

TO: Local District Commissioners, Medicaid Directors, Third Party Supervisors

FROM: Betty Rice, Director, Division of Consumer & Local District Relations, Office of Medicaid Management

SUBJECT: Reimbursement of Health Insurance Premium

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Support Unit:
Upstate - 518-474-8216
NYC - 212-268-6855

This is to clarify the Department's policy regarding the payment or partial payment of cost-effective health insurance premiums. If a medically needy recipient pays health insurance premiums from income and such payment, together with other applicable income disregards, reduces the individual's net available monthly income below the appropriate income eligibility standard, the local social services district must pay or reimburse the recipient for the health insurance premium if the premium is determined to be cost effective. The payment/reimbursement of the health insurance premium cannot exceed the difference between the individual's net available income and the appropriate income eligibility standard. For example, if an individual's net monthly income after deduction of a \$200.00 health insurance premium and other applicable disregards is \$150.00 below the appropriate income eligibility standard, the local district would reimburse the individual \$150.00 for the health insurance premium if the premium is determined to be cost effective.

Social services districts should note that individuals who are residing in Congregate Care Level II facilities who are not eligible for Medicaid reimbursement of Medicare Part B premiums under the Buy-In Program may still be entitled to reimbursement of their premiums. If an individual's net available monthly income is below the Congregate Care Level II standard of need, the individual is entitled to reimbursement of their Medicare Part B premium in an amount sufficient to bring the individual's income up to the Congregate Care level II standard of need.