

Medicare Cost Assistance Programs

Key Takeaways

- **Medicare Savings Programs:** Assist with Medicare premiums, deductibles, and copayments for individuals with limited income.
- **Extra Help:** Reduces prescription drug costs for Medicare Part D beneficiaries with limited income and resources.
- **State Pharmaceutical Assistance Programs (SPAPs):** Offer state-specific assistance for prescription drug costs.
- **Medicaid:** Provides additional coverage for services not covered by Medicare and helps with Medicare costs.

Let's discuss some programs that aim to reduce Medicare costs and improve access to necessary medical services.

Medicare Savings Programs (MSP)

Medicare Savings Programs (MSPs) assist with Medicare costs for individuals with limited income by paying the Part B premium. MSPs also allow individuals to enroll in Medicare Part B outside of usual enrollment periods, eliminate any Part B late enrollment penalty, and provide for automatic enrollment into the Extra Help program. There are three most common types of MSPs:

- **Qualified Medicare Beneficiary (QMB):** Pays for Medicare Part A and Part B premiums and cost sharing. Federal law prohibits Medicare providers from billing individuals who are enrolled in the QMB program.
- **Specified Low-Income Medicare Beneficiary (SLMB):** Pays for Medicare Part B premiums.
- **Qualifying Individual (QI):** Pays for Medicare Part B premiums.

Extra Help

Extra Help is a federal program that helps pay for some to most of the out-of-pocket costs of Medicare prescription drug coverage. It is also known as the Part D Low-Income Subsidy (LIS) and offers the following benefits:

- Pays for the Part D premium up to a state-specific benchmark.
- Lowers the cost of prescription drugs.

- Gives eligible individuals a Special Enrollment Period (SEP) once per month to enroll in a stand-alone Part D plan.
- Eliminates any Part D late enrollment penalty if an individual delayed Part D enrollment.

State Pharmaceutical Assistance Program (SPAPs)

Many states offer State Pharmaceutical Assistance Programs (SPAPs) to help residents pay for prescription drugs. States may coordinate their drug assistance programs with Medicare's prescription drug benefit (Part D). SPAPs may help pay for Part D:

- Premiums
- Deductibles
- Copayments

Certain states have qualified SPAPs. Qualified SPAPs provide a Special Enrollment Period (SEP) to allow individuals to enroll in or make changes to their Part D or Medicare Advantage coverage.

Medicaid

Medicaid can work with Medicare to cover certain costs after Medicare pays, for individuals who are dually eligible. Some ways Medicaid works with Medicare includes:

- **Secondary Insurance:** Medicaid may cover Medicare cost-sharing, including coinsurance and copays.
- **Premium Assistance:** If an individual is eligible for both Medicare and Medicaid, they will be automatically enrolled in a Medicare Savings Program (MSP).
- **Prescription Drug Assistance:** Dually eligible individuals are automatically enrolled in the Extra Help program to assist with their prescription drug costs.
- **Care Coordination:** Some states require certain Medicaid beneficiaries to enroll in Medicaid private health plans, also known as Medicaid Managed Care (MMC) plans. These plans may offer optional enrollment into a Medicare Advantage Plan designed to better coordinate Medicare and Medicaid benefits.

Conclusion:

Medicare Savings Programs (MSPs), Extra Help, State Pharmaceutical Assistance Programs (SPAPs), and Medicaid offer important financial support to reduce Medicare-

related costs for those with limited income. These programs assist with premiums, deductibles, and copayments. Understanding and utilizing these resources can improve healthcare access and financial stability for those who qualify.