Medicare Minute Teaching Materials – May 2016
Medicaid and Other Programs to Make Medicare More Affordable for People with Limited Means

1) What is Medicaid?

Medicaid is a joint federal and state program that assists with the medical costs of people with low incomes, and in most cases low resources. Each state establishes its own eligibility guidelines, administers its own program, and determines the scope of covered services. You can have both Medicare and Medicaid. If you are a dual eligible beneficiary –a person enrolled in both Medicare and Medicaid– Medicare pays first, and Medicaid pays second as the payer of last resort. Medicaid may cover services that Medicare does not, like some dental and personal care. It can also help cover Medicare's out-of-pocket costs, including deductibles, coinsurances, and copayments.

2) What is a Medicare Savings Program (MSP)?

Also administered by state Medicaid agencies, a Medicare Savings Program (MSP) helps pay for some of your Medicare health costs if you have limited finances. There are three types of MSPs, and each helps pay your monthly Medicare Part B premium and one also helps pay Medicare costs like deductibles, copayments, and coinsurances. To qualify for a MSP, you must have Medicare Part A and meet your state's income and asset eligibility guidelines. Please use the following website to access eligibility guidelines in your state: https://www.ncoa.org/wp-content/uploads/medicare-savings-programs-coverage-and-eligibility.pdf

You can also contact your State Health Insurance Assistance Program (SHIP) -- SHIP contact information is on the last page of this document -- or local Medicaid office to find out if you qualify for a MSP. If you're unsure of whether you qualify (e.g., if you are slightly over the income or asset limit), you should still apply because certain types of income and assets, certain burial funds for example, do not count when determining whether you qualify for a MSP. Also, estate recovery rules do not apply to MSPs. The table below lists the three different types of MSPs and what they cover.

Types of Medicare Savings Programs (MSPs)	
Qualified Medicare Beneficiary (QMB)	• Pays your Medicare Part A and Part B premiums, deductibles, copayments, and coinsurances. • You can have both QMB and Medicaid. • Coverage is not retroactive. Benefits begin on the first of the month after your eligibility is approved. • Income eligibility at or below 100 percent of FPL.
Specified Low-Income Medicare Beneficiary (SLMB)	• Pays your Medicare Part B premium. • You can have both SLMB and Medicaid. • Offers 3-month retroactive coverage prior to application date, as long as you were eligible during those months. • Income eligibility set at 100 percent to 120 percent of FPL.
Qualifying Individual (QI)	• Pays your Medicare Part B premium. • You **cannot** have both QI and Medicaid. • Offers 3-month retroactive coverage prior to application date, as long as you were eligible during those months. However, coverage can only be provided within the current calendar year. For example, if you apply in January, you will not receive retroactive coverage. • Income eligibility set at 120 percent to 135 percent of FPL.

3) How do I apply for a MSP?
Contact your local Medicaid office or your local State Health Insurance Assistance Program (SHIP). SHIP contact information is on the last page of this document. If you enroll in a MSP, you will be automatically enrolled in Extra Help (see question 4). Note that your current income is used to determine eligibility for MSPs. This includes, but isn't limited to, income from Social Security payments, pensions, and work, but income from work is counted differently than other kinds of income.

To apply, you may need copies of your Social Security card, Medicare card, proof of date of birth, proof of permanent address, and proof of income. The list of needed documents varies by state. For instance, some states do not require that you submit documentation of your income or assets. It is important to remember that you usually must renew your MSP status once every year. This is called recertification. You will typically lose benefits if you do not recertify. You should contact your local Medicaid agency to learn when and how to complete the recertification process.

4) What is Extra Help and how do I apply for it?
Extra Help, also referred to as the Low-Income Subsidy (LIS), is a federal program that helps pay for Medicare prescription drug coverage (Part D) costs. In 2016, if your monthly income is below $1,505 for singles ($2,022 for couples) and your assets are below specified limits, you may be eligible. Even if your income or assets are above the limit, you may still qualify for Extra Help because certain types of income and assets may not be counted. For example, if you are a homeowner your house is exempt. You can apply through the Social Security Administration (SSA) using either the agency's print or online application at www.ssa.gov. You may qualify for full or partial Extra Help. With full Extra Help, you should pay no Part D premium (as long as you enroll in plans below a certain cost point), pay no deductible, and have low copays. If you have partial Extra Help, in 2016 you will pay a share of your plan's premium, a $72 deductible, and reduced copays. Remember, for full Extra Help to entirely cover your Part D premium, you must choose a plan that offers basic coverage and has a premium at or below the Extra Help benchmark premium amount for your state. With Extra Help, you will also have a special enrollment period allowing you to change your Medicare drug plan up to once per month if you are dissatisfied with service.

Note: If you are enrolled in Medicaid, Supplemental Security Income (SSI)**,** or an MSP, you automatically qualify for Extra Help. You typically do not have to apply for this extra assistance.

5) Do I have to reapply next year if I am enrolled in Extra Help?
If you get Extra Help automatically because you were already enrolled in Medicaid, a Medicare Savings Program, or received Supplemental Security Income (SSI), and you are still enrolled in Medicaid or a MSP or receiving SSI in the fall, you do not have to do anything. Your state should tell Medicare that you are still enrolled in one of these programs; however, if you are no longer enrolled in Medicaid or a MSP or not receiving SSI at the end of the year, you should apply for Extra Help through the Social Security Administration. Otherwise, your Extra Help ends on December 31. In these cases, you should receive a letter from the Centers for Medicare and Medicaid Services (CMS) in the fall telling you that you will lose automatic Extra Help. This notification letter should contain an Extra Help application and postage-paid envelope. If you applied for Extra Help, Social Security may send you a letter in August or September with a form outlining the financial and personal information you provided when you applied and asking if any of it has changed.

The letter is called the Social Security Administration Review of Your Eligibility for Extra Help. If you and your spouse applied for Extra Help on the same application, you will receive only one letter. Not everyone who applied for Extra Help will receive a letter, but if you do you must complete the form enclosed with the letter and send it back to SSA within 30 days. Social Security will then use your answers to decide if you still qualify for Extra Help and how much Extra Help you should receive (for example, if your income has dropped you may be eligible for more assistance).

Note: Any changes to your Extra Help assistance will take effect on January 1. If you do not return the Review of Your Eligibility form, Medicare will assume that you no longer qualify for Extra Help, and your assistance will end on December 31.Once you send in the necessary forms, you will receive a notice from CMS telling you whether or not your Extra Help has stayed the same, increased, decreased, or ended.

6) Does my state offer other programs to help me with my prescription drug costs?
Twenty-one states and one territory have a State Pharmaceutical Assistance Program (SPAP) to help pay for prescription drugs. To find out if your state is one of them, go to the CMS directory at https://www.medicare.gov/pharmaceutical-assistance-program/state-programs.aspx. Each program works differently. Many coordinate their drug assistance programs with Medicare's drug benefit (Part D). If you do not have Part D but qualify for the SPAP in your state or territory, you may have the chance to sign up for Part D—and you may be required to enroll in a Part D plan.

Your SPAP may help pay for Part D related:

- Premiums
- Deductibles
- Copayments
- Coverage gap assistance (many SPAPs give you coverage during the Part D coverage gap, or donut hole)

If you are thinking about joining an SPAP, contact your State Health Insurance Assistance Program (SHIP). Here are some questions to ask:

- Is there a SPAP in my state?
- What are the SPAP's income/asset limits?
- How do I enroll? (e.g., documents needed, in-person appointment vs. online application)
- Do I have to have a certain medical condition that might enable me to get help?
- Can I get help if I am under 65?
- Can I get help if I do not have Medicare?
- Can I get help if I have Medicare and Medicaid?
- Can I be enrolled in a Medicare private health plan (Medicare Advantage) with drug coverage or do I have to be in a stand-alone Part D plan (PDP)?
- Will the SPAP automatically enroll me in a Part D plan or do I have to enroll myself? If the SPAP will automatically enroll me, what is the process like?
- Can I qualify if I have drug coverage other than Part D, such as an employer plan?
- Will the SPAP help me when I am in the Part D coverage gap?

7) What are Hill-Burton facilities?

Hill-Burton facilities were established by federal law and are obligated to provide a certain amount of free or reduced-cost health care each year. Obligated facilities may be hospitals, nursing homes, clinics, and other types of health care facilities. Each facility chooses which services it will provide at no or low cost. Services that are fully covered by other types of insurance (like Medicare or Medicaid) are not eligible for Hill-Burton coverage. Further, the Hill-Burton program will not cover Medicare deductibles and coinsurance amounts. It will, however, cover Medicaid copayments (except in a long-term care facility), as well as Medicaid spend-down amounts. Care at Hill-Burton obligated facilities is not automatically free or reduced-cost. In order to apply for Hill-Burton assistance you must have already received services or know that you will require a specific service in the near future. You must apply at the admissions or business office at an obligated facility and be found eligible to receive free or reduced-cost care. You may apply before or after you receive care and may even apply after a bill has been sent to a collection agency.

Hill-Burton eligibility is based on your family size and income (assets, food stamps, gifts, loans and one-time insurance payments are not counted as income). Contact your State Health Insurance Assistance Program (SHIP) to find out whether there are Hill-Burton facilities in your state. Information is also available online: http://www.hrsa.gov/gethealthcare/affordable/hillburton/.

Note: United States citizenship is not required for Hill-Burton eligibility. However, in order to have a Hill-Burton eligibility determination made, you must have lived in the U.S. for at least three months.

8) Are there hospitals or health facilities that offer care at a reduced cost?
Yes, there are government-funded health centers that provide medical care regardless of your ability to pay. These health centers are generally run by the Health Resources and Services Administration (HRSA). You may hear them referred to as HRSA Health Centers, Federally Qualified Health Centers (FQHCs), FQHC Look-Alikes, Migrant Health Centers, Health Care for the Homeless Program Centers, Public Housing Primary Care Centers, and Tribal Organization-run Outpatient Health Programs. A unique advantage of government-funded health centers is that they may waive the Medicare Part B deductible. Additionally, these clinics, unlike other providers are given protection against anti-kickback rules because of their status and may routinely waive or reduce the 20 percent coinsurance for Medicare-covered benefits if you have an annual income at or below the federal poverty level. Find one at www.hrsa.gov.

SHIP Case Study
Jasmine is 61 and has Medicare owing to a disability. She was recently diagnosed with hypertension, and her doctor gave her a prescription to help regulate her blood pressure. Even with her Medicare Part D coverage, Jasmine can barely afford the copayments for her other prescriptions. She doesn't know how she will be able afford another copayment for this new medicine. What should Jasmine do?

- Jasmine should contact her local State Health Insurance Assistance Program (SHIP).
  - If Jasmine doesn't know how to find her SHIP, she can visit www.shiptacenter.org or call 877-839-2675 to locate her SHIP.
- The SHIP counselor will explain the types of federal and state programs that may help Jasmine save on her health care costs.
- If Jasmine is eligible, the counselor will educate her about the application process.

SMP Case Study

Marciano is 66 and received a call from a representative of "My Best Medicare Plan." The plan representative requested his bank statements so that she could help Marciano qualify for a new assistance program that would help him afford his health care. Marciano had never heard of a program that needed people's bank statements to determine whether or not they qualified. The representative explained that without bank statements, her plan was not going to be able to help Marciano. Marciano refused to supply his bank statements, but the call still worried him.

What should Marciano do?

- Marciano should contact his local Senior Medicare Patrol (SMP) to report the problem.
  - If Marciano doesn't know how to find his state SMP, he should call 877-808-2468 or visit www.smpresource.org.
- The SMP counselor will reinforce Marciano's decision to avoid interacting with the caller.
- The SMP will educate Marciano about the CMS guidelines for legitimate contacts with plan, explaining that the call Marciano received was not a legitimate contact.
- The SMP will refer the suspicious call from the "My Best Medicare Plan" representatives to the proper authorities for further investigation.

Local SHIP Contact Information	Local SMP Contact Information
SHIP toll-free: **SHIP email:** **SHIP website:** **To find a SHIP in another state:** Call 877-839-2675 or visit www.shiptacenter.org.	**SMP toll-free:** **SMP email:** **SMP website:** **To find an SMP in another state:** Call 877-808-2468 or visit www.smpresource.org.

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