

GENERAL INFORMATION SYSTEM

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DIVISION: Office of Health Insurance Programs

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TO: Local District Commissioners, Medicaid Directors

FROM: Judith Arnold, Director
Division of Coverage and Enrollment

SUBJECT: Medicare Savings Program Changes in Estate Recovery

EFFECTIVE DATE: January 1, 2010

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The purpose of this General Information System (GIS) message is to advise local districts of a change in the Department's policy regarding estate recoveries of Medicare cost sharing benefits paid under the Medicare Savings Program (MSP).

Previously, in 02 OMM/ADM-3, districts were informed that payments for Medicare premiums for recipients with coverage code 09 (Medicare Savings Program only) were not subject to estate recovery.

Effective January 1, 2010, Section 115 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), expands this exemption to all Medicare cost sharing benefits for all Medicaid recipients who are enrolled in the Medicare Savings Program. Therefore, a recipient who has full Medicaid coverage and is also a Qualified Medicare Beneficiary (QMB) would be exempt from estate recovery for any Medicare cost sharing expenses paid by the Medicaid program.

Effective January 1, 2010, the following Medicaid payments for Medicare cost sharing expenses made on behalf of any individual receiving benefits through the Medicare Savings Program are exempt from estate recovery:

- Medicare Part A and Part B premiums;
- Medicare deductibles;
- Medicare coinsurance; and
- Medicare co-payments.

Medicaid payment for all other services not related to Medicare cost sharing, continue to be subject to estate recovery. Also, Medicare cost sharing payments made on behalf of individuals who are not enrolled in the Medicare Savings Program, continue to be subject to estate recovery.