

Simultaneous LIS and MSP submission

The Medicare Improvements for Patients and Providers Act (MIPPA) of 2008 included several provisions to help low-income Medicare beneficiaries access benefits that help make Medicare affordable, specifically the Part D Low Income Subsidy (LIS, or Extra Help), and the Medicare Savings Programs (MSPs). MIPPA legislation included:

- Funding to support benefits counselors to conduct outreach and help low-income Medicare beneficiaries enroll in LIS and MSP.
- A requirement for the Social Security Administration (SSA), which administers Extra Help, to send LIS application data to the state Medicaid office for initiating an MSP application, unless the individual checks a box on the LIS application to opt out of this information sharing.

About the SSA data transfer

In the majority of states, information transferred from SSA is used as “[leads data](#)” for an MSP application. However, the data is often insufficient to complete an MSP application.

Each state Medicaid program has the flexibility to set its own MSP eligibility rules. Some states choose to be more generous than the federal eligibility thresholds and have raised income limits and eliminated asset tests. At the same time, some assets and income excluded for consideration for Extra Help are counted for MSP. As a result, many applicants need to provide additional information to the state about household members, assets, and income to complete the MSP application.

This is in accordance with the guidance provided by the Centers for Medicare & Medicaid Services (CMS):

For the MSP determination, the State’s usual rules apply to all parts of the application process including who may represent the applicant, the interview (if any), screening and clearances, technical requirements, unit size, notices and appeal rights, appeals and fair hearings, and redeterminations. The State’s rules also apply to financial criteria and may include any rules adopted under Section 1902(r)(2).¹

On the other hand, individuals who qualify for MSP without submitting an LIS application will be “deemed” eligible for LIS and be enrolled into LIS automatically.

Two options for benefits counselors

Benefits counselors who screen low-income Medicare beneficiaries for LIS and MSP thus have two options for helping applicants with these programs:

¹ CMS, [Guidance to States on the Low Income Subsidy](#), February 2009.

- Simultaneously completing applications for both programs and submitting them at the same time, or
- Submitting an application for either program, and allowing one to trigger the other, either through leads data (LIS to MSP) or deeming (MSP to LIS).

Some counselors choose these options for a variety of reasons. For example, in a state with no MSP asset test, a counselor may prefer to help the client apply for MSP and then get LIS automatically. Or in states with lengthy MSP applications, a counselor may decide it is more efficient to complete only the LIS application.

However, whenever possible and appropriate, counselors should submit applications for LIS and MSP simultaneously to help their clients access these benefits sooner.

Why submit an MSP application at the same time as an LIS application?

Simultaneous submission is especially important for clients who may qualify for the Qualified Medicare Beneficiary (QMB) program, which pays not only Part B premiums but also many other costs associated with Part B (and Part A, when the client is not eligible to receive it premium-free). Unlike clients who qualify for the Specified Low Income Medicare Beneficiary (SLMB) or Qualifying Individual (QI) Medicare Savings Programs—who may receive those benefits retroactive for three months from the date of their LIS application—**QMB-eligible clients only receive benefits beginning in the month after their MSP application is submitted/approved.**

Some states protect the date of the completed MSP application and use this to determine the starting date for receipt of benefits. For example, if Mr. Jackson submits his complete application on May 11, he will receive benefits on June 1, even if the state takes longer to determine eligibility.

In many states, however, the date that QMB starts is based on when the eligibility determination is made, not the application filing date. So in the same instance, Mr. Jackson applies for QMB on May 11, but his determination is made on June 9, so his benefits would begin on July 1.

A briefing paper from the Medicare Rights Center explains this further:

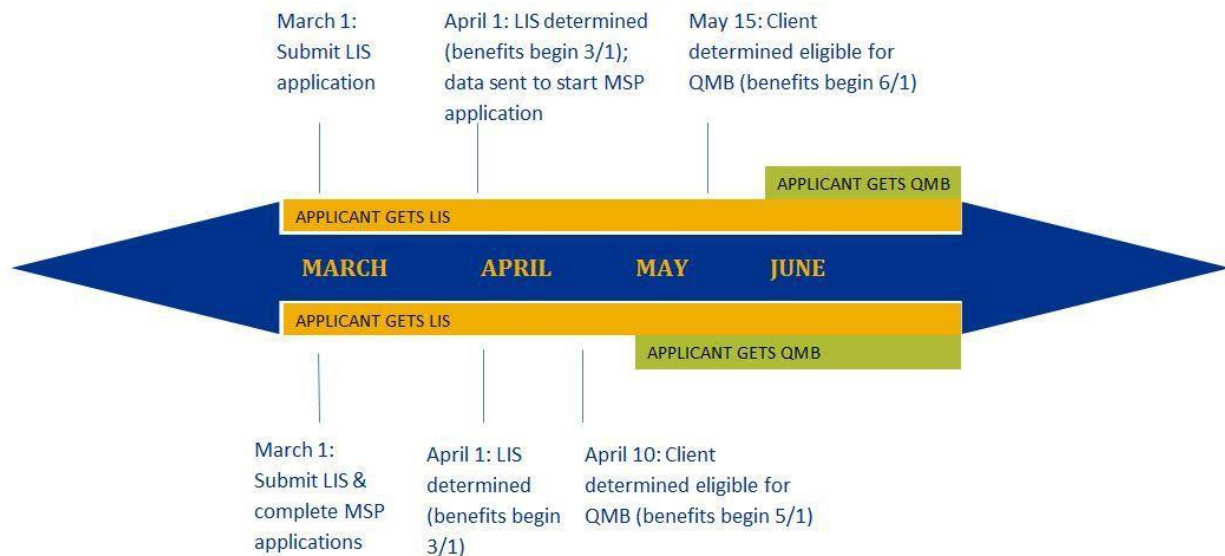
The protected filing date of application for those found eligible for SLMB [Specified Low Income Medicare Beneficiary] and QI [Qualified Individual] through the automatic data exchange process will be the date of their application for LIS. However, QMB benefits can only begin the first of the month after an eligibility determination for

QMB itself. This means that LIS and QMB cannot start on the same date if someone uses LIS to apply for QMB.²

Illustrating the case: Waiting for the SSA data transfer

This is best illustrated in the diagram below, which compares the receipt of benefits based on these two scenarios. For this illustration we will use the state law of Texas³, which uses the month after the QMB application is determined as the effective start date of benefits.

At the top of the diagram, the counselor helps Mr. Jackson submit an application for LIS on March 1. The determination is made April 1, and Mr. Jackson receives LIS benefits retroactive to the month of application submission, in this case, March 1. At the same time, SSA sends data to the state Medicaid office to begin an MSP application. Mr. Jackson is determined eligible for QMB on May 15, with benefits beginning the following month, or June 1.



In the second (bottom) scenario, the counselor works with Mr. Jackson to submit both an LIS and MSP application on March 1. Again, the LIS determination is made April 1, with benefits beginning March 1, and the QMB determination is made by April 10, with benefits starting May 1. **In this scenario, Mr. Jackson receives an extra month of the Part B premium paid for by the program, saving an extra \$185 (MSP Part B premium value in 2025) in May, as well as any other cost-sharing provided by QMB that he otherwise would have paid during that month.**

² Medicare Rights Center, A Bridge to Health, January 2013: <http://www.medicarerights.org/pdf/A-Bridge-to-Health.pdf>.

³ See, for example, section [Q-2700: QMB Medical Effective Date](#) in the TX Medicaid handbook.

Note that this illustration represents the best case scenario regarding processing of the QMB application. In many states, when the SSA leads data triggers an MSP application, if that application is not complete within a set period of time (sometimes as little as 10 days), the state will close the application. In a survey conducted by the Government Accountability Office, several states indicated that many applications are denied because the beneficiary fails to supply the necessary supplemental information/documentation. In Arizona, this was the case for 63% of MSP applications triggered from SSA leads data.⁴ Thus, an applicant would need to start over, delaying the receipt of benefits even later.

Why submit an LIS application if a client is likely eligible deemed based on MSP?

Medicare beneficiaries that receive any form of Medicaid or Medicare Savings Program are deemed, or automatically eligible, for LIS. Technically, deemed individuals are not required to apply for LIS. The state Medicaid office sends a list of beneficiaries receiving Medicaid and MSP to SSA each month. However, states often require the maximum 45-day allotted timing to process MSP applications. In some states the wait time is longer.

SSA typically provides a response to LIS applications submitted online within two weeks of application. Even though a beneficiary awarded Medicaid or MSP will receive retroactive LIS, helping them apply for LIS when completing the MSP application can reduce their out-of-pocket costs for prescription medications sooner, as illustrated below.

Illustrating the case: Waiting for LIS deeming

In the first (top) scenario, the counselor works with the beneficiary, Ms. Williams, to submit an MSP application and a separate LIS application online on March 5. Two weeks later, SSA mails Ms. Williams an LIS award letter on March 20 stating that LIS benefits began March 1.



⁴ See GAO, [Medicare Savings Programs: Implementation of Requirements Aimed at Increasing Enrollment](#), p. 22. In other cases, inaccuracies in the SSA data (e.g., misspelled city names) also resulted in a delay of processing applications.

At this point, Ms. Williams contacts her Part D drug plan to report her [Best Available Evidence](#) (SSA award letter) and immediately receives reductions in prescription premiums and copayments and has the option of changing plans if needed. If she is not enrolled in a Part D plan, then she can enroll in the Low-Income Newly Eligible Transition Program (LINET) at her local pharmacy with the SSA award letter.

In the second (bottom) scenario, the MSP application determination takes nearly three months. A determination should be made within 45 days (six weeks), or by April 16, based on the March 5 submission date. However, the state is behind in processing MSP applications and the application isn't processed until June 8. The state will send Ms. Williams' MSP status to SSA and CMS in July, as the June file was sent already (most states send the files once a month).

Once the SSA and CMS systems update with the MSP status Ms. Williams **will be deemed (automatically) eligible for LIS. However, she will have unnecessarily paid additional premiums and copayments for five months, from March-July.** Beneficiaries will be reimbursed overpayments for premiums and copayments but need to submit receipts for copayments to their plan.

References

Centers for Medicare & Medicaid Services, [Guidance to States on the Low Income Subsidy](#), February 2009.

Government Accountability Office (GAO), [Medicare Savings Programs: Implementation of Requirements Aimed at Increasing Enrollments](#), September 2012.

Medicare Rights Center, [A Bridge to Health](#), January 2013.

NCOA, [Social Security LIS Leads Data: Findings from a Survey of State MIPPA Leads](#), January 2017.