

# The Department of Health Care Services

## May No Longer Pay Your Medicare Part B Premium

### **California state law has changed.**

The California Department of Health Care Services (DHCS) may no longer pay your Medicare Part B premium because of a change in California law. On October 27, 2008, DHCS sent you a short letter telling you about this change. This letter will tell you more about this change.

If you are not eligible for a Medicare Savings Program (see below), beginning on December 3, 2008, your Social Security check may be lower. This is because DHCS will not pay your Part B premium in months when:

- Your Medi-Cal share-of cost (SOC) is over \$500
- AND
- Your medical expenses are lower than your SOC. Your SOC is the amount that you must pay or promise to pay for medical expenses before Medi-Cal will pay.

If this change affects you, your Part B premium for November 2008 will be taken out of the Social Security check you get in December 2008. The Social Security Administration (SSA) will reduce your check by the Part B premium amount. The current monthly Medicare Part B premium is \$96.40. Your Medicare Part B premium amount will not change in 2009.

For any month in which you do pay, or promise to pay, medical expenses equal to or more than your SOC and your SOC is above \$500, DHCS will pay your Part B premium.

### **Medicare Savings Programs:**

DHCS **WILL** pay your Medicare Part B premiums if you are eligible for one of the Medicare Savings Programs (MSP) even if you have a SOC over \$500. These programs are:

- Qualified Medicare Beneficiary (QMB)
- Specified Low-Income Medicare Beneficiary (SLMB); or
- Qualified Individual (QI-1).

Because the payment of Medicare Part B premiums is an MSP benefit, DHCS will pay these premiums if you are eligible for one of these programs. You may already be signed up for an MSP program. Please contact your county Medi-Cal Eligibility Worker to ask if you are already in one of the MSPs or to find out how you can apply. There are income limits for the MSPs.

### **Stopping Medicare Part B:**

You do not have to pay for Medicare Part B to keep Medi-Cal. Stopping Medicare Part B coverage is generally not recommended. If you want to talk to someone about stopping Medicare Part B, call the SSA at 1-800-772-1213.

### **NOTE: A few things could happen if you do not pay your Medicare Part B premium.**

- You may not be able to see your doctor or access important services.
- You may not be able to get Medicare Part D prescription drug coverage and the Extra Help to pay for your prescriptions. Medi-Cal **does not** pay for prescription drugs for people who have Medicare, including people who stop their Medicare Part B.
- If you stop Part B, you may have to re-enroll and may have to pay a penalty when you do.

- If you stop your Medicare Part B and you have a Medi-Cal SOC, you cannot get Medi-Cal covered services until you pay or promise to pay your monthly SOC.

**Social Security Refunds for Premiums:**

If you have a SOC above \$500 and pay or promise to pay your SOC in a month, you will receive a refund for the Part B premium in a later month from SSA. The refund will be added to your Social Security check. If you have no medical expenses in a month, then you cannot meet the SOC and your Part B premium will be deducted from your Social Security check. If you have questions about your Social Security check/refund, contact the SSA at 1-800-772-1213.

**Medi-Cal Share of Cost (SOC):**

If the Medicare Part B premiums are being taken from your Social Security check, notify your County Medi-Cal Eligibility Worker. The premium can be used to lower your Medi-Cal SOC. If you have questions about your SOC, call your county Medi-Cal Eligibility Worker.

**Information about the 250 Percent Working Disabled Program (WDP):**

DHCS **WILL** pay Part B premiums for individuals eligible for Medi-Cal under the 250 Percent WDP. This is a special Medi-Cal program for working disabled individuals. Disability-based income is not counted as income in this program (for example, Social Security Disability Insurance (SSDI), State Disability Insurance, short and long term disability insurance, and Workers' Compensation). People in the 250 Percent WDP:

- Pay a set premium each month, instead of a high SOC. The premiums range from \$20 to \$250 for one person or \$30 to \$375 for a couple, depending on your income.
- Must participate in a work activity or service for which pay is received. They simply need to get a note from the person who is paying them or provide a copy of their paycheck.
- Must have *countable* income below 250 percent of Federal Poverty Level (\$2167 for an individual or \$2917 for a couple in 2008), and must meet all other Medi-Cal eligibility requirements. In determining countable income, approximately half of your earnings are not counted, and disability-based income is completely exempt.

If you believe that you may be eligible for the 250 Percent WDP or want additional information about the program, contact your county Medi-Cal Eligibility Worker. If you are not sure how earned income may affect your federal cash benefits, please visit [www.DisabilityBenefits101.org](http://www.DisabilityBenefits101.org) or call your local Social Security office.