



Medicare Savings Programs (MSPs)

The Medicare Savings Programs (MSPs) help older adults and people with disabilities pay their Medicare Part B monthly premium. Some people also qualify for help with their Medicare Part A premium, if any, as well as Part A and Part B deductibles and coinsurance. To qualify for MSP, you must have limited income and resources.

There are three categories or levels of MSP eligibility. The table below lists the income and resource limits for each category MSP, and the benefits offered under each.

2024 Eligibility Guidelines for MSPs

Category of MSP	Monthly Income Limit ¹	Resource Limit	MSP Benefits
<i>Qualified Medicare Beneficiary (QMB)</i>	< 100% FPL \$1,255 – single \$1,704 – married	\$9,430 single \$14,130 married	State pays Parts A ² and B premiums; ACCESS card covers Medicare Part A & B cost-sharing.
<i>Specified Low-Income Medicare Beneficiary (SLMB)</i>	< 120% FPL \$1,506 – single \$2,044 – married	\$9,430 single \$14,130 married	State pays Medicare Part B premium
<i>Qualified Individual (QI-1)³</i>	<135% FPL \$1,695 – single \$2,300 – married	\$9,430 single \$14,130 married	State pays Medicare Part B premium

¹ The income limits are based on the Federal Poverty Levels (FPLs) which are updated at the beginning of each year.

² Most people get Medicare Part A for free; however, some people may have a full or partial premium depending on their work history.

³ Someone cannot qualify for both MSP QI-1 and Medicaid (e.g. through MAWD or HCBS Waiver).

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The Pennsylvania Health Law Project (PHLP) is a nonprofit legal services organization.

If someone qualifies for Medicare Part B and meets the income and resource guidelines in the table, they should apply MSP. People can apply for MSP even if they are not yet enrolled in Part B.

Please note that individuals can have higher income and resources than the amounts listed in the table above and still qualify for MSP, because the Department of Human Services (DHS) may not count all their income and resources.

How is income counted for MSP?

DHS applies “income disregards” to both earned and unearned income. This means DHS will not count some of a person’s monthly income.

If income is unearned (e.g., Social Security, pensions), DHS will **not** count \$20 of the total monthly gross amount. If income is earned (e.g. from a job), DHS will **not** count the first \$65 of monthly gross earnings and then will only count half of the rest for that month. After these disregards are applied, income must be under the limits on page 1.

Application Tips

- A person who is married and living with their spouse must report the spouse’s income and resources on the application, even if the spouse is not applying for MSP.
- People with minor children (under age 21) should include them in their household on the application. When the CAO processes the application, they will count the children and any income the child gets only if it helps the applicant qualify for MSP. It can help to include a child in the household because the income limit increases with each additional person in the household.

How are resources counted for MSP?

Not all resources are counted when the CAO reviews an applicant for MSP. Resources that are **not counted** include the person’s primary residence, one motor vehicle, burial plots, and prepaid burial accounts (also called irrevocable burial reserves). Also, resources are never counted (regardless of the type of resource) for people with income below 100% FPL and minor children living in their home.

Resources that **do count** include checking and savings accounts, cash on hand, certificates of deposit, stocks, bonds, mutual funds, IRAs/401ks, life insurance, and real property that is not the applicant's primary residence.

Even if a resource is counted, DHS may not count its entire value. Generally, DHS counts the amount of the resource that is available to the person at the time of application. These rules can be complicated, so please contact PHLP if you have specific questions about how DHS counts resources when determining eligibility for MSP.

How do I apply?

People can apply for MSPs either using the paper application or online:

1. **Paper application:** Complete the application form [PA 600M](#)⁴ and submit it to the local [County Assistance Office](#) by mail or by dropping off in person; **or**
2. **Online:** Visit www.compass.state.pa.us and click "Apply Now". Please note that the online application is longer than the PA 600M paper application. The online application asks for extra information not asked for on the paper application.

DHS requires applicants to verify certain information like income, resources, address, and identification by submitting documentation with their application. The application lists acceptable types of documentation that can be submitted to prove the individual's income, resources, address, and identification.

Application Tips

- People can ask for help getting documents (such as bank records, life insurance info or paystubs) by checking a box on the application. The CAO caseworker should then help get the needed information.
- Keep a copy of the completed MSP application and all supporting documentation. Never give the CAO originals with the application.
- Call the Customer Service Center (see footnote below) a week after the application is mailed or dropped off to make sure it was received and is in process.

⁴ You can ask for an application to be mailed to you by calling DHS Customer Service Center at 1-877-395-8930 or your local County Assistance Office (CAO).

People who need help applying for MSP should contact the PA MEDI program at 1-800-783-7067.

Generally, it takes 30 to 45 days for the CAO to process MSP applications. Everyone who applies should receive a letter/notice in the mail telling them if they qualify and when the benefits start. The notice will also include information about how to file an appeal if the MSP application is denied. If it has been more than 30 days and no notice of decision has come in the mail, call the CAO or the Statewide Customer Service Center.

Getting MSP Benefits

If MSP is approved, the state starts to pay the monthly Medicare premium(s) as of the start date given on the eligibility notice. Some people can get retroactive MSP, which means MSP would be backdated to start 3 months prior to the date of application.

If someone's Medicare premium usually gets deducted from their Social Security check, this deduction should stop. This means the Social Security monthly check amount will be higher since the Part B premium will no longer be coming out. If someone has been getting billed for the Medicare premium, they should stop receiving those bills. If the premium continues to be deducted or the person continues to be billed for the premium after they are approved for MSP, there might be a problem with the MSP approval getting communicated to Social Security. If this happens, call the DHS Statewide Customer Service Center at 877-395-8930 (in Philadelphia, call 215-560-7226).

People should be paid back (reimbursed) for any Medicare Part A or Part B premiums they pay after their MSP start date. Reimbursements are often paid in a lump sum and are paid the same way the person receives their monthly Social Security benefits (i.e. usually by direct deposit).

People who have problems with the MSP benefit taking effect or who do not get a reimbursement they are due can contact PHLP's Helpline at 1-800-274-3258 to request free legal help.

This publication is intended to provide general legal information, not legal advice. Each person's situation is different. If you have questions about how the law applies to your situation, please consult a lawyer or call PHLP's Helpline at 1-800-274-3258.