```
        +----------------------------------+
        |      ADMINISTRATIVE DIRECTIVE    |     TRANSMITTAL:  93 ADM-12
        +----------------------------------+
                                                 DIVISION:  Health & Long
        TO:      Commissioners of                           Term Care
                 Social Services

                                                 DATE:  June 15, 1993

        SUBJECT:  Identification of Qualified Medicare Beneficiaries (QMBs) and
                  Medical Assistance (MA) Payment for QMBs of Certain Costs not
                  Otherwise Covered under the MA Program

        --------------------------------------------------------------------------
        SUGGESTED          |
        DISTRIBUTION:      |  Medical Assistance Staff
                           |  Fair Hearing Staff
                           |  Legal Staff
                           |  Accounting Staff
                           |  Third Party Staff
                           |  SDX Coordinators
                           |  Staff Development Coordinators
                           |
             CONTACT       |
              PERSON:      |  MA Eligibility Representative: 1-800-342-3715,
                           |  Extension 3-7581
                           |  In New York City:  212-417-4853
                           |  (User ID AZ0660)
                           |
         ATTACHMENTS:      |  See Attachment I for List of Attachments
                           |  (List is available on-line)
                           |
                           |
                           |
                           |
                            FILING REFERENCES
        --------------------------------------------------------------------------
         Previous    | Releases  |Dept. Regs. |Soc. Serv.  |Manual Ref.|Misc. Ref.
         ADMs/INFs   | Cancelled |            |Law & Other |           |
                     |           |            |Legal Ref.  |           |
                     |           |            |            |           |
        90 ADM-6     |           |360-2       |367-a       |           |MCCA of
        89 ADM-36    |           |360-7.7     |PL 100-360  |           |1988
        89 ADM-7     |           |            |PL 100-485  |           |92 LCM-69
                     |           |            |PL 100-467  |           |GIS91MA021
                     |           |            |            |           |
                     |           |            |            |           |
                     |           |            |            |           |
                     |           |            |            |           |
                     |           |            |            |           |
                     |           |            |            |           |

        DSS-296EL (REV. 9/89)
```

Date   June 15, 1993

Trans.  No.   93 ADM-12                                              Page No.  2

I.      PURPOSE

        The purpose of this Directive is to advise social services
        districts of the actions to be taken to:

        1.   Ensure systems identification of all Qualified Medicare
             Beneficiaries (QMBs); and

        2.   Allow for Medical Assistance (MA) payment of Medicare
             deductibles and coinsurance for services covered under the
             Medicare program but not otherwise covered under MA.

II.     BACKGROUND

        As outlined in 89 ADM-7, the Medicare Catastrophic Coverage Act of
        1988 (MCCA) requires MA payment of Medicare premiums, deductibles
        and coinsurance for QMBs.  This includes payment of Medicare Part B
        deductibles and coinsurance for Medicare covered services not
        otherwise covered under the MA program.  As a result, the MA
        program must pay the deductibles and coinsurance for QMBs for
        Medicare approved services of providers such as chiropractors and
        clinical social workers.  Due to the Federal district court order
        in the case New York City Health and Hospital Corporation v.
        Perales and Sullivan, the Department must pay (effective June 3,
        1992) the full amount of Medicare Part B coinsurance and
        deductibles.  This applies to recipients dually eligible for
        Medicare and MA, including QMBs.

        In order to pay for these costs, system modifications were needed
        to allow for identification of QMB eligibility for individuals who
        are both MA and QMB eligible (dual eligibles).  Without this
        identification, providers and the payment system could not
        determine who was entitled to MA payment of deductibles and
        coinsurance for Medicare services not otherwise covered by MA.
        System modifications were completed so that districts can enter
        directly onto MMIS to indicate QMB status.  Claims can now be paid
        for Medicare deductible and coinsurance costs for such services as
        chiropractic and clinical social worker services provided to QMBs.

III.    PROGRAM IMPLICATIONS

        Provisions of MCCA of 1988 require MA payment of Medicare premiums,
        deductibles and coinsurance for QMBs.  This includes payment of
        deductibles and coinsurance for Medicare services not otherwise
        covered under the MA program.

        To ensure compliance with provisions of MCCA for QMBs, districts
        are required to identify all QMBs on MMIS.  This will permit MMIS
        to pay appropriate deductibles and coinsurance for QMBs for
        Medicare approved services that are not otherwise covered under MA.

Date   June 15, 1993

Trans.  No.   93 ADM-12                                        Page No.  3

_____

Once entered onto the database,  the QMB indicator will  appear  on
the  MMIS  third  party  screens.   It should not be thought of as
traditional health insurance however,  since the QMB indicator will
not cause claims to be denied.

This is an interim process until new data entry and inquiry screens
are available in June, 1993.   At that time,  new instructions will
be  forwarded  to  districts  explaining the revised QMB data entry
procedures.

IV.      REQUIRED ACTION

Districts must determine QMB eligibility and process these cases in
accordance with provisions of 89 ADM-7 and 92 LCM-69.

Districts  must  also  use  the  systems  instructions  and  notice
requirements provided in sections V and VI  of  this  Directive  to
identify  QMBs and ensure MA payment of costs not otherwise covered
under the MA program for QMBs.

V.       SYSTEMS IMPLICATIONS

A.    Systems Identification of QMB Status

1.    Districts  must  enter  the QMB indicator on MMIS for all
individuals determined to be QMB eligible.  This must be
done  at  the time of initial systems input for new cases
and  at  recertification  for  undercare  cases  if  not
previously entered.

QMB  onlys will be identified on WMS by the coverage code
09 and on MMIS by the QMB indicator.

2.    As  outlined  in 89 ADM-7 districts must enter the Buy-In
Eligibility code of "P" on  the  initial  DSS-1044  when
accreting a QMB to the Buy-In (See Attachment II).  This
must be done for all QMBs including QMB/MA eligibles  and
QMB  onlys.   In  addition,  districts must verify at
recertification that the "P" indicator is on  the  Buy-In
file for QMB undercare cases. If the "P" is  absent,  a
DSS-1044  must  be  submitted  with  the  "P"  and  a
transaction code of 99 to indicate QMB  eligibility  (See
Attachment III).

B.    Entering the QMB Indicator on MMIS (See Attachment IV)

1.    Refer  to  Administrative  Directive  89  ADM-36  for
instructions on direct entry to MMIS.

2.    The following fields on the direct entry screen  must  be
completed:

Field                      Description/Action Required

County:               enter county code.

Date   June 15, 1993

Trans.  No.  93 ADM-12                                        Page No.  4

```
              Case:              enter recipient's case number.
              CIN:               enter  recipient's  identification
                                 number.
              Rel:               relationship  code  field;  always
                                 enter "1" for QMB.
              Ins Cd:            insurance code field; always enter
                                 the  value  "QM"  to indicate a QMB
                                 eligible individual.
              Policy Number:     enter QMB in this field.

              Coverage Code:     place an "x" in position "12".
              Effective Dates:   enter  the  begin  date  of  QMB
                                 eligibility in the "From" field.
              Policyholder's Last
              Name:              enter the recipient's last name.
              FI:                enter  the  recipient's  first
                                 initial.
              Policyholder SSN:  enter  the  recipient's  Social
                                 Security Number or "UNKNOWN".
              Policyholder's Sex: enter  an  initial representing the
                                 recipients  sex  (M)=male,   (F)=
                                 female.
              Xmit:              transmit the information  after  it
                                 has been correctly entered.
```

C.   EMEVS

There are currently two groups of QMBs  identified  via  EMEVS
verification.

1.   Individuals who are eligible  for  QMB-only  cost-sharing
     benefits (premium,  deductible  and coinsurance with no
     additional  MA  benefits) are identified by the following
     eligibility response:

     MET Terminal:  MDCRE COIN/DEDUC
     Telephone:  Medicare Coinsurance and Deductible
     CPU and Batch:  Acceptance Reason Code 09

2.   Individuals  who  are  eligible for both QMB coverage and
     other MA benefits are identified as QMBs on EMEVS with an
     INS & COV CODE response.   The first two positions on the
     MET  or CPU/Batch response is QM.   The scope of benefits
     identified by the alpha character on the response  is  U,
     defined as Coverage to Complement Medicare.

     Example: (2 line response)   INS     COV & CODE
                                  QM         U

     The telephone response will be stated  QM,   Coverage  to
     Complement  Medicare.   If multiple insurance codes exist
     you may see a value ZZ.   To receive further information,
     please call 1-800-343-9000.

Date  June 15, 1993

Trans.  No.  93 ADM-12                                          Page No.  5

_____

VI.    <u>NOTICE REQUIREMENTS</u>

The revised DSS-4039,  "Notice of Action on Application/Benefit for the  Medicare  Buy-In  Program" (Attachment V) must be  sent  to Applicant/Recipients of the QMB Program as follows:

A.    <u>Initial Application</u>

1.    <u>QMB Onlys</u> - check the acceptance,  denial  or  withdrawal box.

2.    <u>QMB/MA</u> - Check the acceptance,  denial or withdrawal box. In addition,  send the DSS-3622, "Notice of Decision  on your Medical Assistance Application" or other appropriate MA Notice.

B.    <u>Recertification/Undercare</u>

1.    <u>QMB Onlys</u> - check the continue or discontinue box.

2.    <u>MA Undercare Cases Not Previously Identified  as  QMBs</u> - Evaluate  QMB eligibility for MA recipients in receipt of Medicare who have not previously been identified as  QMBs on  the  system.  Check the acceptance,  denial  or withdrawal box.  In addition, send the appropriate  MA recertification notice.

3.    <u>QMB/MA</u> - Check the continue or discontinue box for dual eligibles (QMB/MA) previously identified as QMBs  on  the system.  In  addition,  send  the  appropriate  MA recertification notice.

The revised DSS-4039,  "Notice of Action on Application/Benefit for the  Medicare Buy-In Program" replaces the current DSS-4039 and the DSS-4040,  "Notice of Decision on Eligibility for the Medicare Buy-In Program".

This form should be locally reproduced until a supply is  available through forms and publications.

VII.    <u>EFFECTIVE DATE</u>

The provisions of this Directive are effective July 1, 1993.

_____

Gregory M. Kaladjian
Executive Deputy Commissioner

Date   June 15, 1993

Trans.  No.   93 ADM-12                                    Page No.   6

LIST OF ATTACHMENTS


ATTACHMENT  I          List Of Attachments
                       (Available On-Line)


ATTACHMENT II & III    DSS-1044; Buy-In Accretion Examples
                       (Not Available On-Line)


ATTACHMENT IV          MMIS Third Party Insurance Coverage Entry Screen
                       (Available On-Line)


ATTACHMENT  V          Revised DSS-4039, "Notice of Action/Benefit for the
                       Medicare Buy-In Program"
                       (Not Available On-Line)