

TO: Local District Commissioners, Medicaid Directors

FROM: Betty Rice, Director
Division of Consumer and Local District Relations

SUBJECT: Medicare Part A Buy-in

EFFECTIVE DATE: July 1, 2004

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

Most individuals who are eligible for Medicare Part B are also eligible for premium free Part A coverage. However, there are some individuals who are eligible for Medicare Part B, but do not have enough work quarters to qualify for free Medicare Part A. For those individuals who have Medicare Part B and meet the income and resource requirements of the Qualified Medicare Beneficiary Program (QMB), states may purchase Part A coverage on their behalf.

New York State has been a Part A Group Payer State. This meant that in order for Medicaid to pay the Part A premium on behalf of a QMB eligible recipient, the individual had to go to the Social Security (SSA) office to conditionally enroll in Part A. Then they would go to their local Medicaid office to apply for Medicaid to pay their Part A premium. Unless the individual applied for conditional enrollment during the general enrollment period, the State was required to pay a 10% surcharge on the Part A premium.

As of July 2004, New York State anticipates becoming a Part A Buy-in State. As a Part A Buy-in State, individuals are not required to conditionally enroll at SSA. Under the Part A buy-in, individuals obtain Part A coverage when the State or local district accretes the individual to the Part A Buy-in system. By enrolling Medicaid individuals in Part A and paying the premium on their behalf, providers of Medicaid services will be required to bill Medicare for claims that would otherwise have been paid by Medicaid. As a Part A Buy-in State, we will not have to pay the 10% surcharge. Based on a fiscal analysis, we have determined that by enrolling individuals in Part A and paying the Part A premium, the projected net Medicaid savings will be \$75 million annually in local and State funds.

On a monthly basis, the State will identify and accrete those individuals who appear to meet the criteria for the Part A buy-in program. We will identify individuals who are:

- SSI cash recipients;
- Age 65 or over;
- On the Part B buy-in, but not the Part A buy-in; and
- Have a Social Security number with an M suffix (which designates an individual as not being eligible for free Part A).

Individuals who have been accreted by the State to the Part A buy-in will appear on your district's buy-in list and will be coded as a QMB. You will be able to identify such individuals as they will have a "63" accretion code. Districts will be billed for the Part A premium consistent with the manner in which they are currently billed for the Part B premium (i.e., approximately six months after Part A coverage is added to the Welfare Management System (WMS), payment of the local share will be due). This process will ensure that there will be sufficient time to allow for savings associated with the Part A buy-in to accrue, thereby mitigating costs associated with the local share of the premium payments.

Although the great majority of individuals who qualify for Part A buy-in are SSI cash cases (who will be accreted by the State), there are some additional individuals who will also qualify for Part A buy-in who are not SSI cash individuals and will not be accreted by the State at this time. Such individuals are:

- Not in receipt of SSI cash;
- Age 65 or over;
- Have Part B coverage, but not Part A;
- Have a social security number with an M suffix;
- Have income below the QMB eligibility level of 100% of the Federal Poverty Level and resources less than \$4,000 for an individual or \$6,000 for a couple.

As new Medicaid applications or renewals are processed, districts must determine if the individual qualifies for Part A buy-in based on the criteria listed above. If the person meets these criteria, districts must accrete the individual to the Part A buy-in as a QMB in accordance with the following procedures:

- Sign on to WMS using standard procedures.
- Key in Selection 25 (for upstate) or 08 (for New York City) on the WMS Menu and transmit; this will bring you to the Medical Assistance Menu.
- Place a T in the Subsystem Field for Third Party and place an I in the Function Field for the Update/Data Entry and transmit; this will bring up the Third Party/Data Update Menu Screen.
- Key in the CIN for the individual you want to update in the field next to the WTPCAS prompt and transmit; this will bring up the Health Insurance Data Case Screen.
- Key the letter X in the SEL Field and an M for the Transaction Type to indicate Medicare/Buy-In and transmit; this will display the Medicare Buy-In Update Screen.
- Key in the Health Insurance Claim Number (HIC) in the Hic Number Field. The HIC must be a 9 character numeric with an M suffix at the end. Tab to the Medicare A Data Element Field and key in the Medicare Part A Begin Date in the MMDDCCYY format. Tab to Buy-In A Field and key in BUY-IN A Begin Date in the MMCCYY format. Tab to BUY-IN A transaction Code Field and key in the number 61, which denotes an accretion transaction.
- Tab to Buy-In Eligibility Code Field and key the letter "P" for QMB and enter the begin date for QMB eligibility in the MMCCYY format and transmit. The system will review the edits. If they are satisfactory, a message will appear that the edits have passed. In order to store the transaction, the user must press SF13 to complete the update transaction.

The begin date for Part A coverage can be no earlier than July 1, 2004 (unless the individual has conditionally enrolled at the Social Security Office in accordance with 92 LCM-69). Eligibility for a QMB begins the first of the month following the month in which the individual is determined QMB eligible. The individual does not have to request this benefit. All Medicaid cases should be screened for eligibility for the Part A buy-in.

CNS Notices

The following CNS notices must be used for Upstate counties:

1. To deny both the Medicaid case and the QMB case, use the appropriate Medicaid denial reason code along with a reason code X52 - paragraph D0023 - "Deny Medicare Buy-in (QMB)".
2. To accept both a Medicaid case and a QMB case, use the appropriate Medicaid reason code and reason code S40 - paragraph Y0003, "Accept Medicare Buy-in Program (QMB)".
3. To discontinue both the Medicaid case and the QMB case, use the appropriate Medicaid discontinue reason code along with reason code X52 - paragraph C0020, "Discontinue Medicare Buy-in Program".
4. To continue both the Medicaid case and the QMB case, use the appropriate Medicaid reason code and reason code 09 - paragraph U0007, "Continue Payment for Medicare QMB".
5. If the individual is only applying for QMB, you may use one of the following;
 - Reason Code S40 - Paragraph Y0003 - "Accept Medicare Buy-in Program (QMBs)".
 - Reason Code X52 - Paragraph C0020 - "Discontinue Medicare Buy-in Program QMB Only"
 - Reason Code C09 - Paragraph U0007 - "Continue Payment for Medicare QMB"
 - Reason Code X52 - Paragraph D0023 - "Deny Medicare Buy-in (QMB)"

Manual Notices

1. To deny Medicaid and accept the case as a QMB, use a manual notice for Medicaid denial and a manual notice to open the QMB case.
2. To accept a Medicaid case, but deny QMB, manual notices must be used.
3. To continue the Medicaid case and discontinue the QMB case, manual notices must be used.
4. To discontinue the Medicaid case but continue the QMB case, manual notices must be used.
5. To only open, deny, or discontinue a Part A premium payment, the attached manual notice can be used.

Instructions on notices for New York City will be issued under separate cover.

In situations where the individual loses Medicaid eligibility, and is no longer eligible for this program, please remember that closing a Medicaid case does not close the buy-in case. The worker must also close the buy-in case on the third party subsystem, to prevent the county from paying premiums (which are currently \$343 per month) for an individual who is no longer eligible for this benefit.

**NOTICE OF ACTION ON APPLICATION/BENEFIT FOR MEDICAL ASSISTANCE PAYMENT OF THE
MEDICARE PART A PREMIUM**

DATE:		NAME AND ADDRESS OF AGENCY/CENTER OR DISTRICT OFFICE		
CASE NUMBER	CIN/RID NUMBER			
CASE NAME (and C/O Name if Present) AND ADDRESS				
		GENERAL TELEPHONE NO. FOR QUESTIONS OR HELP _____		

		OR Agency Conference _____		
		Fair Hearing Information and Assistance _____		
		Record Access _____		
		Legal Assistance Information _____		
OFFICE NO.	UNIT NO.	WORKER NO.	UNIT OR WORKER NAME	TELEPHONE NO.

This Department has made a decision concerning your eligibility for Medical Assistance payment of your Medicare Part A premium.

This Department will:

- ACCEPT the application dated _____ for (name)_____.
Medical Assistance will pay your monthly Medicare Part A premium effective_____.
If you are currently paying the Medicare Part A premium, you will continue to be responsible for paying the premium bills for the months before the effective date.
- DENY the application dated_____ for (name)_____.
If you are currently paying Medicare Part A premiums and you no longer want Medicare Premium Part A coverage, you should notify your local social security administration office immediately to stop Part A coverage.
- DISCONTINUE payment of Medicare Part A premiums for (name)_____, effective_____. If you are not eligible for premium free Medicare Part A and you do not want to pay for Medicare Part A coverage, you should notify your local social security administration office immediately, to stop your Medicare Part A coverage.

The reason for this action is as follows;

- You are not eligible for Medical Assistance to pay your Medicare Part A premium because your net income (gross income less Medical Assistance deductions) of \$_____ Is over the income limit of \$_____for Medical Assistance to pay your Part A premium.
- You are not eligible for Medical Assistance to pay your Medicare Part A premium because your countable resources of \$_____ are over the resource limit of \$_____ for Medical Assistance to pay your Part A premium.
- You are not eligible for Medical Assistance to pay your Medicare Part A premium because_____.

This decision is based on Regulations 18 NYCRR 360-7.8(a) and 360-7.7(g).

*REGULATIONS REQUIRE THAT YOU IMMEDIATELY NOTIFY THIS DEPARTMENT
OF ANY CHANGES IN NEEDS, INCOME, RESOURCES, LIVING ARRANGEMENTS OR ADDRESS*
YOU HAVE THE RIGHT TO APPEAL THIS DECISION
BE SURE TO READ THE BACK OF THIS NOTICE ON HOW TO APPEAL THIS DECISION

RIGHT TO A CONFERENCE: You may have a conference to review these actions. If you want a conference, you should ask for one as soon as possible. At the conference, if we discover that we made a wrong decision or if, because of information you provide, we determine to change our decision, we will take corrective action and give you a new notice. You may ask for a conference by calling us at the number on the first page of this notice or by sending a written request to us at the address listed at the top of the first page of this notice. This number is used only for asking for a conference. ***It is not the way you request a fair hearing.*** If you ask for a conference you are still entitled to a fair hearing. Read below for fair hearing information.

RIGHT TO A FAIR HEARING: If you believe that the above action is wrong, you may request a State fair hearing by:

(1) **Telephoning:** (PLEASE HAVE THIS NOTICE WITH YOU WHEN YOU CALL)

If you live in: New York City (Manhattan, Bronx, Brooklyn, Queens, Staten Island): (212) 417-6550

If you live in: Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans or Wyoming County: (716) 852-4868

If you live in: Allegany, Chemung, Livingston, Monroe, Ontario, Schuyler, Seneca, Steuben, Wayne or Yates County: (585) 266-4868

If you live in: Broome, Cayuga, Chenango, Cortland, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence, Tompkins or Tioga County: (315) 422-4868

If you live in: Albany, Clinton, Columbia, Delaware, Dutchess, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Orange, Otsego, Putnam, Rensselaer, Rockland, Saratoga, Schenectady, Schoharie, Sullivan, Ulster, Warren, Washington, or Westchester County: (518) 474-8781

If you live in: Nassau or Suffolk County: (516) 739-4868

OR

(2) **Writing:** By sending a copy of this notice **completed**, to the Office of Administrative Hearing, New York State Office of Temporary and Disability Assistance, P.O. Box 1930, Albany, New York 12201. Please keep a copy for yourself.

I want a fair hearing. The Agency's action is wrong because:

Name: _____ Case Number _____

Address _____

Signature of Client _____ Date _____

YOU HAVE 60 DAYS FROM THE DATE OF THIS NOTICE TO REQUEST A FAIR HEARING

If you request a fair hearing, the State will send you a notice informing you of the time and place of the hearing. You have the right to be represented by legal counsel, a relative, a friend or other person, or to represent yourself. At the hearing you, your attorney or other representative will have the opportunity to present written and oral evidence to demonstrate why the action should not be taken, as well as an opportunity to question any persons who appear at the hearing. Also, you have a right to bring witnesses to speak in your favor. You should bring to the hearing any documents such as this notice, pay stubs, receipts, medical bills, heating bills, medical verification, letters, etc. that may be helpful in presenting your case.

LEGAL ASSISTANCE: If you need free legal assistance, you may be able to obtain such assistance by contacting your local Legal Aid Society or other legal advocate group. You may locate the nearest Legal Aid Society or advocate group by checking your Yellow Pages under "Lawyers" or by calling the number indicated on the first page of this notice.

ACCESS TO YOUR FILE AND COPIES OF DOCUMENTS: To help you get ready for the hearing, you have a right to look at your case file. If you call or write to us, we will provide you with free copies of the documents from your file that we will give to the hearing officer at the fair hearing. Also, if you call or write to us, we will provide you with free copies of other documents from your file that you think you may need to prepare for your fair hearing. To ask for documents or to find out how to look at your file, call the Record Access telephone number listed at the top of page 1 of this notice, or write us at the address printed at the top of page 1 of this notice.

If you want copies of documents from your case file, you should ask for them ahead of time. They will be provided to you within a reasonable time before the date of the hearing. Documents will be mailed to you only if you specifically ask that they be mailed.

INFORMATION: If you want more information about your case, how to ask for a fair hearing, how to see your file, or how to get additional copies of documents, call us at the telephone numbers listed on the top of page 1 of this notice or write to us at the address printed at the top of page 1 of this notice.