aging (NCOA)

See Chart at: https://www.ncoa.org/article/medicare-savings-programs-eligibility-coverage

In California: https://cahealthadvocates.org/low-income-help/medicare-savings-programs-msps-qualification-at-a-glance/
CALIFORNIA MSP RESOURCES


MSP Program Qualifications at a Glance:
https://cahealthadvocates.org/low-income-help/medicare-savings-programs-msps-qualification-at-a-glance/

To Apply for MSP:
https://www.dhcs.ca.gov/services/medi-cal/Pages/CountyOffices.aspx
ADDITIONAL MSP REFERENCES

- For income levels, see the 2021 federal poverty level guidelines at: [https://aspe.hhs.gov/povertyguidelines](https://aspe.hhs.gov/povertyguidelines)
- See the Medicare.gov webpage that details Medicare costs in 2021, available at: [https://www.medicare.gov/your-medicare-costs/medicare-costs-at-a-glance](https://www.medicare.gov/your-medicare-costs/medicare-costs-at-a-glance)
Questions and Discussion
For further information, to receive the Center’s free weekly electronic newsletter, *CMA Alert*, update emails and webinar announcements, contact:

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