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September 30, 2009

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 09-44  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: IDENTIFICATION AND RESTORAL OF QUALIFIED MEDICARE  
BENEFICIARY CASES  
(Reference All County Welfare Directors Letter No: 05-24)

The purpose of this letter is to notify counties of monthly adhoc reports the Department of Health Care Services (DHCS) will be sending requesting counties' assistance in identifying reasons for discontinuances or gaps in months where Medicare Part A reflects payment status for individuals who have or had eligibility under the Qualified Medicare Beneficiary (QMB) program. DHCS is requesting that each county send us the name of a contact person that has secure e-mail address capabilities so DHCS can send the monthly adhoc reports to them via secure email. Please send the contact information to Ms. Debra Hader at [debra.hader@dhcs.ca.gov](mailto:debra.hader@dhcs.ca.gov) no later than October 31, 2009.

The reports counties will receive identify individuals that have or had eligibility under the QMB program, but now appear on the Medi-Cal Eligibility Data System (MEDS) as discontinued or as having at least one month in non-pay status for Medicare Part A. The first list counties will receive will be the largest since it will cover the previous 24 months for individuals who are in non-pay status for Medicare Part A for one or more months. Thereafter, the monthly reports will be smaller and contain identifying information for individuals who are in non-pay status for Medicare Part A in the previous month. As a result of the county reviews, DHCS requests that counties restore QMB eligibility on MEDS when appropriate.

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### Background

Over the past year, DHCS staff noticed that Medicare Part A non-payment for one or more months is still occurring under the QMB program. These QMB discontinuances/gaps may be causing inadvertent Medicare Part A deletions. Many of these discontinuances/gaps may be the result of:

- Incomplete or untimely inter-county transfers;
- Delayed action/follow-up of QMB cases; and/or
- Late annual recertifications.

If action is not taken on a QMB discontinuance/gap the following occurs:

1. DHCS stops paying the Medicare Part A premium on the beneficiary's behalf.
2. The Social Security Administration (SSA) starts billing the beneficiary.
3. The Center for Medicare and Medicaid Services deletes the beneficiary's Medicare Part A eligibility if the beneficiary is unable to pay and the beneficiary's Medicare Part A eligibility is terminated due to non-payment.

In order for Medicare Part A eligibility to be restored once this occurs, either of the following needs to occur:

- DHCS would need to pay the Medicare Part A premiums for all missing months back to the initial date of discontinuance; or
- The beneficiary would have to wait to reapply during the open enrollment period (January through March of each year with Medicare Part A premium payment starting the following July).

By taking this pro-active approach we want to ensure that there is no break in Medicare Part A coverage that will prevent individuals from exercising their full range of health care options in California. These options include enrolling in Medicare health maintenance organizations and receiving services from a wider range of providers.

### Processing Requirements

DHCS will be transmitting these monthly reports by secure e-mail on an Excel spreadsheet. These reports will contain the following identifying information:

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- County
- Name
- CIN Number
- Case Number
- District Number
- Worker Number
- Action to be taken by County
- Reason for discontinuance

Please see the enclosure for the report layout.

Counties will be required to review these cases, and based on the findings of the review, restore QMB eligibility on MEDS when appropriate. If counties are able to restore these cases, the word "restored" must be entered in the "Outcomes" column of the spreadsheets. If counties are unable to restore eligibility, a reason must be indicated in the "Outcomes" column. If there are any individuals with missing QMB eligibility that exceeds the 12 months of eligibility that appears on MEDS, counties must indicate in the "Outcomes" column that these affected individuals were either eligible or ineligible for QMB during each of those months.

Counties must complete the processing of these lists within three months of receipt of these reports and transmit them back to DHCS by secure e-mail. If the county responds to the DHCS secure email, the transmittal will be secure. Counties that do not have secure e-mail capabilities can reply to the DHCS secure e-mail or contact Debra Hader to arrange for alternative delivery, such as secure fax. As stated above, it is our intention to prevent these individuals from any adverse effects in obtaining health care as a result of inappropriate loss of eligibility. Timely processing will also allow DHCS to expedite the accretion process between the SSA and DHCS so that QMB eligibility can be resumed for those individuals who have been inadvertently discontinued. Since DHCS usually has a three-month window to start paying the Medicare Part A premiums again, we are encouraging counties to restore QMB eligibility in the month of discontinuance to avoid any gaps in QMB eligibility and to avoid termination of a beneficiary's entitlement to Medicare Part A benefits.

Once the county does an initial review of the list, counties must enter the type of action needed to process the case. These actions must be entered in the column labeled "Action to be Taken by County". These actions can be stated as:

- Restore QMB eligibility.
- Process inter-county transfer.

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- No action needed – ineligible for QMB.
- No action needed – QMB eligibility restored.

In addition to restoring eligibility when appropriate, counties must review the listing to determine if county records contain information to help identify the reason(s) that eligibility was inadvertently discontinued. This reason must be entered in the column labeled "Reason for Discontinuance". If counties are unable to restore the QMB case, the reason must be entered in the column labeled "Reason for Discontinuance." These reasons can be stated as:

- Inter-county transfer.
- Individual resides in another state.
- Exceeds income/property limits for QMB program.
- Individual did not furnish requested documentation.
- Individual does not want to participate in QMB program.
- Information not transmitted to MEDS.
- Worker error.
- Other (provide brief explanation).

DHCS will use this information to analyze the reasons cases were discontinued to prevent or reduce the number of inadvertent QMB discontinuances from occurring in the future. If patterns emerge that suggest programming or procedural problems that originate with the county, DHCS will work individually with counties to resolve these issues. DHCS anticipates that all the necessary actions needed to complete the list will be completed within 90 days after receipt of the first report from DHCS. If cases take longer than 90 days to correct, the listing will appear on a subsequent list and counties can indicate what actions have been completed on the new list.

If you have questions regarding this letter, please contact Ms. Debra Hader at (916) 449-5280 or by e-mail at [Debra.Hader@dhcs.ca.gov](mailto:Debra.Hader@dhcs.ca.gov).

Original Signed By

Vivian Auble, Chief  
Medi-Cal Eligibility Division

Enclosure

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