

Medicare Savings Programs

Department of Vermont Health Access
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Overview

Medicare Savings Programs utilized in Vermont:

- Qualified Medicare Beneficiaries **QMB**
- Specified Low-Income Medicare Beneficiaries **SLMB**
- Qualified Individuals **QI**

Administered by state Medicaid agencies to pay Medicare premiums. QMB will also pay for Medicare Part A and Part B deductibles, coinsurance, and copayments.

People who are eligible for a Medicare Savings Program are also “deemed” eligible for Extra Help (Low-Income Subsidy LIS) for Medicare prescription drug coverage.

Summary of MSPs in VT

Program	Income Limit (FPL)	Asset Limit	Benefits*
QMB	100%	None	Pays Medicare Part A and B premiums; deductibles; co-insurance
SLMB	120%	None	Pays Medicare Part B premium only
QI-1	135%	None	Pays Medicare Part B premium only

*Anyone found eligible for a Medicare Savings Program is also deemed eligible for **Low-Income Subsidy (LIS)**. LIS is administered by the Social Security Administration. LIS pays Part D premium, eliminates prescription drug deductible and coverage gap, offers low copayments, and provides a continuous special enrollment period for Medicare drug coverage.

People with these programs may also be eligible for full **Medicaid benefits** or **VPharm**.

MSP Expansion – Implementation

Regardless of Option

Earliest Implementation Date: **January 1, 2026**

Implementation Costs: **\$200,000 Gross - \$100,000 GF**

Implementation costs are onetime and would need to be appropriated in SFY25. These costs are to cover the programming to change the parameters of the system. The ACCESS system is the eligibility system for our MSPs.

Program funding required beginning in FY26 and annualized thereafter.

Buy-In and MSPs in VT (Status Quo)

Enrollment

	Duals (Medicaid)	22,376
MSPs	QMB 100%	2,238
	SLMB 120%	2,872
	QI 135%	2,649
	VPharm	<u>4,019</u> (9,245 total 5,226 also in MSPs)
		34,154

Total Cost FY25 (millions)

	<u>Total</u>	<u>GF</u>
Duals	\$46.9	\$19.8
QMB/SLMB/QI	\$20.2	\$5.9
VPharm (Net)	\$6.0	\$4.8

Expansion Options - Cost Estimates

SAC Expansion Options - Cost Estimates							
						Annualized	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
	Income Limit			VPharm	Net New	(millions)	(millions)
Opt.	QMB	SLMB	QI	Assumption	Enrollees	Total New \$	GF New \$
A	150%	n/a	200%	VPharm 3 50%	10,951	\$30.7	\$6.0
B	145%	n/a	190%	VPharm 3 70%	8,995	\$25.2	\$4.7
C	140%	n/a	180%	VPharm 3 90%	4,381	\$13.7	\$1.7
Alt	167.5%	n/a	225%	N/A	15,903	\$45.9	\$10.1
<i>Hse Passed</i>	<i>190%</i>	<i>210%</i>	<i>225%</i>	<i>N/A</i>	<i>15,199</i>	<i>\$43.8</i>	<i>\$15.0</i>
QI 100% FF - outyear GF risk at some point when/if national allocation reached							
VPharm transition required TBD							

Thank you!

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Questions/Discussion

History

When were Medicare Savings Programs created?

- QMB was created by Congress in 1986 and became a mandatory category of eligibility for states in 1988.
- SLMB was created by Congress in 1990.
- QI was created by Congress in 1997.
- All are programs Medicaid is required to offer, if a state participates in Medicaid (all states do).

How have Medicare Savings Programs changed over time?

- The income standards for these programs in Vermont have not changed in decades. The amount of income that reflects the Federal Poverty Level (FPL) is calculated annually.
- In 2005, Vermont eliminated the resource test for MSPs.

Overview - QMB

What is Qualified Medicare Beneficiaries (QMB)?

- QMB pays for Medicare Part B and Part A premiums (if someone isn't entitled to premium-free Part A).
- QMB also pays all Medicare Part A and Part B cost-sharing (deductibles and co-insurance).
- To be eligible, must have income at or below 100% Federal Poverty Level (FPL). There is no asset limit.
 - For a single person, 100% FPL is \$1,255/month in 2024.
- QMB will **not** pay for anything that Medicare doesn't cover.
 - This is the difference between having Medicare/QMB and being fully dual eligible (Medicare/Medicaid).
- You can have QMB and full Medicaid, if eligible.

Overview – SLMB and QI-1

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What is Specified Low-Income Medicare Beneficiaries (SLMB)?

- SLMB pays for the Medicare Part B premium only.
- You can have SLMB and full Medicaid, if eligible.
- To be eligible, must have income at or below 120% FPL and above 100% FPL. There is no asset limit.
 - For a single person, 120% FPL is \$1,506/month in 2024.

What is Qualified Individuals (QI)?

- QI pays for the Medicare Part B premium only.
- You can't have QI and full Medicaid.
- To be eligible, must have income at or below 135% FPL and above 120% FPL. There is no asset limit.
 - For a single person, 135% FPL is \$1,695/month in 2024.
- QI is funded differently by federal government than QMB/SLMB.

Overview - VPharm

What is VPharm?

- VPharm is a pharmacy assistance program that helps to pay for premiums and cost-sharing for people with Medicare drug coverage. It also covers some drugs that are excluded by Medicare but covered by VT Medicaid.
- To be eligible, must have Medicare drug coverage and income over the limit for full Medicaid but at or below 225% FPL. There is no asset test.

VPharm Tier	Income Limit	Premium	Benefits
VPharm 1	150% FPL	\$15/month	Medicaid State Plan drug coverage; Eye exam
VPharm 2	175% FPL	\$20/month	Medicaid State Plan drug coverage
VPharm 3	225% FPL	\$50/month	Medicaid State Plan drug coverage