STATE OF CALIFORNIA--HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

June 6, 1990

TO: All County Welfare Directors
All County Administrative Officers

Letter No. 90-48

SUBJECT: IMPLEMENTATION OF THE QUALIFIED WORKING DISABLED INDIVIDUAL PROGRAM

REFERENCE: ACWDL 89-116, 90-02, 90-29

The purpose of this letter is to provide information on the Qualified Working Disabled Individual (QWDI) Program which mandates states to pay Part A Medicare premiums for qualified individuals effective July 1, 1990. We estimate an implementation date of October 1, 1990, retroactive to July 1, 1990. Counties are not to take any action based on this letter.

Background

Section 6408(d) of the Omnibus Budget Reconciliation Act of 1989 requires that we pay Part A Medicare premiums for individuals who lost Title II and Medicare benefits due to earned income above the required substantial gainful activity (SGA) limit beginning July 1, 1990. Unlike the Qualified Medicare Beneficiary Program (QMB), we are not required to pay coinsurance and deductibles or the Part B medical insurance premium.

Eligibility

A QWDI is an individual who:

1. Is eligible to enroll in premium Medicare Part A hospital insurance (HI) under a special program and who:

   a) Has not attained age 65

   b) Has been entitled to disability insurance benefits under Title II

   c) Continues to have a disabling physical or mental condition

   d) Lost Title II benefits due to earnings exceeding the substantial gainful activity (SGA) limits (currently $500 per month) and

   e) Is not otherwise entitled to Medicare

2. Has income at or below 200% of the federal poverty level ($1,047 per month for one)

3. Has property at or below twice that of Medi-Cal ($4000 for one)

4. Is not eligible for Medi-Cal under any other program or category

The Social Security Administration (SSA) will determine if an individual meets the conditions under Item 1. The individual will have a letter informing him/her of Part A eligibility.

Counties will determine income and property using the QMB methodology. Unlike a QMB, a QWDI may not be otherwise eligible for Medi-Cal. Under the federal definition, a person with a share of cost is only eligible upon meeting the share of cost; therefore, if an individual is eligible for regular Medi-Cal, he/she could not be eligible as a QWDI in those months that the share of cost was met. More information on how counties should report this individual to MEDS will be provided in a future letter.

Part A Enrollment and Benefits

The initial enrollment period for the special Medicare Part A HI program begins with the month in which the individual receives notice that his/her Part A benefits under the regular Medicare program will end due to excess earnings and shall end 7 months later. For those enrolling in the initial period, benefits begin either on the first day of the first month, the first day of second month, or the first day of the third month depending on when the individual enrolls. Those individuals who are not eligible for or do not wish to be a QWDI may apply to pay their own Part A premiums during the above time periods.

If the individual fails to enroll for premium Part A during the initial enrollment period, he/she must wait until the general enrollment period of January through March. Those who enroll in the general enrollment period will not receive benefits until July.

There may be some individuals who are paying the Part A premium and already receiving benefits. These individuals should have a Medicare card indicating Part A hospital enrollment. Unlike the QMB program, retroactive eligibility is permitted if the individual was entitled to Part A benefits during this time period; therefore, counties will be able to grant three month retroactive benefits, to eligible individuals.

Population and Outreach

SSA may send out a notice (a copy of which is enclosed) at the end of May to 7,987 California disabled individuals who lost Title II and Medicare benefits due to employment income above the SGA limit. They estimate that of that number there could be a potential of approximately 2,000 eligibles. They plan to instruct these individuals to contact the local SSA office for the name and address of the State agency; however, the SSA offices may inadvertently give out county names and addresses. If we are unable to convince SSA to delay or revise this notice, counties, if contacted, should take the name and address of the individual and inform him/her that someone will notify him/her when the program is implemented.

Card Issuance and Aid Code

No Medi-Cal card will be issued for a QWDI since we will not pay Medicare coinsurance or deductibles. The QWDI will use his/her Medicare card for billing purposes. A QWDI will be identified on MEDS under the new aid code of 29.

Implementation Date

Although the effective date of this program is July 1, 1990, the implementation date will not occur until the Department implements MEDS changes and resolves various policy issues concerning this program. Counties will then be required to issued retroactive benefits to those eligible. We estimate implementation will occur on October 1, 1990.

Case Count

Counties will receive a case count for each new QWDI-only case. There also are situations where a person could have a QWDI case and a Medi-Cal case under another category in which he/she has an unmet share of cost. There will be no separate QWDI case counts in these dually eligible situations.

Forms and Notices of Action

We plan to model the QWDI forms after those used in the QMB program. Camera ready copies will be sent in a future letter. We will not include any property or income worksheets for a QWDI child as it is doubtful that there will be any children who meet the eligibility criteria of this program.

If you have any questions, please contact Marge Buzdas at (916) 324-4972.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosure

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Social Security Administration
Important Information

DATE: June 1, 1990
SSN: 010440394
DOC: 031

01075

AN IMPORTANT MESSAGE ABOUT MEDICARE

We are writing to you because our records show that you've lost or are losing your Medicare. You may be able to get Medicare again if:

- you are not yet 65, and
- you still have the same disability, and
- you lost or are losing Medicare only because you are working.

We are offering to start your Medicare again because of a change in the law. However, you'll have to pay monthly premiums if you want coverage.

What Kind of Medicare Can You Get?

You can get the same Medicare coverage you had before. This includes hospital insurance (Part A) and medical insurance (Part B).

How Much Will It Cost?

There was formerly no cost to you for your hospital insurance. If you choose to have hospital insurance under the new law, however, you will have to pay for it. The cost in 1990 is $175 per month.

To get medical insurance also, you'll have to pay $28.60 more, for a total of $203.60 per month. This rate may increase next year. You can get hospital insurance without medical insurance, but if you want medical insurance you have to get hospital insurance also.

If you meet certain requirements about your income and the things that you own, your State may pay for your hospital insurance. Contact your State agency to find out if you qualify for this. Your local Social Security office can give you the name and address of the State agency.

See Next Page

When To Apply

- **If your Medicare stopped before December 1, 1989,** you must apply no later than June 30, 1990, to start Medicare again this year. Your coverage will start on July 1, 1990.

- **If your Medicare stopped after November 30, 1989, but before you got this letter,** you have 7 months from the month it stopped to apply again. However, you must apply no later than June 30 if you want Medicare to start on July 1, 1990. Your coverage will be delayed if you apply after June 30.

- **If your Medicare will end this month or in the next 3 months,** you have 7 months from the date of this letter to apply again. However, if you want Medicare to continue without a break, you must apply before the end of the month when coverage ends. If you sign up after that time, there may be a break in your Medicare.

If You Do Not Apply Now

If you don't apply for Medicare now, you can wait and apply during the next general enrollment period. A general enrollment period takes place in January, February and March of each year. If you apply during one of these periods, Medicare will begin the following July 1. However, in that case your premium may be higher because you applied later than you could have.

If you're covered by an employer group health plan, you may not need to apply now. You can get more information about this by contacting us.

How To Apply

If you want to apply for Medicare under the new law, please call or visit any Social Security office. If you contact us, please have this letter with you. It will help us serve you faster.

D. Dean Mesterharm
Acting Deputy Commissioner
of Operations