



# Medicare Savings Programs – Reference Guide

## 1. What does the Medicare Savings Program (MSP) pay for?

Program	Coverage
QMB	Part A premiums, Part B premiums, coinsurance, deductibles, and Part B co-payments
SLMB	Part B premiums
QI-1	Part B premiums
QDWI	Part A premiums
State buy-in	Part B premiums, coinsurance, and deductibles (if not eligible for QMB, SLMB, QI-1, or QDWI)

## 2. What is the State Buy-In program and who is eligible?

State Buy-in is a state-funded program that pays for Part B premiums, coinsurance and deductibles for Apple Health (Medicaid clients who are not eligible for a federally funded MSP (QMB, SLMB, QI-1, and QDWI). A dual eligible client active on CN or MN coverage is automatically approved for the State to pay their Part B premiums until the Apple Health coverage ends. There is no coverage group for this in ACES as it happens behind the scenes. It takes approx. 60 days for the State to start paying the premiums and for SSA to reimburse clients for monies withheld from their SSA checks. When clients call about reductions in a recent SSA check or loss of Medicare B coverage, check to see if there has been a recent loss of CN/MN eligibility, especially Spenddown cases.

## 3. What about Medicare Part D premiums – who pays these?

The federal government (CMS) pays Part D premiums for low-income individuals. Part D pays for prescription drug coverage for clients who are entitled to receive Medicare. Apple Health does not cover the costs of prescription drugs for Medicare clients regardless of whether they have chosen to elect Part D coverage.

## 4. How does a client apply for help paying Part D premiums?

- The client may apply at the Social Security Administration for the LIS (low-income subsidy).
- All Apple Health eligible clients are automatically enrolled into a Part D plan via a monthly interface with the federal government (CMS).

## 5. What about Part D co-payments?

Clients who are eligible for the low-income subsidy pay a reduced amount for their drug co-payments. Co-payments are waived for those on an institutional program.

## 6. What is the donut hole or coverage gap?

The donut hole is a period during which a client bears the full cost of their prescription drugs. Apple Health clients and clients who receive coverage under an MSP do NOT have a donut hole.

## 7. Is there a penalty if a client does not accept Medicare when they are first eligible?

There is a penalty for individuals not receiving Apple Health coverage. However, clients who are eligible for Apple Health/MSP are not subject to the penalty or restricted to set enrollment periods. Apple Health enrollees should sign up for Medicare at the first opportunity.

**For Medicare Buy-in questions or issues relating to payment for Medicare premiums, contact:  
Medicare Buy-In unit at 1-800-562-3022 Ext: 16129**

### General Information

Medicare Savings Programs pay for cost sharing expenses for Medicare beneficiaries and include the following programs:

- QMB (SO3)
- SLMB (SO5)
- QI-1 (SO6)
- QDWI (SO4)
- State buy-in (not in ACES)

### Cost sharing expenses include:

- Medicare Part A and Part B premiums
- Co-insurance charges
- Deductibles
- Some co-payments under Part B

**Eff: 04/2025 The income limits (including \$20 income disregard) are:**

Program	1 person	2 people
QMB	\$1,454	\$1,959
SLMB	\$1,585	\$2,136
QI-1	\$1,820	\$2,453
QDWI	\$2,628	\$3,546

### What are the different parts to Medicare?

Part A – inpatient hospital insurance

Part B – outpatient physicians insurance

Part C (optional) – Medicare services delivered via a managed care plan

Part D – Prescription drug coverage