

Make an Informed Decision: Connecticut's 2018 Medicare Savings Program (MSP) Income-eligibility Changes

What is the Medicare Savings Program?

In Connecticut, the State Department of Social Services (DSS) administers the [Medicare Savings Program \(MSP\)](#). CT has three levels of MSP coverage, Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), and Additional Low-Income Beneficiary (ALMB). The State pays the Medicare Part B premium for all three MSP levels. MSP recipients are automatically enrolled into a federal program called [Extra Help/Low Income Subsidy \(LIS\)](#), which helps pay Medicare Part D (prescription drug coverage) costs.

Why did the Medicare Savings Program income limits decreased?

The Medicare Savings Program (MSP) income-eligibility levels changed due to State budget legislation (Public Act 17-2, Section 50). [DSS has extended the timeline for at least a couple of months beyond the initial January 1, 2018 implementation date.](#) The changes are expected to take effect in early 2018. DSS will continue to use income, not assets, to determine eligibility for MSP. DSS will send two notices to MSP recipients who are affected by this change, **(See information on page 3).**

What is the difference between the levels of the Medicare Savings Program?

MSP Level	Beneficiaries may receive help for:
Qualified Medicare Beneficiary (QMB)	<ul style="list-style-type: none"> ➤ Medicare Part A premium ➤ Medicare Part B premium ➤ Medicare deductibles, co-insurance, and co-payments ➤ Extra Help/Low Income Subsidy ➤ Medicare providers are not allowed to bill the beneficiary for any Medicare A or B covered services ➤ Recipients may suspend their current Medigap policy for up to 24 months ➤ Recipients may enroll into a Medicare Advantage Special Needs Plan
Specified Low-Income Medicare Beneficiary	<ul style="list-style-type: none"> ➤ Medicare Part B premium

(SLMB)	➤ Extra Help/Low Income Subsidy
Additional Low-Income Medicare Beneficiary (ALMB)	➤ Medicare Part B premium ➤ Extra Help/Low Income Subsidy ➤ This level is subject to available funding ➤ Recipients may not receive Medicaid and ALMB

What is the Extra Help/Low Income Subsidy program?

The Social Security Administration (SSA) administers the Extra Help/Low Income Subsidy (LIS) program. The Extra Help program helps pay some of the costs related to Medicare Part D (premiums, deductibles, and co-insurance). Extra Help lowers the costs of drugs on the plan's formulary. Extra Help recipients may switch their plan at any time throughout the year. The new plan would start the following month after the switch.

Medicare Savings Program recipients are automatically enrolled into the Extra Help program without submitting a separate application to SSA. Medicaid recipients also automatically receive Extra Help. Beneficiaries may submit Extra Help applications to SSA without applying for Medicaid and/or the Medicare Savings Program. SSA uses federal guidelines to determine an applicant's eligibility for the program. This includes a review of the applicant's income and assets.

What can MSP recipients expect to happen to their coverage after the new income-eligibility limits are implemented?

SLMB and ALMB recipients will no longer meet the lower income-eligibility limits. The State will stop paying their Medicare Part B premium. They will continue to receive Extra Help assistance in 2018.

QMB recipients will have a few different outcomes:

- Individuals who currently receive QMB benefits **and** meet the 2018 QMB income limits will continue to receive this level of coverage. The State will continue to pay their Medicare Part B premium. They will also continue to receive cost sharing assistance which provides protection from being balanced billed for premiums, deductibles, co-payments, and co-insurance for Medicare A & B covered services. They will continue to receive Extra Help assistance;
- Individuals who exceed the 2018 QMB income limits, **but** meet the 2018 limits for SLMB will move to this level of the program. The State will continue to pay their Medicare Part B premium. They will no longer receive cost sharing assistance, so they will be

responsible for their own premiums, deductibles, co-payments, and co-insurance. They will continue to receive Extra Help assistance;

- Individuals who exceed the 2018 QMB income limits, **but** meet the 2018 limits for ALMB may or may not move to this level of the program because ALMB is subject to available funding. The State will continue to pay their Medicare Part B premium. They will no longer receive cost sharing assistance, so they will be responsible for their own premiums, deductibles, co-payments, and co-insurance. They will continue to receive Extra Help assistance;
- Individuals who have Medicaid **and** meet the 2018 QMB or SLMB income limits may continue receiving both benefits. If they have Medicaid **and** meet the 2018 ALMB income limits, they may continue to receive Medicaid benefits. They will lose their MSP coverage because individuals are unable to have ALMB and Medicaid at the same time. The State will no longer pay their Medicare Part B premium. They will continue to receive Extra Help assistance; or
- Individuals who currently have QMB, **but** now exceed all 2018 MSP income. The State will stop paying their Medicare Part B premium. They will no longer receive cost sharing assistance, so they will be responsible for their own premiums, deductibles, co-payments, and co-insurance. They will continue to receive Extra Help assistance in 2018.

How will the Department of Social Services notify individuals who are losing or changing their level of Medicare Savings Program coverage?

The Department of Social Services will send two notices to Medicare Savings Program recipients who will either lose their MSP coverage or will change their level of Medicare Savings Program coverage due to the new income-eligibility guidelines.

The first notice will be sent at the end of November 2017 to all beneficiaries who are affected by the change in MSP income-eligibility. This notice will provide beneficiaries with information about things they may want to consider due to the loss or change in their MSP coverage.

The second notice will be a personalized Eligibility Determination Document:

- For individuals who are losing MSP coverage, the discontinuance notice will explain the individual no longer meets the program eligibility.
- For individuals who are changing their level of coverage from QMB to either SLMB or ALMB. The notice will explain QMB coverage ends and either SLMB or ALMB coverage will begin.

What happens with Social Security?

DSS will send notification to the Social Security Administration (SSA) identifying all beneficiaries who are no longer eligible for the Medicare Savings Program. SSA will notify each beneficiary that the State has stopped paying their Medicare premium(s). If the beneficiary currently receives a social security check, SSA will automatically take the Medicare premium(s) out of their check. If the beneficiary does not receive a social security check then SSA will bill them directly. SSA usually bills individuals on a quarterly basis. Medicare Part B (medical insurance) is optional, so beneficiaries may contact SSA to withdraw from this coverage.

Things to consider about Medicare Part B premiums:

- If premiums are not paid, coverage will discontinue and will not begin again without the payment of past due premiums; If the beneficiary withdraws or loses Part B coverage, but wants to enroll at a later date, they may face premium penalties and have to wait for coverage to begin. Individuals must be enrolled in Medicare Part B prior to enrolling in other insurance that works with Medicare. They will be unable to enroll into a Medigap policy or a Medicare Advantage Plan. They will be unable to purchase any other private coverage, which will leave an individual with large gaps of medical coverage.

What happens to the Extra Help assistance for individuals losing MSP coverage?

Individuals who lose their Medicare Savings Program coverage will continue to receive Extra Help assistance through December 31, 2018. In the fall of 2018, the [Center for Medicare & Medicaid Services \(CMS\)](#) and SSA will send joint notices, on grey or orange paper, to beneficiaries who are no longer eligible or has a change in their level of Extra Help benefits for 2019. Each colored document has a specific purpose and should be retained for the beneficiary's records. Each notice will include an application for Extra Help assistance. Beneficiaries who continue to remain eligible for Extra Help assistance in 2019 without any changes will not receive a notice from CMS.

What happens if the beneficiary is enrolled in a Medicare Advantage Special Needs Plan?

Beneficiaries who no longer have the QMB level of MSP coverage and do not have Medicaid will no longer be able to keep their Medicare Advantage Special Needs Plan (SNP). The plan will send a notice to the beneficiary to request he/she enroll in a new plan. If the beneficiary does not switch to another plan, CMS will automatically enroll them into a benchmark prescription drug plan with Original Medicare coverage. CMS will send a notice to the beneficiary to provide information about the new plan. [CHOICES](#) counselors can assist beneficiaries with plan

comparisons and help enroll them into a new plan. Beneficiaries may also review their plan options and enroll online by going to www.Medicare.gov or by calling 1-800-Medicare.

Will the beneficiary be able to switch plans even if they do not have a Special Needs Plan?

Yes, due to receiving Extra Help assistance beneficiaries will have a special enrollment period to switch Medicare Part D plans in 2018. CHOICES counselors can assist beneficiaries with plan comparisons and help enroll them into a new plan. Beneficiaries may also review their plan options and enroll online by going to www.Medicare.gov or by calling 1-800-Medicare.

Will the beneficiary be able to enroll into a Marketplace plan or Medicaid program (HUSKY D) from Access Health CT?

Medicare Part A (hospital insurance) is considered minimum essential health coverage. Therefore, Medicare beneficiaries are unable to enroll in HUSKY D Medicaid or a Qualified Health Plan through Access Health CT.

Will the beneficiary be able to apply for Medicaid?

Medicaid is administered by the [State of CT Department of Social Services](http://www.ct.gov/socialservices). Depending upon their specific circumstances, beneficiaries may be eligible for HUSKY A, HUSKY C, Medicaid Spend-down, Medicaid waivers, or Med-Connect. Each Medicaid program has different income limits which may be higher or lower than the income limits for the Medicare Savings Program. If a beneficiary is over income, he/she can submit copies of medical expenses, they currently owe, which may allow him/her to qualify for benefits through the Medicaid Spend-down process. Some Medicaid programs also have asset limits. Applications are available at www.connect.ct.gov. Beneficiaries may print and mail completed applications or apply directly online.

Will the beneficiary be able to buy a Medicare Supplement (Medigap) policy?

Medicare Supplement (Medigap) plans are sold by private insurance companies. Medigap plans are designed to supplement Original Medicare benefits (Parts A & B) by covering certain expenses like deductibles, co-pays, and coinsurance. Beneficiaries must have both Medicare A & B prior to applying for a Medigap policy. Medigap premiums are paid directly to the insurance company and are in addition to the Medicare Part B premiums and premiums for Medicare Part D prescription drug plans.

In CT, Medigap premium rates are approved by the [CT State Department of Insurance](http://www.ct.gov/insurance) and can change during the year. Medigap plans are available on a guaranteed issue basis throughout

the year. Some plans have pre-existing condition limitations that may apply to applicants who are not in the Medicare Open Enrollment Period, which is the 6 months beginning on the first day of the month in which an individual is age 65 or older and enrolled in Medicare Part A and B. Pre-existing conditions are waived during the Open Enrollment Period for Medicare Beneficiaries who have former creditable coverage without more than a 63 day gap in coverage. However, outside the Open Enrollment Period, pre-existing waiting periods will apply. Beneficiaries who enroll in a Medicare Advantage plan (Medicare Part C) are unable to purchase a Medigap policy. Individuals who are below the age of 65 and collecting Medicare due to disability are limited to Medigap plans A, B and C. Individuals must be eligible and enrolled in AARP to select Medigap policies sold by United Healthcare Insurance/AARP.

The State Unit on Aging has made every effort to provide accurate information relative to the content contained in this document which has been prompted by the state legislation reducing the income-eligibility limits for the Medicare Savings Program. To that extent, the information, which has been gathered from various sources, is as accurate as possible on the date published. For more information, contact CHOICES at the regional Area Agency on Agency at 1-800-994-9422.