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EDMUND G. BROWN JR.  
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Medi-Cal Eligibility Division Information Letter No.: I 17-15

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDS COORDINATORS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: Medi-Cal Eligibility Data System Updates To Accept the Medicare Beneficiary Identifier

The purpose of this Medi-Cal Eligibility Division Information Letter is to inform counties of the new Medicare Beneficiary Identifier (MBI) that will replace the Health Insurance Claim Number (HICN) on current Medicare cards beginning in April 2018.

### Background

Since the inception of the Medicare program in 1965, the Centers for Medicare & Medicaid Services (CMS) and its program stakeholders have used a Social Security Number (SSN)-based identifier when submitting and processing all Medicare claims and when exchanging data related to the Medicare program. This identifier, referred to as the HICN, is displayed on beneficiaries' Medicare cards. The HICN consists of the primary claimant's SSN along with a supplemental code that establishes the beneficiary's relationship to a primary Social Security Administration (SSA) or Railroad Board (RRB) wage earner, and is used to identify entitlement to Medicare benefits. CMS, SSA, and RRB share the HICN for beneficiary, eligibility, and premium data needed to coordinate health insurance coverage and payments for premiums. CMS, the state, and territorial Medicaid programs share data based on beneficiaries' HICNs. Specifically, these programs provide the HICN along with other beneficiary data to help identify individuals who are eligible for both Medicare and Medicaid benefits and provide payment for those services.

On April 16, 2015, President Obama signed the Medicare Access and Children's Health Insurance Program Reauthorization Act of 2015, which stipulates that Health and Human Services and SSA be required to establish cost-effective procedures to ensure that a SSN is not displayed, coded, or embedded on an individual's Medicare card. The primary goal of the law is to decrease Medicare beneficiaries' vulnerability to identify theft by removing SSNs from Medicare cards. CMS intends to replace the HICN with a new, randomly generated, MBI. The MBI is the federal equivalent to the state Client Index Number (CIN) on the Medi-Cal Eligibility Data System (MEDS). The MBI will consist of 11 alphanumeric characters excluding letters S, L, O, I, B and Z.

### **Implementation**

CMS is currently making system modifications to replace the HICN on the Medicare card with the MBI. CMS will generate the MBI. The implementation and the subsequent issuance of the new Medicare cards with MBI(s) will be completed via a phased approach. Per CMS, the new Medicare cards will be mailed to beneficiaries on a rolling basis from April 2018 to April 2019. All systems, including the Statewide Automated Welfare Systems (SAWS) and MEDS, must make the appropriate technical changes to receive the MBI by April 2018. No changes are expected for the California Healthcare Eligibility, Enrollment, and Retention System since it does not currently receive and use the HICN for any purpose.

An MBI and a HICN will be generated for all Medicare beneficiaries. An MBI number will be created for current beneficiaries at initial MBI assignments, at the time an individual becomes newly eligible, and when the MBI is compromised. The SSA will not be utilizing or assigning the MBI. The SSA will continue to generate the HICN and use the HICN when communicating with the beneficiary, for the Medicare Savings Programs and for Buy-In information. The HICN and the MBI will be linked internally and they will both continue to be used in internal system processing. While HICN(s) will continue to be generated as they are now, they will not appear on a beneficiary's Medicare card. Each beneficiary will receive one unique MBI in place of his/her HICN, and this new MBI will be linked to all historical HICNs associated with that beneficiary.

### **Transition Period**

The transition period is April 2018 through December 2019. System and process changes must be fully implemented by April 2018 for the start of the transition period. Affected systems interacting with external stakeholders will need to be modified to accept, recognize, and process the HICN and MBI.

Since this is a phased rollout, the systems must be able to accept both HICN and MBI during the transition, and MBI following the transition. Beginning in April 2018, newly eligible Medicare beneficiaries will only be provided the MBI and not a HICN. After the transition period, January 1, 2020, affected systems interacting with stakeholders shall use the MBI. If the County becomes aware of a HICN after the transition, they may enter it if it is a business requirement for said county or consortia. CMS has stated that during the transition, the Department of Health Care Services (DHCS) and the counties cannot share the MBI with the beneficiaries. As of January 01, 2020, the MBI may be shared with any outside entities including the beneficiary. CMS will recognize both HICN and MBI numbers until December 31, 2019. Starting January 1, 2020, the exclusive identifier for Medicare beneficiaries will be the MBI, which will be used for all communication with external parties (beneficiaries, providers and health care plans).

### **County Impacts**

In current county process, the County Eligibility Worker (CEW) scans and stores the images of the Medicare card into their SAWS system when the beneficiary provides it to the county. With the rollout of the new MBI number, this process will not change. The CEW will input the new MBI information into SAWS as appropriate, and the information will be transmitted to MEDS. MEDS currently stores HICN, CIN, and any other beneficiary identifiers. MEDS has been updated with the pertinent changes to accept the new MBI, and will store the MBI data once the rollout occurs. As part of the MEDS changes for this effort, counties will receive MEDS alerts for the MBI. These alerts will let the county know when they have a missing MBI or an MBI that does not match the MBI in MEDS.

### **Outreach Efforts by CMS**

As part of the rollout efforts, CMS is planning an extensive outreach and education campaign to beneficiaries, providers, and external stakeholders beginning in January 2018. Information will be provided to the beneficiaries informing them that the new Medicare card is coming and what they need to do with the old Medicare card. Information for beneficiaries will also be located on Medicare.gov when it becomes available. When the information becomes available, DHCS will share with the counties.

### **MEDS Changes**

A new field, MBI, has been added to MEDS. This field stores the primary MBI. The MBI field is not currently viewable in MEDS, but will be viewable in MEDS once transactions have been updated to include the MBI.

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MBI information will also be retained in the HICN cross reference screen. The SAWS and partner reporting entities shall utilize existing batch and online transactions to send the MBI to MEDS. The MBI field is an optional reporting field. As batch and online transactions are updated, notification to counties will be provided through 60 Day and Change Cycle (CC) Letters.

A series of new MEDS alerts are planned for the MBI. As new MEDS alerts are created, or existing alerts are updated, notification will be provided through 60 Day and CC Letters.

Future MBI efforts include MBI and Statewide Client Index updates, impact of the MBI on record merges, and impact of the MBI on the MEDS reconciliation process. Notification of these future efforts and any other MEDS changes not addressed in this letter will be provided through 60 Day and CC Letters.

If you have any questions or if we can provide further information, please contact Linda Page at (916) 319-9783 or by email at [linda.page@dhcs.ca.gov](mailto:linda.page@dhcs.ca.gov).

**Original Signed By**

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Medi-Cal Eligibility Division