



DATE: January 2, 2024

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:24-01
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: MEDICARE PART A BUY-IN AND AUTOMATIC ENROLLMENT OF SUPPLEMENTAL SECURITY INCOME RECIPIENTS INTO QUALIFIED MEDICARE BENEFICIARY PROGRAM

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide the counties with information regarding Senate Bill 311 Medicare Part A buy-in and the policy changes included in the 2023 Medicare Final Rule on “Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment” published by the Centers for Medicare & Medicaid Services (CMS).

Senate Bill 311 Background

Medicare Part A provides inpatient/hospital coverage, limited skilled nursing care, hospice, and home health care, among other types of coverage. Most Medicare beneficiaries qualify for Part A without having to pay a premium but some beneficiaries, who have not earned enough credits through payment of payroll taxes into the Part A trust fund, must pay a Part A premium.

On October 10, 2023, Governor Newsom signed Senate Bill (SB) 311, which amended California Welfare and Institutions Code [§14005.11](#). The bill requires the Department of Health Care Services (DHCS) to enter into a Medicare Part A buy-in agreement for qualified Medicare beneficiaries with CMS through a state plan amendment no later than January 1, 2025.

The Part A buy-in agreement allows DHCS to directly enroll eligible individuals in Medicare Part A and pay their Part A premiums. For an individual who is eligible for but not yet enrolled in Medicare Part A, DHCS enrolls the individual in Medicare and the federal government bills California for their premiums. For an individual who is already enrolled in Medicare, the federal government bills DHCS for the individual’s Medicare premiums and discontinues sending monthly premium invoices or premium deductions from the individual’s monthly Social Security benefits. Also, Part A buy-in states may enroll eligible members year-round by a streamlined enrollment process under which there will be no late enrollment penalties.

Medicare Final Rule 2023 Background

On September 21, 2023, CMS issued a [Final Rule](#) that streamlines the MSP enrollment and eligibility determination processes. The Final Rule requires, among other things, for Part A buy-in states to automatically enroll SSI recipients into the QMB program.

Coverage Groups Eligible for Part A Buy-In

DHCS has chosen to provide Part A buy-in for the following groups:

- Individuals with full-scope Medi-Cal
- Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipients
- Medi-Cal recipients and deemed SSI/SSP Medi-Cal recipients
- Qualified Medicare Beneficiaries (QMB)
- Qualified Disabled and Working Individual (QDWI)
- Individuals in the Medically Needy group who meet their share of cost (SOC) in a month, for that month only.

Full Scope Medi-Cal and Medicare Savings Programs

DHCS will automatically enroll individuals with full-scope Medi-Cal in Part A buy-in if they are Medicare Part A eligible. The state will pay for the Medicare Part A premium through Part A buy-in.

The QMB, SLMB, QDWI, and QI programs are types of Medicare Savings Programs (MSPs) that enable the state to pay for certain Medicare Part A and/or B related costs. The QMB program pays for the premiums, co-pays, and deductibles for Medicare Part A and B. SLMB and QI programs only pay for Medicare Part B. The QDWI program only pays for Medicare Part A. The benefits provided by the MSPs are not changing with the transition to Medicare Part A buy-in.

DHCS will submit Part A buy-in accretion for Part A eligible individuals to CMS to establish Medicare entitlement at any time of the year, regardless of Medicare enrollment periods, and with no premium increases due to late enrollment.

SSI Medicare eligible members will also be automatically enrolled in Part A buy-in by SSA who reviews Medicare eligibility for all SSI/SSP applicants. With Part A buy-in, the SSA will automatically enroll the individual in Part A and will notify DHCS.

Once implemented, non-SSI Medicare eligible members will only be required to complete a MSP and/or Medi-Cal application with the county Medi-Cal office. Counties must continue to evaluate all non-SSI Medicare eligible individuals for MSPs as outlined in [ACWDL 08-21](#). The MSP eligibility process for the county will not change as a result of Part A buy-in accretion for non-SSI individuals.

Part A Buy-In Effective Date

Part A buy-in effective date is based on the program in which the individual is enrolled.

For an individual enrolled in SSI/SSP or a MSP, Part A buy-in will begin the first month in which the individual's eligibility for SSI/SSP or the MSP is effective and the individual meets the eligibility requirements for Medicare Part A. For example, if an individual becomes eligible for SSI/SSP or the MSP in January 2024, Part A buy-in will begin January 2024.

For an individual enrolled in another Medi-Cal program such as Aged, Blind, and Disabled Federal Poverty Level (ABD FPL), Part A buy-in begins the second month after the individual's eligibility for the other program is effective and the individual meets the eligibility requirements for Medicare Part A. For example, if a Part A eligible individual is enrolled another Medi-Cal program in January 2024, Part A buy-in will begin February 2024.

Notice of Action

DHCS has revised the Notice of Action (NOA) snippets used for MSP applications and eligibility determinations. The ACWDL with the updated NOA snippets is forthcoming.

The California Statewide Automated Welfare System (CalSAWS) must implement the NOA's by January 1, 2025 to reflect the revised NOA snippets for MSP determinations. DHCS will issue a MEDIL once the NOA's are implemented in CalSAWS.

County Responsibilities

Counties must continue to determine Medi-Cal and MSP eligibility as outlined in [ACWDL 08-21](#). (See also, 22 C.C.R. [§§ 50258 & 50258.1](#); [Medi-Cal Eligibility Procedures Manual \(MEPM\) 5J](#), [MEPM 5L](#).)

Counties must ensure the information transmitted to the Medi-Cal Eligibility Data System (MEDS) is accurate and complete per [ACWDL 84-27](#). Additionally, counties will continue to receive MEDS alerts when an issue occurs with the buy-in program and must resolve the issue timely to ensure Medicare Part A buy-in occurs timely ([ACWDL 90-79](#)).

Reporting Buy-In Problems

Once eligibility is established or corrected, the system will automatically proceed to enroll in buy-in. Counties will receive MEDS alerts if a buy-in issue occurs.

If the county is unable to correct an issue, the county will need to submit a Problem Report to the Third Party Liability and Recovery Division (TPLRD) as outlined in [MEPM](#)

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[15F-17. ACWDL 20-26](#) provides the current process for submitting a State Medicare Buy-In Problem Report.

Automatic Enrollment of SSI Recipients as QMBs

The 2023 Medicare Final Rule includes requirements for Part A buy-in states to automatically enroll SSI recipients into the QMB program. With the passage of SB 311, which makes California a Part A buy-in state, California is subject to this requirement.

Effective January 1, 2025, DHCS will facilitate and ensure the seamless enrollment of active SSI individuals into the QMB program. DHCS will automatically assign the QMB aid code (80) in MEDS to individuals enrolled in the SSI program in addition to their primary MEDS aid codes (10, 20, or 60). DHCS will provide these individuals with the required NOA upon enrollment into the QMB program.

The QMB enrollment will be effective the month after following the effective date of their SSI-linked Medi-Cal eligibility. For example, if an individual's SSI-linked Medi-Cal eligibility becomes effective in January 2024, their enrollment in the QMB program will begin in February 2024.

County Responsibilities

When an individual's SSI benefits are discontinued by the SSA, the county is responsible to facilitate a Medi-Cal redetermination as required by *Craig v. Bontá*. Counties are expected to adhere to the guidelines provided in [ACWDL 10-26](#) to complete the Medi-Cal redetermination.

Current SSI/QMB Cases

Currently, counties approve QMB eligibility for SSI individuals through CalSAWS. Effective January 1, 2025 counties no longer are required to approve or case manage QMB for SSI individuals.

Counties should close any current QMB records in CalSAWS for SSI individuals. In cases where a county or CalSAWS initiates the closure of an active SSI/QMB case within CalSAWS, MEDS will assume the QMB status to the SSI individual to ensure uninterrupted services.

Counties must not issue a discontinuance NOA in this scenario to avoid SSI Medi-Cal member confusion. This may require the county eligibility worker or CalSAWS to suppress the NOA generation.

Additional policy guidance related to other policy changes outlined in the 2023 Medicare Final Rule is forthcoming.

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Please submit any policy or Medi-Cal member questions to Michael Allen at (916) 345-7554, Michael.Allen@dhcs.ca.gov or DHCSMSPInbox@dhcs.ca.gov.

Sincerely,

Theresa Hasbrouck
Chief, Policy Development Branch
Medi-Cal Eligibility Division
Department of Health Care Services