

SAFETY NET WATCH

Free Chapter

FREE SAMPLE CHAPTER · CHAPTER 4

Medicare Savings Programs, The Money Most People Don't Know They're Owed

If You Only Do Three Things: Find out whether you qualify. Apply even if you are fairly sure you will not qualify. Ask about Extra Help at the same time, because it comes automatically with the others and is worth thousands more.

This is the one chapter in this book with straightforwardly good news in it, so I want to make sure you actually get to use it.

There is a woman whose story appeared in U.S. News in early 2026. She is identified only by her last name, Friedman, which is her right. She was on Medicare and could not comfortably afford it. She took on extra work to close the gap, including dog sitting. And she described the specific texture of that kind of financial pressure in a way I have not been able to shake.

She said she would wake up at four in the morning trying to work out whether she could make all the bills that month. She said she had had so many of those mornings. Everything felt urgent. And then she said the part that seems to me to be the real cost of all of this, more than the money: it was awful because you feel alone.

Then she found out about Medicare Savings Programs. She applied. She qualified.

That is the whole story. It is not dramatic. It took a phone call and some paperwork and it changed her month, every month, from then on.

Here is the part that should bother you. There was nothing standing between Friedman and that outcome except **information**. She was eligible the entire time she was lying awake at four in the morning. The only thing she was missing was knowing the programs existed.

And she is not unusual. According to a 2025 analysis of federal data, only about fifty seven percent of people eligible for these programs were actually enrolled in them. AARP has estimated that at least 1.47 million Americans could save roughly two thousand dollars a year or more by enrolling.

What these programs actually are

There are four of them, and they go by initials that nobody outside the system uses in conversation: QMB, SLMB, QI, and QDWI. They are jointly run by Medicare and Medicaid, administered through your state, and they exist for one reason: to pay some or all of your Medicare costs if your income is limited.

Here is roughly what each one does, in plain terms.

QMB, the Qualified Medicare Beneficiary program, is the most generous. It covers your Part A and Part B premiums, and also your deductibles, coinsurance, and copayments. If you qualify for this one, your Medicare costs drop close to nothing.

SLMB, the Specified Low-Income Medicare Beneficiary program, pays your Part B premium.

QI, the Qualifying Individual program, also pays your Part B premium, with slightly different income limits. This one is funded differently and is awarded on a first come basis within a state's allotment, which is a reason not to wait.

QDWI, the Qualified Disabled and Working Individual program, is narrower and applies to certain people under sixty five with disabilities who are working.

Do not try to work out on your own which one you fall into. That is what the application process is for, and that is what a counselor is for. The only decision you need to make is whether to apply.

What it is actually worth

In 2026, the standard Medicare Part B premium is \$202.90 per month. Three of the four programs cover that premium.

That is \$2,434.80 a year. Every year.

If you qualify for QMB, add to that your deductibles and coinsurance, which for anyone with regular medical care can easily run into the thousands more.

And then there is the part almost nobody knows about. **Qualifying for a Medicare Savings Program automatically qualifies you for Extra Help**, the program that reduces Part D prescription drug costs. You do not file a separate application for it. It comes with. The Social Security Administration has estimated Extra Help to be worth up to five thousand dollars a year for the people who need it most.

So the realistic range, for someone who qualifies and has actual health care needs, is somewhere between roughly twenty four hundred dollars and several thousand dollars annually.

Melanie Lambert, a senior Medicare advocate at the Center for Medicare Advocacy, has pointed out something else about these programs that is genuinely useful and almost never mentioned. They carry benefits beyond the premium savings, including eliminating late enrollment penalties and creating additional opportunities to enroll in Medicare for people who missed their original enrollment window.

If you have been avoiding dealing with Medicare because you missed a deadline years ago and assumed you were permanently penalized, that is a specific reason to make this phone call.

Why so few eligible people enroll

Several reasons, and recognizing yours is the first step past it.

People assume these are Medicaid programs and that they have too much income. The income limits are higher than most people guess, and they are adjusted annually. Assuming you do not qualify is

the single most common reason people do not get money they are entitled to.

People assume owning a home or a car disqualifies them. In general, certain assets are excluded from the calculation, often including your primary residence and a vehicle. Again, do not decide this yourself.

The programs are not advertised. No one calls you about them. Nothing arrives in the mail. If you have never heard of them, that is not because you were not paying attention.

The application goes through your state Medicaid agency, which means the process, the forms, and the exact limits vary by state, which makes the whole thing harder to write about clearly and harder to find online.

There is also a newer reason, and it belongs in this book specifically. Federal regulators had finalized a rule intended to simplify enrollment in these programs and get more eligible people automatically signed up. The 2025 law blocked implementation of that rule. According to the Medicare Rights Center, that affects roughly 1.4 million low income Medicare beneficiaries who would have gotten this help more easily and now will not.

Which means the participation gap described above is not on track to close on its own. If you are in it, you are going to have to climb out of it yourself, and this chapter is me handing you the ladder.

How to actually apply

There are two free, unbiased places to start, and neither of them is trying to sell you anything.

Your State Health Insurance Assistance Program, universally called a SHIP. Every state has one. They provide free Medicare counseling, they will help you figure out which program you might qualify for, and they will help you fill out the application. You can find yours by calling 1-877-839-2675. This is the single best phone number in this chapter.

Your state Medicaid agency, which is where the application ultimately goes. Many states now have online applications.

Before you call, gather what you can: proof of income such as your Social Security award letter or recent statements, information on any savings or resources, and your Medicare card. If you cannot find all of it, call anyway. A counselor will tell you what is actually needed in your state.

One more thing. **If you are denied, ask why, and ask about appealing.** Denials sometimes turn on a miscounted asset or an income figure that included something it should not have. A denial is not always a final answer.

A note if you are helping someone else

This chapter is one of the highest value things an adult child or caregiver can act on, because it is concrete, it is finite, and it produces a visible result.

It is also delicate, because it requires talking to a parent about money, and specifically about whether they have little enough of it to qualify for assistance. That conversation can land badly if it arrives as an assessment.

What tends to work better is framing it as a thing you found rather than a thing you noticed about them. "I was reading about Medicare and apparently about half the people who qualify for help with the premiums never sign up. Can we check whether you're one of them?" That is a different conversation from "I'm worried you can't afford your medications."

Chapter 9 has more on this kind of thing.

What to Do This Month

- Call 1-877-839-2675 and ask to be connected to your State Health Insurance Assistance Program. This is a fifteen minute phone call that may be worth two thousand dollars a year.
- Gather your income documentation into one place, whether or not you make the call this month.
- Ask specifically about Extra Help for prescription costs, and ask whether qualifying would remove any late enrollment penalty you are currently paying.

- If you have a parent or older relative on Medicare, ask them whether anyone has ever checked this for them. Most people have never been asked.

Questions to Ask a SHIP Counselor or Your State Medicaid Office

- Based on my income and resources, which Medicare Savings Program am I most likely to qualify for?
 - What counts as income and what counts as a resource in this state, and what is excluded?
 - If I qualify, do I get Extra Help automatically, or do I need to apply separately?
 - Would qualifying eliminate any late enrollment penalty I am currently paying?
 - Exactly what documentation do I need, and what happens if I am missing some of it?
 - If I am denied, what is the appeal process, what is the deadline, and what most commonly causes denials in this state?
 - How often will I need to renew, and how will I be notified?
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That last question matters more than it looks, and it is the hinge into the next chapter. Everything in this book eventually comes back to renewal dates and the notices that carry them. For people between fifty and sixty four on Medicaid, the renewal process is about to change substantially, and a man in Georgia has already lived through a preview of it.

SafetyNetWatch.com

This is one chapter from *Safety Net Watch: What's Changing for Older Americans, and What to Do About It*, a plain-language guide to what changed under the 2025 reconciliation law, and what to actually do about it.

Not legal, medical, financial, or insurance advice. Information current as of publication; program rules and court rulings can change.