

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

---

SMDL #02-019

December 20, 2002

Dear State Medicaid Director:

This is to further advise you of recent legislative changes relating to Medicaid coverage of Medicare cost-sharing for Qualifying Individuals (QIs), described in section 1933 of the Social Security Act. These are persons with incomes of 120-175 percent of the official Federal poverty line, whom Medicaid assists in paying all or part of the monthly Medicare Part B premium. Authority for benefits for these persons had been scheduled to expire on December 31, 2002.

A Continuing Resolution (Pub. L. No. 107-229, as amended by Pub. L. Nos. 107-240 and 107-244, and most recently amended by Pub. L. No. 107-294) has been enacted that extends, at current funding levels, the QI-1 benefit through March 12, 2003. This means that there is Federal funding for the Medicare Part B premiums through the entire month of March 2003 for individuals who have enrolled as QI-1s prior to March 13, 2003. QI-1s have incomes of at least 120 percent of poverty, but less than 135 percent, and receive Medicaid for the full Medicare Part B premium. Do not take any action to notify or terminate QI-1s at this time.

We will keep you informed as we learn more information about the QI-1 program.

Sincerely,

/s/

Dennis G. Smith  
Director

cc:

CMS Regional Administrators

CMS Associate Regional Administrators  
for Medicaid and State Operations

Page 2 – State Medicaid Director

Lee Partridge  
Director, Health Policy Unit  
American Public Human Services Association

Joy Wilson  
Director, Health Committee  
National Conference of State Legislatures

Matt Salo  
Director of Health Legislation  
National Governors Association

Brent Ewig  
Senior Director, Access Policy  
Association of State and Territorial Health Officials

Jim Frogue  
Acting Director, Health and Human Services Task Force  
American Legislative Exchange Council

Trudi Matthews  
Senior Health Policy Analyst  
Council of State Governments