

# Medicare Savings Programs

## What are the Medicare Savings programs (MSP's)?

There are three distinct programs: Qualified Medicare Beneficiary (QMB), Specified Low Income Medicare Beneficiary (SLMB), and Qualified Individual (QI). These initiatives, known as "buy-in programs," provide payment for the Part B premium on behalf of individuals with limited financial resources who might otherwise be unable to afford Medicare coverage. In addition, QMB covers Part A premiums for those not eligible for free Part A. All three programs are components of Federal Medicaid and are administered through the State of California Medi-Cal agency.

## How does one apply?

Individuals who have full-scope Medi-Cal coverage due to age or disability, without a Share of Cost, are generally enrolled automatically if eligible. It is possible to apply for one of these Medicare Savings Programs (MSPs) independently of the Medi-Cal application process; however, applications are still reviewed by Contra Costa Medi-Cal staff. For further details regarding the application procedure, please refer to HICAP's "Medi-Cal Facts for Seniors date\_" handout.

## What are the criteria for qualifying?

Individuals must be eligible for both Medicare Part A and Part B, though enrollment in both is not required. Application for Medicare can be made through Social Security, while the Medicare Savings Program (MSP) applications may be submitted via County Medi-Cal offices.

Beginning in 2026, asset limits will apply: single applicants may possess up to \$130,000 in countable resources, while married couples are limited to \$195,000. Countable resources include financial holdings such as bank accounts, stocks, and bonds. Exclusions from this limit include the primary residence, one vehicle, IRA accounts, and personal possessions.

Listed below are the 2026 gross income limits for the three MSP programs. Gross income is calculated prior to deduction of the Part B premium from Social Security benefits; after a \$65 disregard, only half of employment income is considered countable. An additional \$20 disregard is included in the amounts.

- QI Income Limit: \$1,816 (Single); \$2,456 (Married)
- SLMB Income Limit: \$1,616 (Single); \$2,185 (Married)
- QMB Income Limit: \$1,350 (Single); \$1,824 (Married)

It is important to note that, unlike full-scope Medi-Cal, individuals cannot qualify for these programs by reducing countable income through the purchase of supplemental health insurance, such as dental or vision coverage.

## What are the other benefits besides Part B Premium?

All programs automatically provide Federal level of “Extra Help” for drug costs for the year. There is no premium for an assigned Medicare Part D Prescription Drug Plan. Covered prescription drugs cost from \$1.<sup>60</sup> to \$4.<sup>90</sup> for generic and from \$5.<sup>10</sup> to \$12.<sup>65</sup> for brand. Participants can change Prescription Drug (but not Medicare Advantage) plans any month of the year for an effective date the first of the following month.

## Qualified Medicare Beneficiary - QMB



This is the only program that pays the Medicare Part A premium. It also pays the Part B premium.

It is against the law for providers to bill QMB recipients for Medicare deductibles, coinsurance and co-pays, although not all providers may be aware of this.

This program allows immigrants and others with very low incomes who don't qualify for free Part A to have it paid by the State of California on their behalf. Someone can conditionally apply for Part A contingent upon being approved for QMB. Those with Medi-Cal should still get QMB if they don't get free Part A, because only QMB pays the Part A premium. See HICAP's handout "Help with Part A Medicare Hospital Insurance Preams., date" for more information on the application process.

## SLMB and QI

These programs pay only the Part B premium and provide the more expensive Extra Help benefit. Medical co-insurance and deductibles are not covered.

## Contra Costa County Health Insurance Counseling and Advocacy Program (HICAP)

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Navigating Medicare



This publication was supported by the Administration for Community Living (ACL), U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$79,376 with 100 percent funding by ACL/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by ACL/HHS, or the U.S. Government.