



CALIFORNIA HEALTH ADVOCATES

Low Income Assistance: Medicare Savings Programs

There are four programs called Medicare Savings Programs (MSPs) that assist Medicare beneficiaries who have low incomes and assets. They are referred to as Qualified Medicare Beneficiary (QMB), Specified Low Income Medicare Beneficiary (SLMB), Qualified Individual (QI), and Qualified Disabled Working Individual (QDWI). Information on each program, eligibility and enrollment criteria are below. Medi-Cal (the state health program known as Medicaid in other states) administers these programs. Some beneficiaries qualify for both Medi-Cal and a Medicare Savings Program, whereas other beneficiaries qualify for one but not the other.

Note: California also has the California 250% Working Disabled (CWD) Program. Please see below for the description.

Medicare Savings Programs

The benefits of each Medicare Savings Program are outlined below. People who qualify for the QMB, SLMB or QI program are also automatically eligible for the low-income subsidy (LIS or Extra Help), which helps pay for the Part D premium, deductible and copayments. For more information, see our online section "[Extra Help for Part D Costs](#)" under Prescription Drugs on our website: cahealthadvocates.org/prescription-drugs/, or see our Fact Sheet E-003.

The Qualified Medicare Beneficiary (QMB) program helps eligible beneficiaries pay for the following Medicare costs:

- **Medicare Part A premium:** Most people do not pay a premium for Medicare Part A because they or their spouse earned enough credits by working 40 or more quarters (about 10 years of full-time work).

People who are eligible for Medicare but worked fewer than 40 quarters (and are not eligible for free Part A through a spouse) have to pay a premium for Medicare Part A if they want Part A benefits. In 2020, if they worked 30-39 quarters, they may buy Part A at a monthly premium of \$252. Those who worked fewer than 30 quarters pay a higher monthly premium of \$458 for Part A.

- **Medicare Part B premium:** \$144.60 per month in 2020.
- **Deductibles for both Part A and Part B:** In 2020, the Part A hospital deductible is \$1,408 per benefit period and the Part B annual deductible is \$198.
- **Coinsurance under both Part A and Part B:** For example, in 2020 under Part A, the QMB program pays the \$352 per day for hospital days 61-90, and the \$704 per day for the 60 hospital reserve days. Under Part B, the QMB program pays the remaining 20% coinsurance after Medicare pays 80% of the approved costs for covered outpatient medical services such as physician visits.

The Specified Low-Income Medicare Beneficiary (SLMB) program helps eligible beneficiaries pay for the Part B premium only (\$144.60 per month in 2020).

The Qualified Individual (QI) program also helps people pay for the Part B premium (\$144.60 per month in 2020) and it allows for a higher income limit than the SLMB or QMB programs.

Note: People with full Medi-Cal benefits (no share of cost), already have their Part B premium paid by the state. However, people who qualify for Medi-Cal with a Share of Cost, may also qualify for the QI program to pay the Part B premium.

The Qualified Disabled Working Individual (QDWI) program is available to people who had Social Security and Medicare because of a disability, but who lost their Social Security benefits and their premium-free Part A benefits because they returned to work and their earnings exceeded the limit allowed. QDWI only pays for the Part A premium; it doesn't pay for other Part A costs or any Part B costs. People who have full Medi-Cal benefits (with no share of cost), are not eligible for the QDWI program.

California 250% Working Disabled (CWD) Program

In addition to MSPs, the Medi-Cal CWD program helps Californians who are working, disabled, and whose incomes are too high to qualify for full Medi-Cal. Californians who qualify may be able to get full Medi-Cal by paying a small monthly premium based on their income. Premiums range from a minimum of \$20 to a maximum of \$250 per month for an individual or from \$30 to \$375 for a couple. To qualify, you must:

- Meet the medical requirements of Social Security's definition of disability.
- Be working and earning income. This can be part-time informal work.
- Have assets worth less than \$2,000 for an individual and \$3,000 for a couple.
- Have countable income less than 250% of the federal poverty level (\$2,658/month for individuals and \$3,592/month for couples in 2020).

These income calculations are different from the requirements to qualify for the MSPs. Any disability-based income does **not** count towards the income limits for the 250% CWD program. This means that Social Security Disability Insurance (SSDI), Worker's Compensation, California State Disability Insurance, and any federal, state, or private disability benefits are not considered as countable income for this program. **Note:** You do not need to be a Medicare beneficiary to enroll in the CWD program and likewise, being a Medicare

beneficiary does not preclude you from applying for the CWD program.

MSP Eligibility Criteria for 2020

To be eligible for any MSPs, you must be eligible for Medicare Part A. For the QMB, SLMB and QI programs, your assets must be no more than **\$7,860 for an individual or \$11,800 for a married couple**. (Note: An additional \$1,500 per individual is allowed for burial expenses. This money must be invested in a burial policy and cannot be in a bank account.) For the QDWI program, your assets must be no more than **\$4,000 for an individual or \$6,000 for a married couple**. Personal assets include cash, money in the bank, stocks, bonds, etc. Examples of property not counted as assets are the value of your home, household goods and personal belongings, one car, and a prepaid burial plan (unlimited if irrevocable, or up to \$1,500 if revocable). For six months after receipt, retroactive Social Security or SSI benefits are also not counted.

In addition to these criteria, each program has different income limits based on Federal Poverty Guidelines (see following sections and Summary table on last page).

- For QMB, the income limit is 100% of the Federal Poverty Level (FPL). For 2020, the monthly income is \$1,063 for a single individual (or \$12,760/year); and for a couple \$1,437 (\$17,240/year).
- For SLMB, the income limit is 120% of the FPL. For 2020, the monthly income is \$1,276 for a single individual (\$15,312/year); and for a couple \$1,724 (\$20,688/year).
- For QI, the income limit is 135% of the FPL. For 2020, the monthly income is \$1,436 for a single individual (\$17,226/year); and for a couple \$1,940 (\$23,274/year). If you qualify for full Medi-Cal benefits, you are not eligible for the QI program.
- For QDWI, the income limit is 200% of the FPL. However, there are additional earned income disregards, so the eligibility income amount is higher than 200% FPL. For 2019,

the monthly income is \$4,249 for a single individual; and \$5,722 for a couple. If you qualify for full Medi-Cal benefits, you are not eligible for the QWDI program. (2020 amounts for QWDI will come out soon.)

Note: When determining eligibility for the Medicare Savings Programs, \$20 of one's income is disregarded. Therefore, \$20 can be added to the limits above to more closely determine eligibility. See the chart on next page for the income limits with the \$20 "disregard" added in. (The QDWI program also has an additional \$65 disregard that applies when there is earned income. The amounts noted for QDWI DO include the \$20 disregard and the \$65 earned income disregard.)

Enrollment in an MSP

You may apply for any of these programs at any time. An exception is if you have not enrolled in Part A and want to apply for the QMB program.

In California, if you are eligible for Part A but did not enroll when you first could have, you may apply for Part A and the QMB program only during the General Enrollment Period (GEP), which is January 1 to March 31 of every year. If you enroll in Medicare during the GEP, your benefits will be effective the following July 1.

If you are newly eligible for Medicare and are in your Initial Enrollment Period (a 7-month period beginning 3 months before your month of eligibility – the month of your 65th birthday or the 25th month of receiving Social Security disability benefits – and ending 3 months after your month of eligibility), you must enroll in Parts A and B before your Initial Enrollment Period ends to apply for any MSP.

You may apply for Part A conditionally or unconditionally. If you apply for Part A

conditionally, it means that you want Part A only if you qualify for the QMB program, which would pay your monthly Part A premium. If you apply for Part A unconditionally, it means that you want Part A even if you don't qualify for QMB and must pay your Part A premium yourself.

Most people applying for QMB want to apply for "conditional" Part A to avoid paying the over \$400/month Part A premium. To do this, go to your local Social Security office first and say you want to apply for **conditional Part A enrollment** under HI 00801.140 in order to apply for the QMB program. Ask your Social Security representative to give you a screenshot of the application and then bring this to your local Medi-Cal office to apply for QMB.

You can find your local Social Security Administration office for your Part A and/or B Medicare enrollment by calling Social Security at 1-800-772-1213. Once you have enrolled in Medicare Parts A and B, you may apply for any of the MSPs or the Medi-Cal CWD program at the local Department of Health Care Services (DHCS) office.

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This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call **1-800-434-0222** to make an appointment at the HICAP office nearest you.

Note: Online access to all CHA fact sheets on Medicare and related topics is available for an annual subscription. See cahealthadvocates.org/fact-sheets/.

See Summary of MSP Eligibility & Benefits chart on next page...

Summary of MSP Eligibility & Benefits for 2020

Program	Income eligibility	Monthly income	Monthly income limit (with \$20 disregard)	Resources Limit	Benefit
Qualified Medicare Beneficiary	100% FPL	\$1,063 (individual) \$1,437 (couple)	\$1,083 (individual) \$1,457 (couple)	\$7,860 (individual) \$11,800 (couple)	Part A and Part B premiums, deductibles and cost-sharing
Specified Low-income Medicare Beneficiary	120% FPL	\$1,276 (individual) \$1,724 (couple)	\$1,296 (individual) \$1,744 (couple)	with burial expenses: \$9,360 (individual) \$14,800 (couple)	Part B premium
Qualified Individual	135% FPL	\$1,436 (individual) \$1,940 (couple)	\$1,456 (individual) \$1,960 (couple)		Part B premium
Qualified Disabled Working Individual	200% FPL	\$4,164 (individual) \$5,637 (couple) 2019 amounts	(Includes additional \$20 and \$65 disregard for earned income) \$4,249 (individual) \$5,722 (couple) - 2019	\$4,000 (individual) \$6,000 (couple)	Part A premium
250% California Working Disabled Program	250% FPL	\$2,658 (individual) \$3,592 (couple)		\$2,000 (individual) \$3,000 (couple)	Full Medi-Cal benefits