



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

DATE: March 12, 2021

Medi-Cal Eligibility Division Information Letter No.: I 21-05

TO:

ALL COUNTY WELFARE DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: MEDICARE PART B BUY-IN REMINDERS

The purpose of this letter is to provide the counties with information and reminders regarding Medicare Part B Buy-in.

Background

Buy-in is an agreement under which California secures Medicare Part B coverage for eligible individuals by enrolling them and paying the premiums on their behalf.

For an individual who is eligible for but not yet enrolled in Medicare Part B, buy-in enrolls the individual in Medicare and directs the federal government to bill California for their premiums. For an individual who is already enrolled in Medicare, state buy-in means the federal government will start billing California for the individual's Medicare premiums and stop billing them for these costs through deductions from their monthly Social Security benefits or through direct billing.

Coverage Groups Entitled to Buy-in

California has chosen to provide buy-in for the following groups:

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

Buy-in and the Medicare Savings Programs

Individuals with full-scope Medi-Cal are automatically enrolled in buy-in, if Medicare eligible. The state will pay for the Medicare Part B premium, but currently does not automatically buy-in for Medicare Part A. Most individuals have premium-free Medicare Part A. Individuals with premium Medicare Part A are required to pay unless they qualify for the QMB program.

The QMB, SLMB, and QI programs are collectively known as Medicare Savings Programs (MSPs). These programs do not grant Medi-Cal benefits but enable the state to pay for the Medicare premiums of individuals who do not wish for, or may not qualify for, Medi-Cal. The QMB program pays for the premiums, co-pays, and deductibles for Medicare Part A and B, while the SLMB and QI programs only pay for Medicare Part B.

Buy-in Effective Date

Buy-in begins based upon which Medi-Cal program the individual is enrolled.

For an individual enrolled in SSI/SSP or the three MSPs, Part B buy-in begins the *first month* in which the individual's eligibility for SSI/SSP or the MSP is effective and meets the eligibility requirements for Medicare Part B.

or

For an individual enrolled in one of the other Medi-Cal programs, Part B buy-in begins the *second month* after the individual's eligibility for other Medi-Cal programs is effective and meets the eligibility requirements for Medicare Part B.

Buy-in Accretion

The Social Security Administration (SSA) explores Medicare eligibility for all SSI/SSP applicants and will automatically accrete the individual to Part B buy-in and communicates that to California.

For other eligible individuals, California submits Part B buy-in accretion and establishes Medicare entitlement, any time of the year, without regard to Medicare Enrollment Periods or premium increases for late enrollment if the individual is already enrolled in Part A or Part B.

County Responsibilities

Counties are responsible for determining eligibility for Medi-Cal and the MSP programs. (22 California Code of Regulations [§ 50258](#), [§ 50258.1](#), [Medi-Cal Eligibility Procedures Manual \(MEPM\) 5J](#), [MEPM 5L](#), [All County Welfare Directors Letter \(ACWDL\) 08-21](#))

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Once an individual is determined eligible for one of the programs, the county is required to ensure this information is reflected in the Medi-Cal Eligibility Data System (MEDS). ([ACWDL 84-27](#)) Additionally, counties receive MEDS alerts when an issue occurs with the buy-in. ([ACWDL 90-79](#))

Reporting Buy-in Problems

Once eligibility is established, or corrected, the system automatically proceeds to accrete buy-in. Counties receive MEDS alerts if a buy-in issue occurs. If the county is unable to rectify the issue, the county needs to submit a problem report to Third Party Liability and Recovery Division. ([MEPM 15F-17](#)). [ACWDL 20-26](#) provides the current process for submitting the Buy-in Problem Report.

If you have any questions regarding this letter please contact Derek Soiu at Derek.Soiu@dhcs.ca.gov or 916-345-8193.

Original Signed By

Sandra Williams, Chief
Medi-Cal Eligibility Division
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