



STATE OF NEW YORK DEPARTMENT OF HEALTH

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ADMINISTRATIVE DIRECTIVE

TRANSMITTAL: 00 OMM/ADM-7

TO: **Commissioners of
Social Services**

DIVISION: Office of Medicaid
Management

DATE: September 1, 2000

SUBJECT: Medicare Premium Payment Program (MPPP)

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| SUGGESTED DISTRIBUTION: | Medical Assistance Directors Staff Development Coordinators Third Party Resources Staff |
| CONTACT PERSON: | County Liaison in the Bureau of Local District Support at (518) 474-9130 for Upstate and (212) 268-6855 for New York City |
| ATTACHMENTS: | NONE |

FILING REFERENCES

| Previous ADMs/INFs | Releases Cancelled | Dept. Regs | Soc. Serv. Law & Other Legal Ref. | Manual Ref. | Misc. Ref. |
|--------------------|--------------------|------------|-----------------------------------|-------------|------------|
| 84-ADM-40 | | 360-2 | 367-a | | MCCA of |
| 89 ADM-7 | | 360-7.7 | PL 100-360 | | 1988,92 |
| 89 ADM-36 | | 360-7.8 | PL 100-485 | | LCM-69 |
| 90 ADM-6 | | 360-6.2 | PL 100-467 | | MBL 89-1 |
| 93 ADM-12 | | 360-4 | | | GIS 91 |
| 93 ADM-30 | | | | | MA/021 |

I. PURPOSE

This administrative directive (ADM) is to remind local departments of social services (LDSSs) of the importance of all of the Medicare Part B premium reimbursement programs to the impoverished Medicare eligible population in New York State. These include the Qualified Medicare Beneficiary (QMB) program, the Specified Low-Income Medicare Beneficiary program (SLIMB), the Qualified Individual-1 (QI-1) program and the Qualified Individual-2 (QI-2) program.

II. BACKGROUND

The Medicare Catastrophic Coverage Act of 1988 (MCCA) requires states to pay premiums, deductibles and coinsurance for Qualified Medicare Beneficiaries (QMBs). The Omnibus Budget Reconciliation Act of 1990 (OBRA 90) requires states to provide Medicaid payments for Medicare Part B premiums for Specified Low Income Medicare Beneficiaries (SLIMBs). The Qualified Individual-1 (QI-1) and Qualified Individual-2 (QI-2) programs which were effective in January, 1998 resulted from the federal Balanced Budget Act of 1997.

III. PROGRAM IMPLICATIONS

This directive is intended to remind all local district workers who conduct Medicaid interviews, including chronic care workers, that applicants for Medicaid must have their eligibility determined for the various Medicare premium payment programs (MPPP) referred to above if applicant is determined ineligible for Medicaid and has Medicare coverage. When an applicant is determined ineligible for Medicaid and he/she has Medicare Part A, workers must enter an "A" in the Buy-In indicator field of the SSI related budget to determine eligibility for the QMB program. If determined ineligible for the QMB program, the worker should enter an "S" in the Buy-In indicator field of the same SSI-related budget. A resident of a congregate care facility who is fully eligible for Medicaid at the appropriate congregate care level is precluded from eligibility for the Medicare premium payment programs.

If the applicant's income and resources are under 100% of the Federal poverty Level and he/she has both Medicare Part A and Part B, workers must enter the QMB indicator in the third party system. This must be done regardless of whether the applicant checked the "Medicare Buy-In" indicator on the Medicaid application [DSS-2921].

IV. REQUIRED ACTION

A. Required Action For SSI-Related Recertifications For Medicaid

At the next scheduled recertification, workers must determine eligibility for the MPPP and offer the appropriate benefit to each SSI-related individual/couple who has Medicare Part A coverage (the applicant must have Medicare Part B in effect for the QI-2 program). The appropriate Buy-In indicator should be entered into the Buy-In indicator field of the MBL budget as explained above. If the individual/couple is fully eligible for Medicaid and the QMB program, the individual/couple must be offered both benefits.

The QMB program provides payment for the Medicare Parts A and B premiums (See 92 LCM-69 "Qualified Medicare Beneficiaries (QMBs)" for instructions on conditional enrollment into Medicare Part A in order to pay for the Part A premium). Payment for the Medicare Part A and B coinsurance and deductible can also be made even for additional Medicare benefits that are not normally covered by the Medicaid program. The additional benefits include: podiatry services, clinical social worker services and chiropractic services, all of which are covered under Medicare but are not covered under the State Plan for Medicaid.

A full description of the procedures to follow for the QMB program may be found in the "Procedures" section of 89 ADM-7, "Implementation of the Medicare Catastrophic Coverage Act of 1988 (MCCA) Related to the Medicaid Payment of Medicare Premiums, Deductibles and Coinsurance". In 89 ADM-7, social services districts were advised to use the most current DSS-2921 or DSS-3174 (Medicaid Application/Recertification forms) to compute eligibility for the Medicare Buy-In program for active Medicaid-Only recipients. Although this directive was issued in 1989, you should follow these instructions for determining QMB eligibility for fully eligible Medicaid recipients who have never had a QMB determination computed.

MBL Transmittal 89-1 describes the QMB budgeting process. If the individual/couple is QMB eligible each person will have a Medicaid Coverage Code of "09" and a "P" will be entered onto the Buy-In screen of the third party subsystem of WMS. If the individual/couple is both Medicaid eligible and QMB eligible, each person will have a Medicaid Coverage of "01" (or "10" if the individual selects only community coverage or if a transfer penalty has been imposed) and a "P" on Buy-In screen. This will permit the individual/couple to have full Medicaid coverage and also permit providers to receive Medicaid payment for Medicare co-insurance and deductibles for the additional services covered by Medicare that are not ordinarily covered by Medicaid.

The SLIMB program pays for the Medicare Part B premium only. The individual/couple must have Medicare Part A in order to have the Medicare Part B premium paid for. They do not need to be currently enrolled with Medicare Part B as entry into the Buy-In will provide them with that coverage. MBL Transmittal 93-3 describes the SLIMB budgeting process. If the individual/couple is SLIMB eligible each person will have a Medicaid Coverage Code of "06" and an "L" will be entered into the Buy-In screen of the third party subsystem of WMS. The individual/couple will have provisional coverage due to the "06" Medicaid Coverage Code and each person will have the full Medicare Part B premium paid for through the Buy-In. A more detailed explanation of the SLIMB program may be found in 93 ADM-30 entitled "Medical Assistance Payment of Medicare Part B Premiums For Specified Low Income Medicare Beneficiaries (SLIMBS)".

The QI-1 and QI-2 programs which were effective in January, 1998 in New York State resulted from the federal Balanced Budget Act of 1997. An individual/couple cannot be Medicaid eligible and also be eligible for the Qualified Individual programs. On an annual basis, starting in January, 1998 and ending in December, 2003, the federal government allots a capped monetary payment to States to pay for the entire Medicare Part B premium for QI-1s and a portion of the Medicare Part B premium for QI-2s. There is no State or local share for these premiums. The processing of these cases differs from traditional case processing because if an individual is determined to be eligible either as a QI-1 or a QI-2, the case is actually denied on WMS. Based upon MA denial reason codes, a CNS notice is sent advising the individual of his/her eligibility for the program.

To calculate SLIMB through QI-2 eligibility, an "S" is entered in the Buy-In Indicator field on the SSI-related MBL budget.

B. New SSI-Related Applications For Medicaid

For each new SSI-related Medicaid application, social services districts must also determine eligibility for the MPPP whenever the individual/couple has Medicare Part A even if the application is for Medicaid-Only and "Medicare Buy-In" is not checked off. Instructions for budgeting MPPP have been described in the Recertification section above. Workers should be reminded that individuals who are in receipt of SSI cash payments and have Medicare Part B only may conditionally enroll into Medicare Part A at the Social Security Office, apply for the QMB program and have the Medicare Part A premium paid for through the buy-in system. They also receive the additional services available to QMBs that are not normally available through the Medicaid program. Individuals having chronic renal disease are entitled to MPPP.

V. NOTICE REQUIREMENTS

Applicants/recipients for each of the MPPP are entitled to both adequate and timely notice concerning their eligibility.

For the QMB Program, social services districts must use DSS-4039 (Notice of Action on Application/Benefit for the Medicare Buy-In Program) or DSS-4040 (Notice of Decision on Eligibility for the Medicare Buy-In Program [Active MA-Only Recipients]). The DSS-4040 should only be used for individuals who have Medicaid coverage and never had a QMB budget calculated (there is no CNS support for the DSS-4040). It is a one time only notice as explained in 89 ADM-7. If an individual applies for the Medicaid program and is denied and found eligible for the QMB program, social service districts should send the appropriate Medicaid denial notice and the appropriate QMB acceptance notice.

CNS support is available for QMB denials and discontinuances (Reason Code X52 for both) for MA-Only cases. Acceptance notices for MA-Only QMB cases are manual and in some districts undercare notices (Reason Code C09, and S17) for MA-Only cases are supported by CNS.

For the SLIMB program, social service districts must use the DSS-4393 (Notice Of Action On Application/Benefit For Medical Assistance Payment Of The Medicare Part B Premium). CNS support (Reason Code X53) is available for SLIMB denials and discontinuances. Reason Code C10 is available for SLIMB continuation of the Medicare Part B premium as well as reason code S18.

For manual notification of either the Qualified Individual-1 and Qualified Individual-2 programs, social service districts may use the DSS-4393 (Notice of Action on Application/Benefit for Medical Assistance Payment of the Medicare Part B Premium) programs. DSS-4393 may also be used for individuals who lose eligibility for one of the MPPP programs at a lower Federal Poverty Level and are determined eligible for one of the Qualified Individual programs at recertification or for individuals who applied for full Medicaid or the QMB program and are determined ineligible for those programs but determined eligible for one of the Qualified Individual programs. CNS support is available for individuals/couples who have applied specifically for the Qualified Individual programs (U80, U81, E81, U82, and U83). Since the processing of these cases involves denying the Medicaid application, all notices, including acceptance notices are based upon CNS Denial Reason Codes.

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VI. NEW YORK CITY PROCEDURES

In New York City, manual notices are used. Existing code cards and manuals should be referred to.

VII. SYSTEMS IMPLICATION

There are no new systems implications.

VIII. EFFECTIVE DATE

The provisions of this directive are effective immediately.

Kathryn Kuhmerker
Deputy Commissioner
Office of Medicaid Management