

DATE: December 27, 2024

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 24-20  
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/STATE SUPPLEMENTARY  
PAYMENT RECIPIENTS INTO QUALIFIED MEDICARE BENEFICIARY  
PROGRAM

SUPERSEDES: [ACWDL 24-01](#)

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide counties with information and clarification regarding the following:

- Senate Bill 311 relates to the Medicare Part A buy-in and includes the language about the Coverage Groups eligible for Medicare Part A Buy-In.
- The policy changes established in the 2023 Final Rule on “Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment,” as published by the Centers for Medicare & Medicaid Services (CMS).

This letter supersedes the policy guidance provided in ACWDL 24-01, dated January 2, 2024. As of the release date of this letter, ACWDL 24-01 is obsolete and will be removed from the DHCS [ACWDLs & MEDILs](#) webpage.

### **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 members qualify for Part A without having to pay a premium but some members, 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 required the Department of Health Care Services (DHCS) to enter into a Medicare Part A buy-in agreement for qualified Medicare members with CMS through a State Plan Amendment (SPA) no later than January 1, 2025.

The Part A buy-in agreement allows DHCS to directly enroll eligible Qualified Medicare Beneficiary (QMB) members in Medicare Part A and pay their Part A premiums. For a QMB member already enrolled in Medicare, the federal government bills DHCS for the individual's Medicare premiums and discontinues sending monthly premium invoices or deducting premiums from the individual's monthly Social Security benefits. Also, Medicare Part A buy-in states can enroll eligible QMB members year-round through a streamlined enrollment process under which there will be no late enrollment penalties. In other words, starting January 1, 2025, California, as a buy-in state, can auto-enroll eligible full-scope Medi-Cal members into Medicare Part A and pay their Medicare Part A premium if:

- They are enrolled in Medicare Part B as reported by the Social Security Administration (SSA) and
- They qualify for the QMB program.

Previous conditional Medicare Part A enrollment requirements no longer apply.

### **2023 CMS Final Rule Background**

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

### **Coverage Groups Eligible for Part A Buy-In**

DHCS can only provide Part A buy-in for the following groups:

- Qualified Medicare Beneficiaries (QMBs)
- Qualified Disabled and Working Individuals (QDWIs)

DHCS has determined it can only provide Part A buy-in for eligible QMB members and QDWI members. Although the initial guidance included additional groups, further clarification of federal rules with CMS confirmed that Part A buy-in can only be extended to QMB members and QDWI members.

The following coverage groups will receive Part A buy-in because they meet the automatic QMB program enrollment criteria:

- Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipients, including those receiving SSI or SSP only

- Individuals in the Specified Low-Income Beneficiary (SLMB) group who are SSI/SSP recipients

Effective January 1, 2025, all eligible SSI/SSP full-scope Medi-Cal members enrolled in Medicare Part B who qualify for the QMB program will be automatically enrolled in the QMB program and the Medicare Part A buy-in. This also applies to certain SLMB eligible individuals who are full-scope Medi-Cal members due to their receipt of SSI/SSP.

With the implementation of SB 311 and the 2023 CMS final rule, DHCS can enroll SSI/SSP SLMB members in the Medicare Part A buy-in and QMB program, as they meet the QMB auto-enrollment criteria. Therefore, starting January 1, 2025, DHCS will transition these individuals from the SLMB program to the QMB program.

DHCS can enroll QMB members into Medicare Part A through the buy-in agreement with CMS and pay their Part A premiums. This ensures that QMB members in California can enroll in premium Part A at any time without incurring penalties. According to CMS, there are no enrollment periods for Part B. Individuals can apply for Part B at the Social Security Administration (SSA) throughout the year as long as they have current Medi-Cal eligibility.

### **Reminders About the Non-SSI/SSP Medicare Members**

Beginning January 1, 2025, non-SSI/SSP Medicare eligible only members will 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/SSP 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/SSP individuals.

Non-SSI/SSP individuals must first enroll in Medicare Part B before they can be evaluated for the QMB program. To facilitate the QMB evaluation, the county eligibility worker (CEW) should assume that the Medicare Part A buy-in effective date will be the same as the QMB enrollment start date to grant eligibility. This means that even if the individual does not have Medicare Part A when they apply, QMB eligibility must be granted if they meet all other eligibility criteria. Following their QMB eligibility approval by the counties, DHCS will automatically enroll them in the Medicare Part A buy-in and pay their Part A premium.

### **Medicare Part A Buy-In Effective Date**

DHCS will submit Part A buy-in for QMB members 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.

For an individual enrolled in QMB program, Part A buy-in will begin the first month in which the individual's eligibility for QMB is effective. For example, if an individual becomes eligible for QMB program in January 2025, Part A buy-in will begin in January 2025.

### **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.

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

### **Automatic Enrollment of SSI/SSP Recipients as QMBs**

The 2023 CMS Final Rule includes requirements for Part A buy-in states to automatically enroll SSI recipients who are eligible for Medicare into the QMB program. SSP recipients are auto enrolled in the QMB because they meet the automatic QMB eligibility criteria. 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 all active SSI/SSP individuals eligible for Medicare into the QMB program. DHCS automatically assigned the QMB aid code (80) in MEDS to individuals enrolled in the SSI/SSP 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 the first month their SSI or SSP-linked Medi-Cal eligibility is effective. For example, if an individual's SSI or SSP-linked Medi-Cal eligibility becomes effective in January 2025, their enrollment in the QMB program will begin in February 2025.

### **County Responsibilities**

When an individual's SSI/SSP benefits are discontinued by the SSA, the county is responsible to facilitate a Medi-Cal redetermination as required by *Craig v. Bontá*. The department will automatically assign the QMB aid code (80) in the secondary segment in MEDS for individuals who become ineligible for SSI/SSP and are transitioned into the *Craig v. Bontá* aid code while awaiting their Medi-Cal redetermination.

As a reminder, pursuant to [ACWDL 08-21](#) counties must evaluate all non-SSI/SSP Medicare members for MSP programs, including the QMB program. With the implementation of Part A Buy-in, it is important to review cases at annual renewal and change in circumstances for potential MSP eligibility to ensure members who may not have been assessed during their initial application or prior redetermination can benefit from the new Part A Buy-in policy.

Counties are expected to adhere to the guidelines provided in [ACWDL 10-26](#) to complete the Medi-Cal redetermination.

### **Current SSI/SSP or QMB Cases**

Before January 1, 2025, counties approve QMB eligibility for SSI/SSP individuals through CalSAWS. On or after January 1, 2025, counties are no longer required to approve or case manage QMB for SSI/SSP individuals.

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

Counties must not issue a discontinuance NOA in this scenario to avoid SSI/SSP 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 Kavita Gaunder at (916) 345-7107, [Kavita.Gaunder@dhcs.ca.gov](mailto:Kavita.Gaunder@dhcs.ca.gov) or [DHCSMSPInbox@dhcs.ca.gov](mailto:DHCSMSPInbox@dhcs.ca.gov).

Sincerely,

Sarah Crow,  
Division Chief, Medi-Cal Eligibility Division  
Department of Health Care Services