

FACT SHEET

Two New California Policies Simplify Access to Medicare Financial Assistance

DECEMBER 2024

Tiffany Huyenh-Cho, Director, California Medicare and Medicaid Advocacy

INTRODUCTION

Starting January 1, 2025, two new policies will be implemented to improve enrollment in California's Medicare Savings Programs, making Medicare more affordable by providing assistance with out-of-pocket costs such as premiums, co-pays, co-insurance, and deductibles for low-income individuals.

- 1. Medicare Part A Buy-In:** Effective January 1, 2025, California will convert from a group payer state to a Medicare Part A buy-in state.¹ This change simplifies enrollment in the Qualified Medicare Beneficiary (QMB) program, which covers the Medicare Part A premium for those who are not eligible for premium-free Part A.
- 2. Automatic Enrollment into QMB for SSI Recipients:** California will directly enroll Supplemental Security Income (SSI) recipients into the QMB program. This automatic process will facilitate enrollment into Part A for those people who have a premium, if they are not already enrolled.

Together, these policy changes will remove administrative barriers that currently impede enrollment into Medicare Part A and the QMB program, making it easier for eligible individuals to get assistance with Medicare costs. Through the QMB program, enrollees not only get help with monthly premiums, they also receive cost-sharing assistance and are protected from improper billing.

For an in-depth analysis of Part A Buy-In, see Justice in Aging's issue brief: [Building the Path to Medicare Part A Buy-In](#). See also Justice in Aging's tip sheet on [Medicare Conditional Part A Applications](#).

THE QUALIFIED MEDICARE BENEFICIARY PROGRAM

Both policy changes simplify enrollment into the Qualified Medicare Beneficiary (QMB) program. QMB is a Medi-Cal program that provides financial assistance with Medicare costs to individuals with incomes below 100% of the federal poverty level. As a QMB enrollee, Medi-Cal pays the Part A premium (when applicable), the Part B premium, as well as all Medicare deductibles, co-pays, and co-insurance. The QMB program will also eliminate any late enrollment penalties that might have accrued for delaying Part A or Part B enrollment.² In addition, Medicare providers cannot charge QMBs for any amounts beyond what Medicare and Medi-Cal pay; QMBs are protected from improper billing under federal law.

POLICY CHANGE: CONVERSION TO MEDICARE PART A BUY-IN

Who is Impacted?

Part A buy-in will make enrollment into the QMB program simpler for low-income people eligible for Medicare, but who are not eligible for free Part A because they do not have enough qualifying work history. QMB is the only Medi-Cal program that pays for Part A premiums. The people who do not qualify for free Part A, called “Part A with a premium,” are often women, older immigrants, and more likely to be Asian American/Pacific Islander, Black, or Hispanic.³

What Will the Conversion Change in California?

Today, people without free Part A face overly complicated enrollment rules. This is because California is currently a group payer state. As a group payer state, people without free Part A are always required to file an application for conditional Part A enrollment with the Social Security Administration (SSA) field office before they can apply for QMB with their county to receive Medi-Cal payment of Part A premiums. Additionally, these applications can only be submitted in a **three-month window**, January to March. If individuals miss this window, they must wait until the next year. These complicated enrollment rules for Part A and QMB apply to people who are not eligible for free Part A and did not enroll when they first became Medicare eligible. In 2021, more than 181,000 people owed a premium for Part A in California.⁴

In contrast, Medicare Part A Buy-In is an agreement between California and SSA that gives qualifying people the option to enroll in Part A with a premium outside of regular Medicare enrollment periods. Through buy-in, people can enroll into Part A with a premium **year-round**. California is converting from a group payor state to a Part A buy-in state in January 2025.

For people already enrolled in Medicare Part B, Part A buy-in will eliminate the need to apply for Part A with a premium separately at the SSA. They will only need to apply for QMB at their county office (or will also be automatically enrolled in QMB – see below for automatic QMB enrollment changes). For people who have not yet established Medicare eligibility, they will still need to apply for conditional Part A at SSA, but can do so at any time of the year and then enroll in QMB with their county office. Once enrolled in Part A, they will receive a new Medicare card indicating Part A coverage.

By enrolling into Part A, people will become full dually eligible individuals with both Parts A and B. Medicare will be primary for the majority of their medical care. Full dually eligible individuals also have the option of joining a Dual Eligible Special Needs Plan (D-SNP) and can contact their local [Health Insurance and Counseling Program](#) for free Medicare counseling to determine if this is the right choice for them.

ADVOCACY TIP

Despite the improvements through Part A buy-in, communication between the SSA and Medi-Cal offices are not always seamless. For those who need to establish Medicare entitlement and apply for Part A with a premium, advocates should still instruct clients to obtain a receipt or proof of their Conditional Part A enrollment from the SSA office. Written proof, such as a screenshot of the confirmation page or receipt, can be submitted alongside their QMB application.

POLICY CHANGE: AUTOMATIC ENROLLMENT OF SSI RECIPIENTS INTO QMB

Under a new federal law, California is also required to automatically, or directly, enroll SSI recipients into the QMB program.⁵ SSI recipients are either over 65, blind, or have a disability, have limited income and assets, and receive monthly cash payments from SSA. This new policy will only impact those SSI recipients that are age 65 and over because they are the ones eligible for Medicare at age 65. People who receive SSI automatically receive Medi-Cal (often referred to as “SSI-linked Medi-Cal”) and are automatically enrolled in Part B via Part B buy-in. The automatic enrollment into QMB for SSI recipients will be done in two phases:⁶

- **Starting October 1, 2024**, California will automatically enroll current SSI-linked Medi-Cal individuals who are eligible for free Part A into the QMB program. New SSI recipients eligible for free Part A will also be automatically enrolled into QMB. Eligible individuals do not have to submit a separate QMB application at the Medi-Cal office.
- **Starting January 1, 2025**, California will automatically enroll all SSI-linked Medi-Cal individuals into QMB, regardless of their Part A premium status. Eligible individuals do not need to submit a separate QMB application with the Medi-Cal office. The January 1st policy change is more expansive as it includes low-income Californians on SSI who are ineligible for free Part A.

The automatic enrollment into QMB applies to SSI recipients only. This is because all people with SSI benefits are eligible for the QMB program because the SSI benefit amount is lower than the QMB income limit of 100% FPL (\$1,255/single person in 2024). Non-SSI recipients enrolled in Medicare must continue to submit QMB applications with the Medi-Cal office.

California will mail Notices of Action notifying individuals they have been automatically enrolled into the QMB program.⁷ They do not need to take any further action. If advocates assist SSI-linked Medi-Cal clients who meet the criteria for automatic QMB enrollment but are not enrolled in QMB, please contact Justice in Aging.

NEW ENROLLMENT STEPS UNDER THESE POLICY CHANGES

The steps people will need to take as a result of these policy changes depends on whether they have SSI or their Part B enrollment status:

Individuals eligible for Medicare and not receiving SSI:

- Non-SSI Individuals **already enrolled in Part B**: They do not need to apply for Conditional Part A at the SSA office. They can apply for QMB and, if eligible, California will enroll them into Part A and initiate state payment of their Part A premium.
- Non-SSI individuals **not yet enrolled in Part B**: This group must establish entitlement to Medicare and apply for Part B and Conditional Part A with SSA first. After this step, they can apply for QMB at the Medi-Cal office. After January 1, 2025, the application for Conditional Part A can be submitted year-round under the new buy-in policy.

SSI recipients eligible for Medicare:

- **Starting October 1, 2024:** SSI-linked Medi-Cal individuals enrolled in free Part A will be automatically enrolled into QMB by the state. This includes current and new SSI recipients.
- **Starting January 1, 2025:** All SSI-linked Medi-Cal individuals will be enrolled in QMB and if needed, Part A. This includes current and new SSI recipients.

Effective Dates: Part A buy-in begins the same month that QMB coverage is effective, which is the following month after a person's eligibility for QMB is approved.⁸ For example, if Jim's QMB application is approved as of January 1, 2025, his effective date for QMB coverage and Part A is February 1, 2025. California is responsible for paying the Part A premium beginning February 2025. Even if there are delays processing a QMB application, the effective QMB date is retroactive to the first of the following month after the QMB approval date.

LATE ENROLLMENT PART A PENALTIES ARE ERASED

Under a Part A Buy-In agreement, CMS waives the late enrollment penalties for any QMB enrollee who did not enroll during their initial enrollment period.⁹ If a person later loses QMB eligibility, late enrollment penalties will not reappear once the person begins paying the Part A premiums on their own.¹⁰ Part A late enrollment penalties can only be eliminated through the QMB program. Part B late enrollment penalties are eliminated via California Part B buy-in.¹¹

EXAMPLE

An older adult who is not enrolled in either Part A with a premium or Part B in April 2025 and does not have Medi-Cal.

Maria is age 67 and does not qualify for free Part A. Maria is also not enrolled in Part B. Maria contacts the Medi-Cal office to apply for the QMB program. The Medi-Cal office instructs her that as a condition of enrolling in QMB, she must establish eligibility for Medicare by applying at the SSA office. Maria applies for Part B and Conditional Part A at the SSA office. Because CA is now a Part A buy-in state, the Conditional Part A application can be filed at any time of the year. After she applies for Part B and Conditional Part A, Maria goes to the Medi-Cal office to apply for QMB the same month. If approved for QMB, CA will initiate buy-in and pay for her Part A and B premiums. If she is not approved for QMB, her Part A enrollment will be cancelled. Maria can also consider applying for full Medi-Cal benefits beyond QMB.

ADVOCACY TIP

Advocates should tell their clients to specifically ask to be enrolled in Part A with a premium "conditionally" and to cite to or print out the SSA Program Operations Manual System (POMS) section [HI 00801.040](#) that gives SSA staff precise instructions to ensure the conditional Part A is handled correctly. Read more in Justice in Aging's fact sheet, [Medicare Part A Conditional Applications](#).

EXAMPLE

An older adult is enrolled in Part B but not enrolled in Part A with a premium in April 2025.

Daniel has Medicare Part B only and is not eligible for free Part A. Daniel wants to enroll in Part A with a premium and learns he can get help through the QMB program for the premium. Since California is now a Part A buy-in state, Daniel does not need to apply for Part A since he is already enrolled in Part B and has established his Medicare eligibility. Daniel can apply for the QMB program at the Medi-Cal office and if found eligible, California will enroll him into Part A with a premium and pay his Part A premiums.

EXAMPLE

An older adult with SSI benefits is turning 65 in March 2025 and does not qualify for free Part A.

Anna has SSI-linked Medi-Cal. Because she has SSI-linked Medi-Cal, she is enrolled in Part B via Part B buy-in as of March 1, 2025 and into QMB. Her Part A and QMB coverage, including QMB cost-sharing protections begins the following month on April 1, 2025.

CURRENT QMB ENROLLEES DO NOT NEED TO TAKE ACTION

Individuals currently on QMB and already receiving state payment of Part A premiums do not need to take any action. California will continue to pay their Part A premiums - the only change is the method used by the state to pay the premiums to SSA. Normally, this transition would trigger a written notice of the change in payment status but CMS is suppressing these notices because of needless confusion. If advocates hear of erroneous notices, please contact Justice in Aging. CMS wants to know if these notices occur.

Steps Individuals Need to Take Under These Two New Policies¹²

GROUP	EFFECTIVE DATE	INDIVIDUAL MUST APPLY FOR CONDITIONAL PART A	INDIVIDUAL MUST APPLY FOR PART B	INDIVIDUAL MUST APPLY FOR QMB	STATE DIRECTLY ENROLLS INTO QMB	NOTES
SSI-linked Medi-Cal individuals eligible for free Part A	October 1, 2024	✗ N/A	✗ N/A	✗ N/A	✓ YES	Will get Medicare card if newly enrolled into Part A
All SSI-linked Medi-Cal individuals (with free Part A or Part A with a premium)	January 1, 2025	✗ N/A	✗ N/A	✗ N/A	✓ YES	Will get Medicare card if newly enrolled into Part A
Individuals without SSI enrolled in Part A with a premium and Part B	January 1, 2025	✗ N/A	✗ N/A	✓ YES	✗ N/A	If approved for QMB, State begins payment of Part A premium
Individuals without SSI enrolled in Part B and eligible for Part A with a premium, but not enrolled	January 1, 2025	✗ N/A	✗ N/A	✓ YES	✗ N/A	If approved for QMB, State initiates Part A buy-in
Individuals without SSI who are not enrolled in either Part A with a premium or Part B	January 1, 2025	OPTIONAL	✓ YES	✓ YES	✗ N/A	If approved for QMB, State begins payment of Part A premium

If you have questions or hear of incorrect information regarding Part A enrollment, please contact Tiffany Huyenh-Cho at Justice in Aging at thuyenhcho@justiceinaging.org.

ENDNOTES

- 1 Welf. and Institution Code §14005.11.
- 2 People who delay enrollment into Part A or B when they first become Medicare eligible can face higher monthly premium payments due to penalties added on to the standard premium amount. As a buy-in state in 2025, SSA will waive state payment of late enrollment penalties for Part A. See 42 CFR 406.26(a)(2). Part B penalties are also waived under the Part B buy-in agreement. 42 CFR 407.50(a).
- 3 [CMS Program Statistics - Medicare Premiums](#), MDCR Premiums 2 tab, 2021, accessed October 25,2024
- 4 [CMS Program Statistics - Medicare Premiums](#), MDCR Premiums 3 tab, 2021, accessed October 25,2024
- 5 As a new Part A buy-in state, California is required to enroll eligible SSI individuals into QMB. 42 C.F.R. § 435.909.
- 6 DHCS, [Medi-Cal Eligibility Division Information Letter \(MEDIL\) 24-17](#) (August 28, 2024).
- 7 For a copy of the written notice, see MEDIL 24-17.
- 8 Title 22 California Code of Regulations (CCR) §50258(b).
- 9 42 CFR 406.26(a)(2).
- 10 See 42 CFR 406.26(d)(1)(i); [Manual for State Payment of Medicare Premiums, Chapter 1: Program Overview and Policy](#), Section 1.15.
- 11 42 CFR 407.50(a); [Medi-Cal Eligibility and Procedures Manual Article 15, Chapter 15E](#); [MEDIL 21-05](#) (March 12, 2021).
- 12 It is always optional for people to enroll in Part A if they owe a premium for Part A.