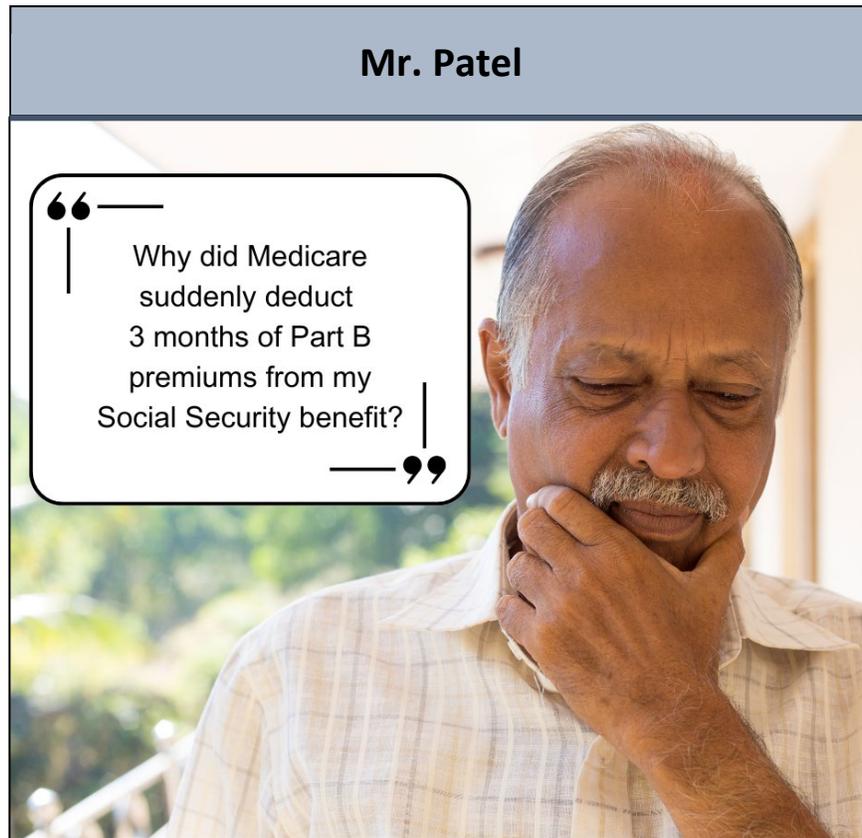


Scenario Worksheet

Losing Enrollment in a Medicare Savings Program (MSP) & State Buy-in



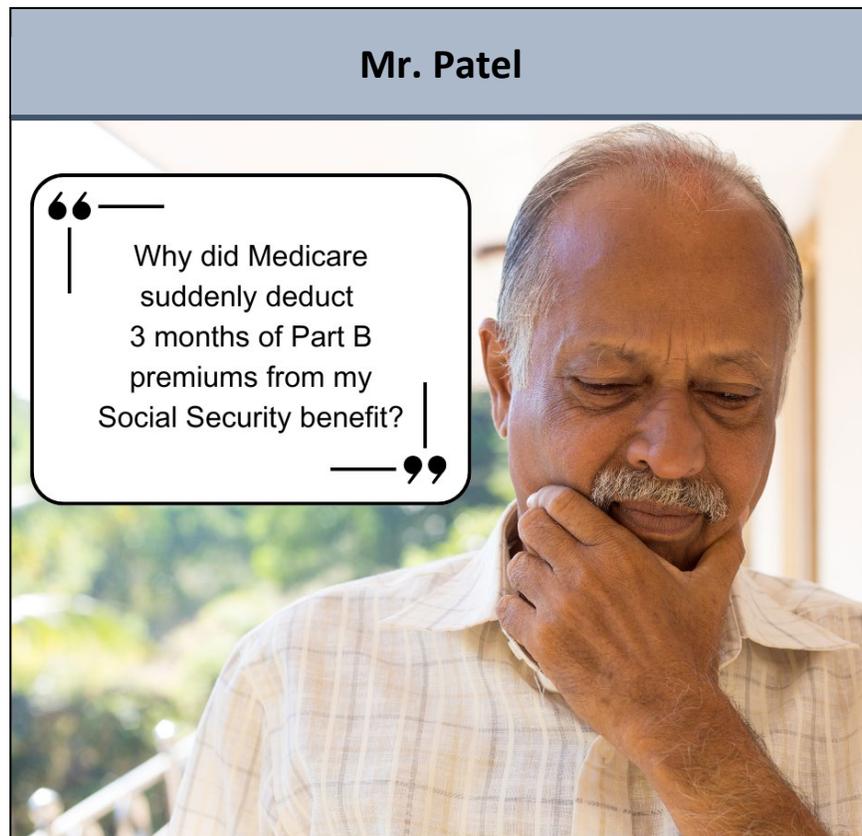
Scenario

Mr. Patel is 72 and moved to Florida about 5 years ago, when he retired. He has premium-free Medicare Part A (Hospital Insurance) and has been enrolled in the Qualified Medicare Beneficiary (QMB) program for several years. During this time, Florida has been paying his Medicare Part B (Medical Insurance) premiums and his Medicare cost sharing. (State payment of Medicare premiums on behalf of individuals is sometimes called “state buy-in”.) Mr. Patel just received a reduction of over \$500 in his Social Security benefits to account for 3 months of Medicare Part B premiums (the current month plus the past 2 months). Mr. Patel thinks he’s still enrolled in QMB and doesn’t understand why he’s suddenly being charged for Part B premiums. He’s concerned that he won’t be able to pay his monthly rent because of the large decrease in his Social Security benefit.

3. How can you help restart state buy-in for Mr. Patel?

Scenario Answer Key

Losing Enrollment in a Medicare Savings Program (MSP) & State Buy-in



Scenario

Mr. Patel is 72 and moved to Florida about 5 years ago, when he retired. He has premium-free Medicare Part A (Hospital Insurance) and has been enrolled in the Qualified Medicare Beneficiary (QMB) program for several years. During this time, Florida has been paying his Medicare Part B (Medical Insurance) premiums and his Medicare cost sharing. (State payment of Medicare premiums on behalf of individuals is sometimes called “state buy-in”.) Mr. Patel just received a reduction of over \$500 in his Social Security benefits to account for 3 months of Medicare Part B premiums (the current month plus the past 2 months). Mr. Patel thinks he’s still enrolled in QMB and doesn’t understand why he’s suddenly being charged for Part B premiums. He’s concerned that he won’t be able to pay his monthly rent because of the large decrease in his Social Security benefit.

Q&A

1. Why are Mr. Patel's Medicare premiums now being deducted from his monthly Social Security benefit?

There are a couple of reasons why Social Security may now be deducting Medicare Part B premiums from Mr. Patel's Social Security benefit. The most likely reasons are either:

- Mr. Patel no longer qualifies for the QMB program (or any other Medicare Savings Program).

or

- He didn't complete and return his QMB renewal form.

As a result, Florida terminated him from the QMB program.

This means the state will stop paying for Mr. Patel's Part B premiums and cost sharing. He will now have to pay his Part B premium and cost sharing out of pocket. Social Security may deduct for 3 months of premiums at once from his benefits because there's generally a 2-month delay before the change shows in the monthly benefit amount. After this first lump-sum payment, Social Security will only deduct his premium amount each month.

Social Security will automatically take out the Part B premium amount from his Social Security benefit. So, in 2024, the deductions for the past 2 months and the current month are calculated by multiplying the standard monthly Part B premium, \$174.70, by the number of months, which is 3. The total deduction is \$524.10. Social Security defaults to continued enrollment.

2. What are Mr. Patel's options to help him pay his past-due premiums?

Mr. Patel has 2 options to help him afford his past-due premiums immediately:

- **Option 1: He can request an installment plan.** The installment plan will minimize his immediate financial impact because it reimburses most of the past-due premium amount as soon as the request is processed. To qualify for an installment plan, Mr. Patel needs to tell Social Security that he can't afford lump-sum premium payments. Installments can be as low as \$15 per month. Social Security can refund the 2 months of past-due premiums originally deducted from his benefit payment but will keep the amount of his current monthly premium and his first installment payment on the past-due amount. So, Mr. Patel's refund is calculated by subtracting the installment amount (\$15) from his total Part B premium for the past 2 months (\$349.40). Since $\$349.40 - \$15 = \$334.40$, Mr. Patel will be refunded \$334.40. He can call his local Social Security office to set up installment payments.

- **Option 2: He can request a waiver.** To qualify for a waiver, Mr. Patel must demonstrate an extreme hardship. He must complete a “Request for Waiver of Overpayment Recovery” ([SSA Form 632](#)) and provide required documentation. A waiver will give him a refund for 2 months of premiums. Mr. Patel isn’t required to repay the waived amount. If he qualifies for Supplemental Security Income (SSI), he’ll qualify for a hardship waiver. If he has questions, he can call his local Social Security office.

NOTE: For both the installment plan and waiver options, Mr. Patel will need to address the underlying Medicaid eligibility issue to resolve his prior months of premium payments and future months of Part B premiums.

3. How can you help restart state buy-in for Mr. Patel?

To help Mr. Patel regain state buy-in, he should first check with his State Medical Assistance (Medicaid) office to find out the status of his case. They should be able to explain why he lost his QMB eligibility or resolve the issue.

If Mr. Patel lost his state buy-in because he didn’t return his QMB renewal form, you can help him complete and return his renewal form to get reinstated. If you’re unable to get him reinstated, he may need to file a new Medicaid application. Some states have a Medicare Savings Program-only application. Check with the state to complete that application, if appropriate.

If Mr. Patel is unable to regain his Medicaid eligibility through either reinstatement or re-application, he can appeal his underlying Medicaid eligibility decision.

Resources

“Dually Eligible Beneficiaries – Categories” (PDF)

[CMS.gov/medicare-medicaid-coordination/medicare-and-medicaid-coordination/medicare-medicaid-coordination-office/downloads/medicaremedicaidenrolleecategories.pdf](https://www.cms.gov/medicare-medicaid-coordination/medicare-and-medicaid-coordination/medicare-medicaid-coordination-office/downloads/medicaremedicaidenrolleecategories.pdf)

“Implications and Options for Beneficiaries When State Payment of Medicare Premiums (State Buy-in) Ends,” HI 00815.042 in the Social Security Program Operations Manual System (Web page)

secure.SSA.gov/poms.nsf/lrx/0600815042

“Installment Payments for Retroactive Premiums,” HI 00830.060 in the Social Security Program Operations Manual System (Web page)

secure.SSA.gov/poms.nsf/lrx/0600830060

“Program Overview and Policy” Chapter 1 in the Manual for State Payment of Medicare Premiums (PDF)

[CMS.gov/files/document/chapter-1-program-overview-and-policy.pdf](https://www.cms.gov/files/document/chapter-1-program-overview-and-policy.pdf)

Losing Enrollment in a Medicare Savings Program (MSP) & State Buy-in

“Request for Waiver of Overpayment Recovery (Form SSA-632-BK)” (PDF)

Available for download

[SSA.gov/forms/ssa-632](https://ssa.gov/forms/ssa-632)

Social Security Office Locator (Web page)

[SSA.gov/locator](https://ssa.gov/locator)

“The End of State Payment of Medicare Premiums Under a Buy-in Agreement,”
HI 00815.021 in the Social Security Program Operations Manual System (Web page)

[secure.SSA.gov/poms.nsf/lnx/0600815021](https://secure.ssa.gov/poms.nsf/lnx/0600815021)

“When Waiver May Be Applied and How to Process the Request,” 20 CFR 404.506 in
the Code of Federal Regulations (Web page)

eCFR.gov/current/title-20/chapter-III/part-404/subpart-F/section-404.506