JUSTICE IN AGING

FIGHTING SENIOR POVERTY THROUGH LAW

Billing Issues for Dually Eligible Individuals

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Table of Contents

1. Introduction
2. Medicare premium bills
3. Medical bills
4. Conclusion



Introduction

Medicare affordability

- One in four Medicare enrollees had incomes below $24,600 per person in 2024
- More than 7 million Medicare enrollees spent more than 10% of their income on Part B premiums in 2024
- One in three Medicare enrollees reported delaying care due to cost
- One in five Medicare enrollees reported that they had medical or dental debt in 2022

Sources: KFF, Key Facts About Health Care Affordability for People With Medicare (May 2026); KFF, Income and Assets of Medicare Beneficiaries in 2024 (Aug. 2025)

Dually eligible individuals

- Dually eligible individuals are enrolled in both Medicare and Medicaid
- Because Medicaid pathways are based on income, age and disability, dually eligible individuals are more likely to experience financial strain and chronic conditions

Source: KFF, A Profile of Medicare-Medicaid Enrollees (Dual Eligibles) (Jan. 2023)

Dual eligibility types

- Different types of dual eligibility have different coverage and billing protections.
- Medicare Savings Programs (MSPs) are a type of Medicaid coverage that helps with Medicare costs
  - Qualified Medicare Beneficiary (QMB)
  - Specified Low-Income Medicare Beneficiary (SLMB)
  - Qualifying Individual (QI)
- The most common, and the most comprehensive, coverage type is QMB plus full Medicaid (QMB+)

List of dual eligibility types

Type	Shorthand	% of MSP*
Qualified Medicare Beneficiary plus full Medicaid	QMB+	64%
Qualified Medicare Beneficiary without full Medicaid	QMB-only	17%
Specified Low-Income Medicare Beneficiary plus full Medicaid	SLMB+	3%
Specified Low-Income Medicare Beneficiary without full Medicaid	SLMB-only	10%
Qualifying individual	QI	6%
Full Medicaid without MSP	-	-

Rule of thumb

- Since most low-income Medicare enrollees should be eligible for assistance with Medicare premiums and out of pockets costs, any bill for services should raise a red flag that they are being improperly billed or have lost their financial assistance.



Premiums

Medicare premium bills

- Part B and (when applicable) Part A premiums – typically deducted from Social Security checks; sometimes billed directly by Medicare
- Part C (Medicare Advantage) and Part D (Prescription Drug Plan) premiums – typically billed to the individual, but can be deducted from Social Security checks

Understanding the premium amount

- Part A and B premiums are listed on the CMS Medicare Costs website
- Part C and D premiums are listed in Medicare Plan Finder
- Premium bills can be higher if they include:
  - Increases under Income-Related Monthly Adjustment Amount (IRMAA),
  - Late enrollment penalties, or
  - Past-due premium payments
- Part B premium amounts can also be lower under “hold harmless” provision for a small number of enrollees

Example 1. Manuel

- Manuel is concerned about his Social Security check. He thought he was going to get $1,500 per month in Social Security retirement when he retired in 2026, but the check he receives is only $1,296 . The Social Security Administration sent him a letter with this language:
- **“Information about Current Social Security Benefits** Beginning February 2025, the full monthly Social Security benefit before any deduction is $1,500.00 We deduct $202.90 for medical insurance premiums each month. The regular monthly Social Security payment is $1,296.00. (We must round down to the whole dollar.)”

Help with Medicare premiums

- Medicare Savings Programs:
  - QMB: Covers Part A and B premiums
  - SLMB: Covers Part B premiums
  - QI: Covers Part B premiums
- Full Medicaid sometimes covers Part B premiums, even without a Medicare Savings Program
- Low-Income Subsidy (LIS, or Extra Help) covers Part D premiums

More info on premium assistance

- An individual receiving Medicare premium assistance through full Medicaid, Medicare Savings Program, or LIS should not be charged late enrollment penalties.
  - CMS, Chapter 1 of the State Payment of Medicare Premiums Manual
- A person enrolled in LIS and a benchmark standalone prescription drug plan should not pay a premium.
  - JIA, How to Access Free Part D Plans for Low Income Subsidy Enrollees (2026)
- Some types of premium assistance can be retroactive.

Past-due premiums

If a person faces a past-due Medicare premium, they have several options:

- Installment plan
- Waiver for extreme hardship
- Challenge the amount with Medicare (e.g., an incorrect IRMAA was applied)
- Challenge a Medicaid decision (e.g., a decision to stop SLMB).

Example 2: Annie

- Annie was receiving QI and having her Medicare Part B premiums covered until January 2026, when she lost her QI coverage. Annie realized this when she received a notice that her Social Security check would be reduced by three months' worth of Part B premiums (two months due in the past, and one month of upcoming premiums).
- Annie's advocate helped her request an installment plan for the three months of past-due premiums. The Social Security Administration refunded two months of retroactive Part B premiums that was taken out of Annie's Social Security check and put Annie on an installment plan to pay the amount off over time.

See Justice in Aging, Payment Options for Individuals Who Owe Past-Due Medicare Premiums



Medical bills

Types of medical bills

- Cost-sharing for covered services: co-pays, co-insurance, deductibles
- Bills for services not covered by Medicare
- Information about cost-sharing, and if a service is not covered, is available on the Medicare Summary Notice

QMB+ coverage

- QMB+ means QMB plus full Medicaid
- QMB covers cost-sharing for all Part A and B covered services.
  - Even if the Part A and B covered care is not typically covered for a full Medicaid enrollee.
- Full Medicaid can cover services that are not covered by Medicare
  - As long as it is covered by full Medicaid

QMB-only coverage

- QMB-only coverage means QMB coverage without full Medicaid
- QMB covers cost-sharing for all Part A and B covered services.
  - Even if the Part A and B covered care is not typically covered for a full Medicaid enrollee.

QMB protections

- All Medicare physicians, providers, and suppliers may not bill QMB enrollees for Medicare Part A or B cost-sharing.
- Providers can bill Medicaid. Any payment (if any) made by the State Medicaid agency shall be considered payment in full.
- Providers who do not follow this requirement can be subject to sanctions.
- These protections cannot be waived.

QMB protections (continued)

- Providers receive notice of their patient's QMB status on their remittance advice.
- QMB protections apply even if Medicaid pays less than expected.
- Medicare Advantage providers must agree not to refuse service on the basis of payment. This means they cannot refuse to see a QMB enrollee enrolled in the Medicare Advantage plan.
- All providers are subject to state and federal non-discrimination rules.

Example 3. Glen

- Glen is enrolled in QMB and Original Medicare. He was billed a co-pay after he saw Dr. Alpha for a Medicare-covered service.
- Glen called the doctor's billing department, but they insisted on charging him a co-pay.
- Glen called 1-800-MEDICARE and let them know that this was a case of improper billing, and he had already tried to resolve it with the provider.

Example 3. Glen (continued)

- The 1-800 MEDICARE representative sent a letter to Dr. Alpha's office alerting them of their obligations:
- "The Centers for Medicare & Medicaid Services (CMS) received information that Dr. Alpha is improperly billing Glen Smith for Medicare cost-sharing… Promptly review your records for efforts to collect Medicare cost-sharing from Glen Smith, refund any amounts already paid, and recall any past or existing billing (including referrals to collection agencies) for Medicare-covered items and services…"

See a sample letter from CMS at CMS Manual System One Time Notification re. Issuing Compliance Letters to Specific Providers and Suppliers Regarding Inappropriate Billing of Qualified Medicare Beneficiaries (QMBs) for Medicare Cost-Sharing (Nov. 4, 2016).

Example 4. Maria

- Maria is enrolled in QMB and a Medicare Advantage plan and was billed by her new provider for a $35 copay.
- When she received the bill, she contacted the provider's billing department and expressed confusion as she had never been billed before.
- They stated that this was the correct copay that Maria had to pay before her next visit or they would cancel the upcoming appointment.
- Maria's advocate called Maria's Medicare Advantage plan to explain the situation.

Example 4. Maria (continued)

- At first, the plan representative said it should be an issue that Maria resolves directly with the provider.
- The advocate reminded the plan representative that the plan has an obligation to ensure that network providers are not charging QMB enrollees.
- The plan representative contacted the provider's office to inform them that Maria had QMB and could not be billed any cost sharing after the plan paid.

See CMS, Memo to Medicare Advantage Organizations re. Reminder of Prohibition on Billing Qualified Medicare Beneficiaries (QMBs) and Resources Available to Identify QMB Status (Oct. 31, 2024).

Example 5. Leila

- Leila is enrolled in QMB. Leila went to visit Dr. Primary because of a worsening cough and is prescribed an antibiotic.
- Later, Leila receives a bill for 20% coinsurance for the office visit.

Example 5. Leila (continued)

- Financial detail:
  - The Medicare office visit is $100
  - Medicare Part B pays 80%: $80
  - Medicaid office visit rate: $75
- Because Medicaid only pays when the Medicare payment rate is less than the Medicaid rate, Dr. Primary is owed nothing.
- Regardless, Leila cannot be billed.

Example 6. John

- John is enrolled in QMB and a Medicare Advantage plan. He tries to make an appointment with a primary care provider in the plan's network. The provider refuses to make an appointment with John because he is a QMB enrollee.
- John's advocate calls the Medicare Advantage plan to inform the plan that their provider is not following their contract requirements. The plan calls the provider to inform them of their obligations.

Checking the bill amount

- If cost-sharing coverage is not offered (e.g. for a QI enrollee), there are still guidelines for the amount a Medicare enrollee can be billed
  - For a discussion of cost-sharing that providers in Original Medicare can charge, see Medicare Rights Center, Participating, non-participating, and opt-out providers.
  - For limits on cost-sharing for Medicare Advantage plans, see, e.g., 42 C.F.R. 417.454; 42 C.F.R. 422.100(f).
- If coverage is denied, appeal may be available.

State protections

- Many states have additional billing protections for dually eligible individuals, including people who are not enrolled in QMB.
  - Justice in Aging has a 50-state survey of these laws available in its Improper Billing Toolkit
- For example, California law states that a provider of health care services who obtains proof of Medi-Cal (Medicaid) eligibility may not seek payment from the Medi-Cal individual for covered services. If they receive notice of Medi-Cal eligibility, provider and any debt collector must cease debt collection and correct any reports to consumer reporting agencies.
  - Cal. Welf. & Inst. Code 14019.4

Dual Eligible Special Needs Plan (D-SNP) coverage

Two types of Medicare Advantage plans are now required to pay all Part A and B cost-sharing

- Fully Integrated Dual Eligible Special Needs Plans
- Coordination Only Dual Eligible Special Needs Plans that are an Applicable Integrated Plan

Justice in Aging, D-SNPs the Basics: What Advocates Need to Know



Conclusion

Takeaways

- Low-income Medicare enrollees are often eligible for assistance with premium and medical bills.
- If a low-income Medicare enrollee is being billed, it raises a flag to look into the matter more closely.

Additional Resources

- CMS
  - Medicare Savings Programs
  - Prohibitions on Billing QMB enrollees
  - Provider Enrollment and Third Party Liability for Dually Eligible Individuals
- Justice in Aging
  - Improper Billing Toolkit
  - New Federal Resources to Reduce Improper Billing of Low-Income Medicare Enrollees
  - Payment Options for Patients who Owe Past-Due Medicare Premiums

Keep in touch!

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