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“CONDITIONAL” APPLICATIONS FOR MEDICARE

1. What Is A “Conditional” Application For Medicare?

It is an application that an individual age 65 or older can make under which the Medicare coverage will not take effect if they fail to qualify for a benefit that will pay their Medicare premiums. Most people who could benefit from a Conditional application are not aware of it.

2. Who Can Benefit From a Conditional Application For Medicare?

Mainly, individuals who do not qualify for premium-free “Part A.” Medicare coverage is divided into three “Parts;” Parts A (hospitalization), B (general medical services), and D (prescription drugs). If an individual needs to purchase Medicare, it is very expensive --- the premiums alone are as much as \$411/month for Part A, and \$104.90 or more per month for Part B (in 2016).

Most people age 65 and older qualify for premium-free Part A because they or their spouse paid into the Social Security and/or Medicare Trust Funds from their earning for at least 10 years. But at least two groups of individuals cannot satisfy that requirement: (1) poor seniors who did not have enough work in covered occupations; and (2) noncitizens lawfully admitted for permanent residence in the United States who were unable to obtain the minimum amount of covered work. They are unlikely to be able to afford the premiums.

3. What Is Medicare’s “General Enrollment Period”(GEP)?

For individuals who qualify for Medicare because they are 65 or older, they must usually apply for the coverage during the seven month period that begins three months before the month of their 65th birthday. The main exception to this is if they or a spouse had certain employer-sponsored health coverage. If a person fails to enroll in Medicare during that seven month period, and has no exception, they can later enroll only in the first three calendar months of a year. That annual three-month period is called the General Enrollment Period.

4. What Are The Consequences Of Enrolling During a GEP?

Since enrollment in a GEP means that the person delayed their enrollment, they will face a *penalty* in the form of permanently higher monthly premiums. In addition, their Medicare coverage will not start until July of the year they enroll.

5. What Is “QMB,” And Why Is It Relevant To Conditional Enrollments?

QMB, which stands for “Qualified Medicare Beneficiary,” is a type of *Medicaid* coverage for low income individuals who have Medicare. It covers the individual’s Medicare Part A and B premiums, and cost-sharing (*i.e.*, deductibles and co-pays), and automatically qualifies the individual for financial help with Medicare drug costs. If the individuals referred to in #2 can qualify for QMB, it will make Medicare coverage affordable for them.

6. How Can An Individual Get QMB Coverage?

While applications for *Medicare* are processed by the federal Social Security Administration (SSA), applications for QMB --- like all other types of *Medicaid* coverage --- are processed by the state Human Services Department’s “Income Support Division” (ISD) offices. To qualify, applicants must have “countable” income under 100% of the Federal Poverty Level, and “countable” resources under specified levels (*see* SCLO’s flyer entitled “*Got Medicare? Get Help With Costs*” for the current financial eligibility levels in dollar terms). “Countable” refers to the fact that certain types of income and resources are not counted in determining eligibility.

7. How Does A QMB Application Work With A Conditional Application for Medicare?

As mentioned in #2, if a low income senior does not qualify for premium-free Medicare Part A, the cost of purchasing it is prohibitive. Yet in order to qualify for QMB coverage, the senior must first *have* Medicare. The Conditional Medicare application process has been established by the Social Security Administration (SSA) and state agencies to address this problem.

Under this process, an individual first applies for Medicare Parts A and B with SSA during the GEP, *stating they are doing so on a conditional basis*. Then after receiving written confirmation from SSA that the individual will have Medicare as of July (see #4), s/he applies for QMB with an ISD office. If the individual receives a favorable decision on the QMB application, s/he simply lets the Medicare coverage begin. If the QMB application is denied, s/he tells SSA to *not* implement the Medicare coverage.

8. How Should You Use The GEP As Part of This Conditional Application Process?

It is best to make the Conditional application as early as possible during the GEP. This is because QMB coverage does not begin until the month *after* the month in which you are *found eligible* for QMB. ISD offices will not process your application until you have proof from SSA that you are eligible for Medicare. ISD offices have as much as 45 days to process your QMB application; and, *e.g.*, problems in *verifying* your satisfaction of QMB eligibility criteria can cause delays. Often ISD workers try to expedite such QMB applications as quickly as possible but it is unwise to put needless pressure on them to do so.