STATE OF CALIFORNIA–HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, Governor

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August 24, 1999

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Mental Health Directors
All County Public Health Directors
All County QMB/SLMB/QI Program Coordinators

Letter No.: 99-43

QUALIFYING INDIVIDUAL (QI) PROGRAM-UPDATE AND CHECK-OFF LIST

Ref.: E-Mail Nos. 98037, 98048, and 99031; All County Welfare Directors Letter (ACWDL) Nos. 98-47, 98-60, 99-14, and 99-15

This letter provides an update for the QI program, consolidates information from previous E-Mails and ACWDLs and contains a check-off list that various counties have requested to clarify the QI program's procedures.

BACKGROUND

The QI program was established by Section 4732 of the Balanced Budget Act of 1997. This new five-year Medi-Cal program was created by Congress to pay all or some of the Medicare Part B premiums for applicants who are eligible for the QI program. The program costs of the QI program are covered entirely by federal funds. States receive a yearly federal allocation to cover QI costs.

The QI program uses the same eligibility methodology as the long-standing Qualified Low-Income Medicare Beneficiary (QMB) and Specified Low-Income Medicare Beneficiary (SLMB) programs. For example, all of these programs base income eligibility on a percent of the federal poverty level rates (FPL) and use a resource/property rate of $4,000 (single person) and $6,000 (couple). These programs do have differing income standards, differing benefits, and differing retroactive reimbursement rules.

The QI program has two components: A QI-1 program for individuals with income from 120 percent of the FPL up to, but not including, 135 percent of the FPL and a QI-2 program for individuals with income from 135 percent of the FPL up to, but not including, 175 percent of the FPL.

QI-1 program: Uses Aid Code 8D: pays the full Medicare Part B premium ($45.50 in 1999). Under federal requirements, individuals who are eligible for any no share-of-cost (SOC) Medi-Cal program may not also be covered as QI-1s. Individuals who are eligible for the Medically Needy program with a SOC may be covered as QI-1s and thus may be dually eligible. Although the Department buys-in the Part B premium for all individuals on Medicare, the Department will claim funding under the QI-1 program for all QI-1-only individuals and for all dually eligible QI-1 individuals who do not meet their SOC.

QI-2 program: Uses Aid Code 8K: reimburses yearly, a portion of the Medicare Part B premium paid by the beneficiary during the previous year ($1.07 per month for 1998; $2.23 per month for 1999). A QI-2 may not be eligible for any other Medi-Cal program.

Although the Department of Health Services (DHS) buys-in the Part B Premium for all individuals on Medicare, DHS will claim funding under the QI program for all QI-1-only individuals and for all dually eligible QI-1 individuals who do not meet their SOC.

From a county perspective, all data system changes needed to be made by DHS to implement this program are completed. The QI aid codes are operational. DHS will pay the Medicare Part B premiums for all those identified as QI-1s on the Medi-Cal Eligibility Data System (MEDS). For QI-2 beneficiaries who were identified on MEDS by March 31, 1999, DHS expects to reimburse them by June 30, 1999, for portions of the Part B premiums which they paid during 1998. In the event that counties did not identify their QI-2 beneficiaries by the March date, DHS will do a one-time special computer run to reimburse such QI-2s by September 1999.

THE NEW FISCAL YEAR ALLOCATION

The California QI-1/QI-2 federal fiscal year allocation for October 1, 1998 through September 31, 1999 is $19,162,000, an increase of $3,651,000 over the 1998 amount.

1999 INCOME STANDARDS

Revised FPL levels are effective from April 1 of one year through March 31 of the next year. Thus, an applicant in March 1999 is evaluated under the April 1, 1998 through March 31, 1999 FPL chart. The April 1, 1999 through March 31, 2000 income standards for the QMB, SLMB and the QI programs are enclosed. These standards reflect a 1.3 percent cost of living adjustment (COLA) over the 1998 amounts.

Note: The enclosed federal poverty chart has two columns for each of the QMB, SLMB, and QI programs.

- The first column (the lower amount) represents the federal income limit associated with each program. This is the amount counties compare net nonexempt income to, after the counties apply the $20 any income disregard and if applicable, the $65 and one-half earned income disregard.

- The second (higher) column has the $20 any income disregard built into it; it is $20 higher than the lower column. It is included in this chart because various federal and advocacy publications use these higher amounts to help applicants self-screen without using any disregards, particularly without needing to disregard the $20 any income disregard. These amounts are valid only if an applicant has unearned income.

Important: The same January through March COLA disregard applied to QMBs and SLMBs applies to QIs. (See Medi-Cal Eligibility Procedures Manual Section page 5L-31, question 1 under Income.) That is, any Title II COLAs contained in an applicant's or beneficiary's Title II benefit for the January to March period are disregarded in determining eligibility for that same period since the updated FPL payment standards are not available and applied until April.

ELIGIBILITY DETERMINATIONS

MC 14A: As you are aware, the MC 14A indicates that it is a mail-in application for the QI and SLMB programs. Since it is also to be accepted as a mail-in application for the QMB program, it is being revised to reflect this. The revised MC 14A will also contain the updated 1999 FPL payment levels in various parts of the narrative.

Face-to-Face Interviews: Earlier implementing instructions for the QI program provided for a waiver of face-to-face interviews for both QI and SLMB applicants. The face-to-face requirement is now being waived for QMB applicants who use the mail-in application.

Application Date: Due to delays which occurred in the QI program's implementation, the application date (for QI or QMB/SLMB in the event that there is such eligibility for these programs instead of the QI program) is the earlier of either the date the MC 14A is received at the county or the date the applicant called the county about the QI program. (See E-Mail 98037.)

Both the QI and SLMB programs allow for three-month retroactive coverage. Note that QI eligibility cannot be established earlier than January 1, 1998, the date this program was established. The QMB program does not allow for three-month retroactive coverage.

Note: An individual who meets QMB requirements cannot be a QI or SLMB beneficiary even in the retroactive period where QMB coverage is precluded.

Receipt of QI Benefits: Despite the delay in implementation of the QI program, all QI eligibles will receive the benefits they are owed, including those QI-1s who are awaiting sizeable retroactive Social Security Administration (SSA) checks reflecting the retroactive State-buy-in of the Part B premium they previously were paying themselves. Please assure your county QI beneficiaries that those eligible will receive their retroactive reimbursement and/or an increase in their monthly Title II check, but that it takes SSA from 90 to 120 days for this to happen.

CHECKLIST - The following checklist was developed in response to counties' requests for a compilation of QI procedures. This checklist may repeat information contained above in this letter.

1. The MC 14A was initially designed as a mail-in application for the QI and SLMB program. However, it became apparent even before the QI program was implemented, that some QI applicants actually were eligible for the QMB program. Therefore, counties were informed that the MC 14A is acceptable for the QMB, SLMB, QI-1, and QI-2 programs. On the other hand, an individual who instead completes a MC 210/SAWS 2 does not have to complete the MC 14A to have eligibility determined under the QI program if he or she is not eligible as a QMB or SLMB. (ACWDL 98-47)

2. MC 14A forms were available for completion before the QI program was fully implemented. Counties were originally advised that they should "hold" any MC 14A forms until MEDS could accommodate the new QI aid codes. However, because some of those applying for the QI program were actually eligible for the SLMB or QMB program, we asked the counties to review all MC 14A applications as soon as they were received in order to establish QMB/SLMB eligibility. (ACWDL 98-47)

3. QI applicants or beneficiaries are not to be asked for verification of property. Counties may seek verification from other sources. If information reported by the QI individual conflicts with verification from another source, the county can ask the QI individual for verification to clarify the inconsistency. (ACWDL 98-47)

   Note: Property still must be verified for QMBS and SLMBS.

4. Counties are to follow their usual income verification procedures. It is recommended, however, that counties have potential beneficiaries "photocopy and mail required documents" and to use the telephone interviews to replace face-to-face interviews. (ACWDL 98-47)

5. The application date is the earlier of the date the county receives an MC 14A, a SAWS 1, or the date an individual contacts the county about the QI program. Counties are to mail a copy of the SAWS 1, the MC 219, and the MC 13, in addition to the MC 14A to those who call about the QI program. (E-Mail 98048) Prior to the implementation of the QI program, counties and DHS were required to take the names of those who inquired about applying for the SLMB/QI program. Counties were required to preserve the date of the contact as the application date. (ACWDL 98-47)

6. SLMBs and QIs are entitled to three-month retroactive benefits if otherwise eligible. QIs may not be determined eligible earlier than January 1, 1998. (ACWDL 98-47)

7. The QI eligibility determination follows the QMB/SLMB methodologies. Applicants and beneficiaries must meet the usual nonfinancial requirements such as California residency and eligibility for Medicare. (ACWDL 98-47) Counties

were provided the applicable federal FPL amounts for the QI-1 and QI-2 programs.

8. QI program applicants must first be evaluated for the QMB or SLMB programs. That is, an applicant must have QMB eligibility determined under both QMB and Supplemental Security Income program methodology before the county determines SLMB or QI eligibility.

   Note: As in the QMB and SLMB programs, health insurance or Medicare premium payments paid by the applicant or beneficiary are not an income deduction.

9. Even before MEDS could accommodate the QI aid codes or QI buy-In could occur, counties were reviewing the MC 14A for QMB, SLMB, and QI eligibility. Counties were provided MC 239-2, SLMB/QI Notice of Action (NOA), to notify QI applicants about their ineligibility. (ACWDL 98-47)

10. Counties are to list all eligible QI-1 individuals in Aid Code 8D. Aid Code 8D includes QI-1 only or dually eligible QI-1s who have a SOC under other Medi-Cal programs. Counties can flag the identified individual while doing redeterminations for batch input in 8D (QI-1), in a MEDS special screen listed as "INQ1"OR "INQ2".

11. Counties are to list QI-2s in Aid Code 8K. A QI-2 is reimbursed for a portion of the Medicare Part B premiums he/she paid. A QI-2 cannot be enrolled in any other Medi-Cal program that includes the State payment of the Medicare Part B premium as there would be no Part B costs to reimburse the beneficiary.

12. Reviewing Medically Needy cases: Although Medi-Cal "buys-in" for Medically Needy (MN) beneficiaries because it is cost effective, the Medi-Cal program currently does not receive federal financial participation (FFP) for payment of Medicare Part B premiums for MNs. Since the QI program receives 100 percent FFP funding, it is a financial advantage to the Department if MN beneficiaries with a SOC are enrolled in the QI-1 program. As you redetermine your MN aged, blind, and disabled cases, please check their eligibility for State buy-in of their Medicare

Part B. Recently, several individuals applied for the QI program who were also MN, eligible for State buy-in, and had not been enrolled by their county for buy-in of their Medicare Part B.

13. Redeterminations: QI eligibles must be redetermined annually. They may use the MC 14A instead of the MC 210/SAWS 2.

Although we know that all the counties are busy with new programs and redeterminations, counties should have fully implemented the QI program by now. If you have any questions concerning these programs, please contract Ms. Marge Buzdas at (916) 657-0726 for specifics about the QMB (Aid Code 80) program or Ms. Sylvia Finberg at (916) 657-0080 or Vicki Partington at (916) 654-5909 concerning the SLMB (Aid Code 8C) or QI (Aid Codes 8D/8K) programs.

Sincerely,

ORIGINAL SIGNED BY

ANGELINE MRVA, Chief
Medi-Cal Eligibility Branch

Enclosure

1999 POVERTY LEVEL CHART FOR QMB, SLMB, QI-1 & QI-2 PROGRAMS -- 4/1/99 thru 3/31/2000

Persons	MN PRGRM MMNL($)	QMB 100% PROGRAM			SLMB 120% PROGRAM			Q1 135% PROGRAM			Q2 175% PROGRAM		
		Mthly	Mthly +$20	Annual	Mthly	Mthly + $20	Annual	Mthly	Mthly + $20	Annual	Mthly	Mthly + $20	Annual
1	$ 600	$ 687	$ 707	$ 8,240	$ 824	$ 844	$ 9,888	$ 927	$ 947	$ 11,124	$ 1,202	$ 1,222	$ 14,420
2	$ 750	$ 922	$ 942	$ 11,060	$ 1,106	$ 1,126	$ 13,272	$ 1,245	$ 1,265	$ 14,931	$ 1,613	$ 1,633	$ 19,355
2 Adults	$ 934	$ 922	$ 942	$ 11,060	$ 1,106	$ 1,126	$ 13,272	$ 1,245	$ 1,265	$ 14,931	$ 1,613	$ 1,633	$ 19,355
3	$ 934	$ 1,157	$ 1,177	$ 13,880	$ 1,388	$ 1,408	$ 16,656	$ 1,562	$ 1,582	$ 0 $ 18,738	$ 2,025	$ 2,045	$ 24,290
4	$ 1,100	$ 1,392	$ 1,412	$ 16,700	$ 1,670	$ 1,690	$ 20,040	$ 1,879	$ 1,899	$ 22,545	$ 2,436	$ 2,456	$ 29,225
5	$ 1,259	$ 1,627	$ 1,647	$ 19,520	$ 1,952	$ 1,972	$ 23,424	$ 2,196	$ 2,216	$ 26,352	$ 2,847	$ 2,867	$ 34,160
6	$ 1,417	$ 1,862	$ 1,882	$ 22,340	$ 2,234	$ 2,254	$ 26,808	$ 2,514	$ 2,534	$ 30,159	$ 3,258	$ 3,278	$ 39,095
7	$ 1,550	$ 2,097	$ 2,117	$ 25,160	$ 2,516	$ 2,536	$ 30,192	$ 2,831	$ 2,851	$ 33,966	$ 3,670	$ 3,690	$ 44,030
8	$ 1,692	$ 2,332	$ 2,352	$ 27,980	$ 2,798	$ 2,818	$ 33,576	$ 3,148	$ 3,168	$ 37,773	$ 4,081	$ 4,101	$ 48,965
9	$ 1,825	$ 2,567	$ 2,587	$ 30,800	$ 3,080	$ 3,100	$ 36,960	$ 3,465	$ 3,485	$ 41,580	$ 4,492	$ 4,512	$ 53,900
10	$ 1,959	$ 2,802	$ 2,822	$ 33,620	$ 3,362	$ 3,382	$ 40,344	$ 3,783	$ 3,803	$ 45,387	$ 4,903	$ 4,923	$ 58,835
For each additional member add:		$ 235	$ 255	$ 2,820	$ 282	$ 302	$ 3,384	$ 318	$ 318	$ 3,807	$ 412	$ 412	$ 4,935