

Medicaid and CHIP All State Call

March 5, 2024



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Agenda

- Key Provisions in the Medicare Savings Program (MSP) Final Rule
- Open Mic Q&A



Streamlining Medicare Savings Program Eligibility Determination and Enrollment

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Agenda for MSP Eligibility and Enrollment

- Background and Context
- Brief Overview of September 2023 Final Rule on Medicare Savings Program (MSP) Eligibility Determination and Enrollment
 - Automatically Enroll Most Medicare-Enrolled Supplemental Security Income (SSI) Recipients into the Qualified Medicare Beneficiary (QMB) Eligibility Group
 - Facilitate MSP Enrollment Through Part D Low-Income Subsidy (LIS) Leads Data
 - Other Requirements in Final Rule
- Related Tips and Resources
 - Additional Steps States Can Take to Streamline MSP Eligibility and Enrollment
 - Resources

Background and Context

Medicare Savings Programs (MSPs)

- Medicaid eligibility groups through which Medicaid covers Medicare Part A and B premiums and often cost sharing.
 - Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), Qualifying Individual (QI), and Qualified Disabled and Working Individual (QDWI)
- **For enrollees, MSPs:**
 - Improve access to health care while freeing up already limited income for food, housing, and other life necessities.
 - Reduce out-of-pocket costs for prescription drugs under Medicare Part D because QMB, SLMB and QI enrollment automatically confers enrollment into the LIS program.
- More than 10 million people are enrolled in MSPs, but many eligible people are not enrolled.

**Brief Overview and Summary of Key Provisions in
September 2023 Final Rule on Medicare Savings
Program Eligibility Determination and Enrollment**



Summary of Key Provisions — Automatically Enroll Most Medicare-Enrolled Supplemental Security Income (SSI) Recipients Into the Qualified Medicare Beneficiary (QMB) Eligibility Group

Automatically Enroll Most Medicare-Enrolled SSI Recipients Into the QMB Eligibility Group- Final Rule

- By **October 1, 2024**, states must deem most Medicare-enrolled SSI recipients eligible for QMB.

Part A buy-in states

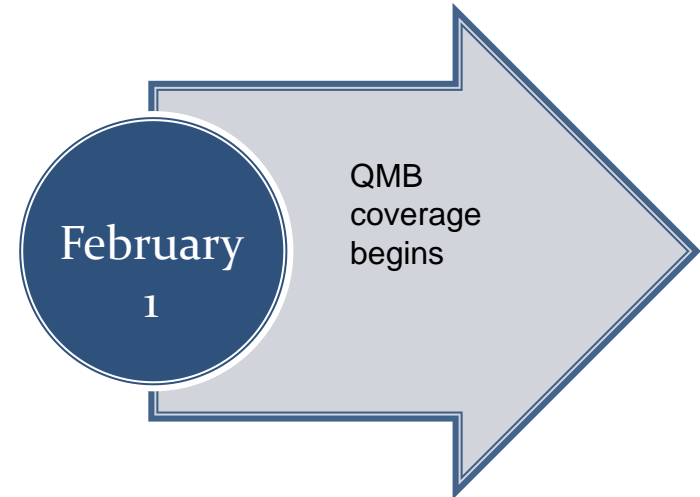
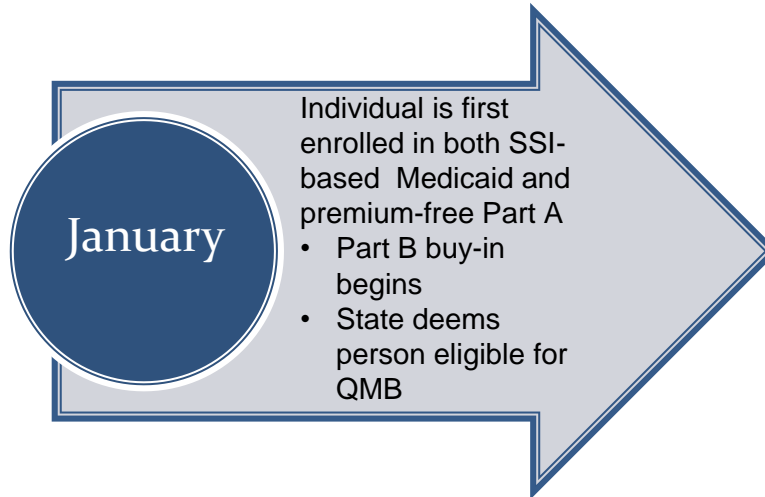
- For SSI recipients entitled to premium-free A and/or enrolled in Part B:
 - **Must** automatically deem SSI recipients into QMB the first month they are:
 - Eligible for Medicaid (either the mandatory SSI group or the 209(b) Medicaid eligibility group), and
 - Entitled to premium-free Medicare Part A and/or enrolled in Part B.
 - **Must** start Part B buy-in coverage the first month they are entitled to premium-free Part A and/or Part B and start QMB eligibility group coverage the first day of the following month.

Group payer states

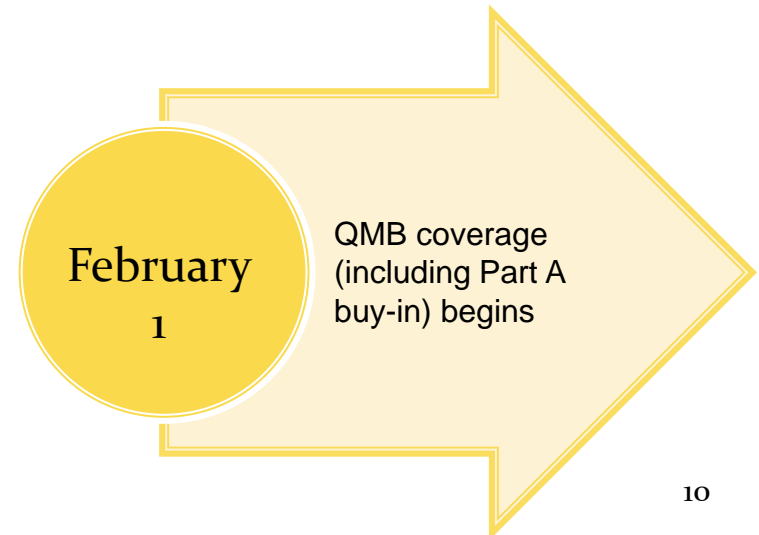
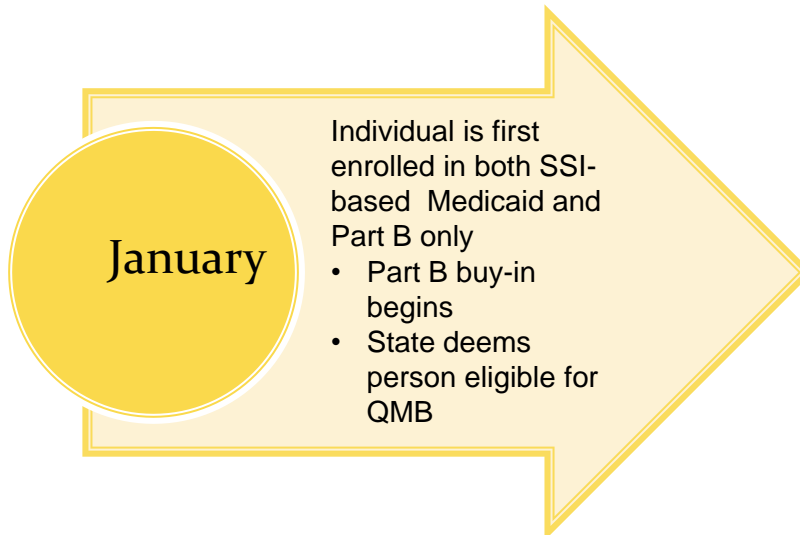
- For SSI recipients entitled to premium-free A:
 - **Must** automatically deem SSI recipients into QMB the first month they are:
 - Eligible for Medicaid (either the mandatory SSI group or the 209(b) Medicaid eligibility group), and
 - Entitled to premium-free Part A.
 - **Must** start Part B buy-in coverage the first month they are entitled to premium-free Part A and start QMB eligibility group coverage the first day of the following month.
- For SSI recipients enrolled in Part B only:
 - **May** deem individuals enrolled in SSI-based Medicaid eligible for the QMB eligibility group the first month they are both enrolled in Part B and eligible for a Medicare enrollment period, bypassing the need for actual or conditional Part A at the Social Security Administration (SSA).
 - Contact ModernizetheMSPs@cms.hhs.gov to pursue this option.

Buy-in and QMB Coverage Timeline Examples

Part A
Buy-in
and
Group
Payer
States



Part A
Buy-in
states
only



Summary of Key Provisions – Facilitating MSP Enrollment Through Part D Low Income Subsidy (LIS) Leads Data

Facilitating MSP Eligibility Determinations Through LIS Leads Data - Background

- More than 1 million individuals enrolled in LIS are likely eligible for MSPs but are not enrolled.
- Since January 1, 2010, federal law has required the SSA to transmit to states data from LIS applications (“LIS leads” data) and require states to treat the data as an application for MSP benefits.
 - See sections 1144(c)(3) and 1935(a)(4) of the Social Security Act (“the Act”).
- Per 42 CFR 435.912(c)(3), states must start the 45-day MSP eligibility determination processing timeline with either: (1) the date of the LIS application, or (2) the date the state receives the LIS leads data from SSA.

Facilitating MSP Eligibility Determinations Through LIS Leads Data – Final Rule

- By **April 1, 2026**, all states must have procedures in place to:

Treat **LIS leads data as an application for MSPs** and determine MSP eligibility promptly.

Accept leads data information **without further verification** in most cases.

Request **only information that is missing** from LIS leads data but needed for MSP eligibility determinations.

Accept **self-attestation** of certain information if needed for MSP eligibility determinations (interest/dividend income, non-liquid resources, burial funds, life insurance)

Separately provide the individual with information about **other Medicaid benefits** and an opportunity to be determined eligible for them

Other Requirements in Final Rule

- By **April 1, 2026**, all states must have procedures in place to:

Define family size in MSPs to be no less than the LIS definition

In group payer states, apply earliest possible QMB effective date

Accept self-attestation of certain information for all MSP applicants

Benefits of Implementing Final Rule

- Fewer applications for states to process
- Less overall administrative burden for state eligibility workers
- Less administrative burden for applicants and their families

Related Tips and Resources

Additional Steps States Can Take to Streamline MSP Eligibility and Further Reduce State Burden

- **Leverage authority granted by section 1902(r)(2) of the Act to:**
 - Align MSP income and resource limits with increased LIS limits
 - Fully align MSP income and asset methodologies with LIS
 - Disregard all assets for MSPs or disregard a subset of assets

(above options would make compliance with final rule easier)
- **Group Payer states can execute a Part A buy-in agreement**

Resources

- Chapter One of the Manual for the State Payment of Medicare Premiums (*Newly Revised!*): <https://www.cms.gov/files/document/chapter-1-program-overview-and-policy.pdf>
- Final rule - CMS. “Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment”: <https://www.federalregister.gov/documents/2023/09/21/2023-20382/streamlining-medicaid-medicare-savings-program-eligibility-determination-and-enrollment>
- Integrated Care Resource Center (ICRC) resource to assist states in assessing the fiscal viability of a Part A buy in agreement: <https://integratedcareresourcecenter.com/resource/assessing-fiscal-viability-medicare-part-buy-agreement-group-payer-states>
- CMS Fact Sheet about the final rule: <https://www.cms.gov/newsroom/fact-sheets/streamlining-medicaid-and-chip-final-rule-fact-sheet>
- Updated descriptions of LIS leads data elements: <https://www.ssa.gov/dataexchange/documents/LIS%20record.pdf>
- Questions and technical assistance requests: modernizethemsp@cms.hhs.gov

Questions

Appendices

Appendix A: Summary of Rule Provisions

| Rule Provision | Regulatory Citation(s) | Manual for State Payment of Medicare Premiums | Compliance Date |
|--|---|---|-----------------|
| Automatically enroll certain SSI recipients into QMB | 42 CFR §435.909(b) | Chapter 1, Sections 1.6.1.4 and 1.6.2.6 | 10/1/2024 |
| Applying earliest possible QMB effective date (<i>group payer states</i>) | 42 CFR §406.21(c)(5) | Chapter 1, Sections 1.11 | 4/1/2026 |
| Base MSP eligibility determinations on LIS leads data | 42 CFR §§ 435.911(e), 435.4, 435.952 and 435.601 | Chapter 1, Section 1.6.2.3 | 4/1/2026 |
| Simplified verification of income and resources for MSP eligibility determinations | 42 CFR §§ 435.952(e), 435.952(c)(2), and 435.907(a) | Chapter 1, Section 1.6.2.2 | 4/1/2026 |
| Define family size for MSP eligibility to be no less than LIS definition | 42 CFR §§ 435.601(e) and 423.772 | Chapter 1, Section 1.6.2.1 | 4/1/2026 |

Appendix B: Simplified Verification of Income and Resources for all MSP applicants

| Type of Income/Resource | Simplified Verification Required |
|-------------------------|---|
| Interest/dividends | Self-attestation |
| Non-liquid resources | Self-attestation |
| Burial funds | Self-attestation that up to \$1,500 of applicant's resources and up to \$1,500 of spouse's resources are set aside as burial funds in a separate account. |
| Whole life insurance | <ul style="list-style-type: none"> • If the total face value of all whole life insurance policies does not exceed \$1,500, cash surrender value of the policies is not counted in determining MSP eligibility. • If the applicant(s) attest(s) to having whole life insurance with face value below \$1,500, states must accept the attested face value for initial eligibility determination. • If applicant(s) attest(s) to a face value above \$1,500, states may accept attestation or may require documentation of the cash surrender value. • If documentation is required, states must assist in obtaining it. |

Appendix C: SSI-QMB deeming scenario at compliance date- 1634 state

- Example 1: Joe Smith lives in a 1634 state and has a disability. He applies for SSI in January 2024 and SSA determines him eligible for SSI and SSI-based Medicaid on February 1, 2024. On August 1, 2024, he turns 65 and receives premium-free Part A. The state buys Joe into Part B on August 1, 2024. Under the final rule, Joe must be determined eligible for QMB no later than October 1, 2024 and he must start receiving QMB benefits no later than November 1, 2024.

Appendix C: SSI-QMB deeming scenario at compliance date- 209(b) state

- Example 2: Charlie Lee lives in a 209(b) state and has a disability. He applies for SSI in January and SSA determines him eligible for SSI on February 1, 2024. On June 1, 2024, he turns 65 and receives premium-free Part A. He applies for Medicaid on August 1, 2024 and is determined retroactively eligible for 209(b) Medicaid eligibility group (42 CFR 435.121) dating back to June 1, 2024. The state also buys him in for Part B retroactively back to June 1, 2024. Charlie also should be determined eligible for QMB in August 2024 because states must determine Medicaid eligibility on all bases. In this scenario, QMB would be effective September 1, 2024.

Appendix C: SSI-QMB retro deeming scenario- 1634 state

- Example 3: Jane Doe lives in a 1634 state and applied for SSI/SSDI in July 2021. SSA determined her eligible for SSI and SSI-based Medicaid effective August 1, 2021. In January 2025, SSA determines her eligible for SSDI with a retroactive start date of August 1, 2020 (SSI can determine SSDI eligibility up to one year before the disability application). SSDI has a five-month waiting period, so her SSDI benefits begin on January 1, 2021, and her Medicare eligibility, including premium-free Part A, become effective on January 1, 2023. The state would deem Jane eligible for QMB back to January 1, 2023 and start QMB coverage February 1, 2023.

Appendix C: SSI-QMB retro deeming scenario- 209(b) state

- Example 4: Anh Pham lives in a 209(b) state and applied for SSI/SSDI in July 2021. SSA determined her eligible for SSI effective August 1, 2021. She applied for Medicaid on August 1, 2022 and was determined eligible retroactively for 209(b) Medicaid eligibility group to June 1, 2022. In January 2025, SSA determines her eligible for SSDI with a retroactive start date of August 1, 2020 (SSI can determine SSDI eligibility up to one year before the disability application). SSDI has a five-month waiting period, so her SSDI benefits begin on January 1, 2021, and her Medicare eligibility, including premium-free Part A, become effective on January 1, 2023. The state would deem Anh eligible for QMB back to January 1, 2023 and start QMB coverage February 1, 2023.

Appendix C: SSI-QMB retro deeming scenario- SSI/SSDI appeal

Example 5: Maria Lopez lives in a 1634 state and applies for SSI/SSDI in January 2021. Maria's application is initially denied in March 2021, but she wins on appeal. In January 2025, SSA determines her SSI eligible and SSDI eligible, dating back to January 1, 2021. Her SSI-based Medicaid is automatically retroactive to January 1, 2021. SSDI has a five-month waiting period, so her SSDI benefits begin on June 1, 2021, and her Medicare eligibility, including premium-free Part A, becomes effective on June 1, 2023. Her state must deem her eligible for QMB back to June 1, 2023 (the first month she is eligible for premium-free Part A, SSI and Medicaid). QMB coverage would start on July 1, 2023.

Appendix C: SSI-QMB retro deeming scenario with retro limit

Example 6: Jose Vargas lives in a 1634 state. He applied for SSI/SSDI in July 2019 and was determined eligible for SSI and SSI-based Medicaid with an effective date of August 1, 2019. In January 2025, SSA subsequently determines him eligible for SSDI dating back to August 1, 2018 (SSI can determine SSDI eligibility up to one year before the disability application). SSDI has a five-month waiting period, so his SSDI benefits begin on January 1, 2019 and his premium-free Part A entitlement based on receipt of SSDI is effective January 1, 2021. In this instance, the 36-month limit on retroactivity in 42 CFR 407.47(f) limits the retroactive Part B buy-in start date to January 1, 2022. The state would deem Jose eligible for the QMB group on January 1, 2022, with QMB coverage retroactive to February 1, 2022.