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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 93 ADM-12

TO: Commissioners of  
 Social Services

DIVISION: Health & Long  
 Term Care

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 ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. 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

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.

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:

<u>Field</u>	<u>Description/Action Required</u>
County:	enter county code.

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.

VI. NOTICE REQUIREMENTS

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. Initial Application

1. QMB Onlys - check the acceptance, denial or withdrawal box.
2. QMB/MA - 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. Recertification/Undercare

1. QMB Onlys - check the continue or discontinue box.
2. MA Undercare Cases Not Previously Identified as QMBs - 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. QMB/MA - 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. EFFECTIVE DATE

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

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Gregory M. Kaladjian  
Executive Deputy Commissioner

LIST OF ATTACHMENTS

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|---------------------|--|
| ATTACHMENT I        | List Of Attachments<br>(Available On-Line)   |
| ATTACHMENT II & III | DSS-1044; Buy-In Accretion Examples<br>(Not Available On-Line)   |
| ATTACHMENT IV       | MMIS Third Party Insurance Coverage Entry Screen<br>(Available On-Line)                                    |
| ATTACHMENT V        | Revised DSS-4039, "Notice of Action/Benefit for the<br>Medicare Buy-In Program"<br>(Not Available On-Line) |