

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET

P.O. BOX 942732

SACRAMENTO, CA 94234-7320



TO: All County Welfare Directors  
All County Administrative Officers

February 7, 1991  
Letter No. 91-09

SUBJECT: ADVANCE COPY OF MEDI-CAL ELIGIBILITY MANUAL (MEM) FOR THE  
QUALIFIED MEDICARE BENEFICIARY (QMB) PROGRAM

REFERENCE: ACWDL 89-116, 90-02, 90-29, 90-71, 90-73

This letter transmits a new version of MEM Procedures 5F. Many of the instructions were previously contained in All County Welfare Directors' Letters 90-02 and 90-71. Some have been changed, particularly, the Questions and Answers Section.

We expect that county questions about determining when and how an applicant should apply for Medicare Part A benefits, who should receive an SSA 795 form, when the applicant should apply for a QMB determination, who needs a face-to-face interview, how to determine QMB income eligibility, and how to report QMB eligibility to MEDS, will be answered by reviewing the enclosed procedures.

Questions relating to systems issues should be directed to your State MEDS liaison. Policy questions on programs should be directed to Marge Buzdas at (916) 324-4972, ATSS 454-4972. Questions on QMB income should be directed to RaNae Dunne at (916) 324-4955, ATSS 454-4972. Questions on QMB property should be directed to Erin Velasco at (916) 324-4124, ATSS 454-4124. Buy-In questions should be directed to Jo Monday at (916) 739-3208.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

Enclosure

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MEDI-CAL ELIGIBILITY MANUAL  
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5F -- QUALIFIED MEDICARE BENEFICIARY PROGRAM

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5F - QUALIFIED MEDICARE BENEFICIARY (QMB) PROGRAM

A. BACKGROUND

The Medicare Catastrophic Coverage Act (MCCA) of 1988 mandated changes in state Medicaid Programs (Medi-Cal). One of the provisions of MCCA (Section 301) requires that states pay the Medicare Part A and Part B cost-sharing expenses of low income Medicare beneficiaries. Cost-sharing expenses are:

1. premiums
2. deductibles and
3. coinsurance fees

California was granted a waiver to delay implementation until January 1, 1990 due to the need for state legislation. The Governor signed implementing legislation SB 1413, Chapter 1430, Statutes of 1989 into law on October 2, 1989. Congress repealed a majority of MCCA; however, the QMB provision and other Medicaid sections have been retained. We will not be providing Medi-Cal drug coverage up to the Medicare deductible since the drug provision was one of the Medicare benefits repealed.

The Omnibus Budget Reconciliation Act of 1990 raised the QMB income level to 100% of the federal poverty level in 1991 and requires that the Title II cost of living increase be disregarded until the publication of the federal poverty level.

B. QMB ELIGIBILITY CRITERIA

1. Requirement

A QMB must:

- a) Meet QMB property requirements. That is, a QMB must meet the property requirement under the regular Medi-Cal program or have net nonexempt property, as determined for a QMB, at or below twice that of California's regular Medi-Cal property limits.
- b) Meet the QMB income standard. That is, a QMB must have net nonexempt income at or below 90% of the federal poverty level in 1990, and 100% in 1991.
- c) Be eligible for Part A Medicare hospital insurance with or without a premium.

- d) Be otherwise eligible for Medi-Cal, i.e. meet all other Medi-Cal requirements such as California residency and linkage (e.g., being aged, blind, disabled), and be either a legal alien or a citizen of the United States.

2. Effective Date

Benefits are effective the first of the month following the date of approval ( i.e., the first of the month following the date the county makes the determination of eligibility). There are no retroactive QMB benefits.

C. MEDICARE INFORMATION

1. Scope of Benefits

Medicare Part A hospital insurance includes inpatient hospital care, medically necessary (not custodial) inpatient care in a skilled nursing facility, home health care, and hospice care and other services.

Medicare Part B medical insurance includes doctor's services, outpatient hospital care, diagnostic tests, durable medical equipment, ambulance service, and many other health services and supplies.

2. Deductibles and Coinsurance

Both Part A and B have deductibles and coinsurance, depending on the service. A deductible must be paid in advance before Medicare will make any payments. Coinsurance is a percentage (20%) charge to the beneficiary depending on the Medicare approved rate for the particular service.

3. Part A Enrollment

a) Costs

Most Medicare beneficiaries (90%) receive Part A insurance at no cost, i.e., no premium. However, those who have not qualified for free Part A benefits solely because they lack the required amount of SSA-covered employment may purchase Part A with a premium. Very few Medicare beneficiaries choose to purchase Part A due to the high monthly premium. Medi-Cal does not pay for a regular Medi-Cal beneficiary's Part A premium. Medi-Cal does currently pay the Part A deductibles and coinsurance under the Buy-In program if the beneficiary already receives free Part A.

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### b) Enrollment Period

If an individual is not already receiving Medicare Part A, application for Part A can only be made:

- o During the initial enrollment period (IEP) which is no earlier than 3 months before age 65 but no later than 3 months after the individual's 65th birthday,
- o After 24 months of receiving Title II disability benefits to be effective in the 25th month,
- o The month after an individual stops working if he/she is over 65,
- o When receiving dialysis related health care services including renal transplants, or
- o During the general enrollment period (GEP) of January - March, to be effective the following July for those Medicare beneficiaries who do not enroll in an IEP. They must apply at the Social Security Administration (SSA) office during the GEP. If they fail to do so, they would have to wait until the next year's GEP and would not be eligible for Part A Medicare until July of that year.

### c) Penalties

An individual who does not apply for Part A or Part B at the first opportunity is charged a penalty by the SSA. Under the QMB program, the state will pay the penalty for a Medicare beneficiary's late enrollment in Part A.

## 4. Part B Enrollment

### a) Costs

The Medicare Part B medical insurance (outpatient/physician care) monthly premium is \$29.90 in 1991. In addition there is a Part B annual deductible (\$100 in 1991) and a 20% coinsurance charge because Medicare will only pay 80% of the approved Medicare rate. These fees increase each year.

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Example:

Assume a Part B beneficiary's first yearly charge is \$500. The beneficiary would first have to pay \$100 (the annual deductible) and if the \$500 were the approved Medicare rate, 20% of \$400 or \$80.

b) Enrollment Period

QMB Part B enrollment criteria for an individual is the same as Part A enrollment; however, the general or IEP is waived for DHS under the Buy-In agreement and we may begin paying the Part B premium at the time of eligibility or approval, provided the beneficiary is enrolled in Part A.

c) Penalties

There are Part B penalties for late enrollment similar to those of late enrollment for Part A; however, under the Buy-In agreement, the State is not charged a penalty for a Medicare beneficiary's late enrollment in Part B.

5. Federal Financial Participation (FFP)

Although Medi-Cal "buys-in" for medically needy-only (MNOs) beneficiaries because it is cost effective, the Medi-Cal program currently does not receive FFP for payment of Part B premiums for MNOs. With the onset of the QMB program, FFP will become available for the MNOs who are also eligible for the QMB program. Thus, it is to the state's advantage to enroll these individuals with Part A at no cost as QMBs, if eligible.

6. Referral to SSA for Specific Questions

Beneficiaries with specific questions about Medicare should be referred to SSA. SSA has a toll free number: (800) 234-5772. An operator will assist callers from 7 a.m. to 7 p.m. Western Pacific time who have questions about Medicare, e.g., enrollment, benefits, premiums. Counties and individuals may request a copy of "The Medicare Handbook" from the U.S. Department of Health and Human Services, Health Care Financing Administration, 6325 Security Boulevard, Baltimore, Maryland 21207 or the local SSA office.

(See Title 22, California Code of Regulations, Section 50777 or the Medi-Cal Eligibility Manual, Section 15 for more information on who should apply for Medicare Part A and Part B.)

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D. DUALLY ELIGIBLE QMBS AND QMB-ONLYS

There are two basic groups of QMBs:

1. Those receiving regular, full scope Medi-Cal, either as cash grant recipients [e.g., Supplemental Security Income (SSI) recipients] or MNO beneficiaries, who therefore already meet the Medi-Cal property limits and who have been determined to meet the (QMB) income requirement. This group is dually eligible (i.e., eligible for regular Medi-Cal and QMB benefits).
2. Those eligible as a QMB-only who do not want regular Medi-Cal or who are not eligible for regular Medi-Cal due to property above the regular Medi-Cal property limit.

E. BENEFITS

1. Dually-Eligible Individuals

- a) Those with Part A at no cost

Individuals who are receiving regular Medi-Cal and who also receive Medicare Part A at no cost will have no additional benefits by becoming a QMB because we already pay their Part B premiums as well as their Part A and B coinsurance and deductibles (Buy-In). As current Medicare/Medi-Cal crossovers, they may already have access to a wider choice of providers since they are not limited to a Medi-Cal contract hospital, i.e., they can go to a non-contract Medi-Cal hospital. As discussed above, it is to the State's advantage to enroll this population in the QMB program, if eligible.

- b) Those who must pay for Part A

Current Medi-Cal beneficiaries who pay a monthly Part A premium will benefit from Medi-Cal paying their Part A premiums.

- c) Those with no Part A

Those Medi-Cal beneficiaries who do not have Part A but who will now enroll in Part A as a QMB may have a wider choice of providers since they would not be limited to a Medi-Cal contract hospital, i.e., they may go to a Medi-Cal non-contract hospital.

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2. QMB-Only

a) Those with Part A at no cost

Most of the potential QMB-only applicants receive Part A at no cost and will be applying for Medi-Cal to pay their Part B premiums and their Part A and B coinsurance and deductibles. Thus, the QMB benefit for them would be an increase in monthly spendable income.

b) Those who must pay for Part A

Those who pay for Part A (estimated to be a small number) will also experience an increase in spendable income.

c) Those who have no Part A and may or may not have Part B

Those individuals will now have full Medicare coverage at no expense.

F. VERIFICATION

Counties may verify Part A and B Medicare benefits by viewing the following records:

1. MEDS
2. IEVS
3. SSA Medicare Award Letter
4. Medicare card ("Hospital" or "HI" indicates Part A; "Medical" or "SMI" indicates Part B)
5. SSA conditional list

G. SSA 795 ENROLLMENT PROCESS

SSA has established an enrollment process which can be used by certain Medi-Cal beneficiaries with Part B who are currently on the Buy-In program, (e.g. cash-based or MNO) and are applying for Part A during the January - March GEP. Medi-Cal beneficiaries who are currently on Buy-In for Part B may complete an SSA developed form called the SSA 795 and send it to Chicago for processing. They do not have to apply for Part A at an SSA office. After SSA approves Part A enrollment, Part A entitlement information will be transmitted to the State via BENDEX.

The SSA 795 process shall not be used for those not on Buy-In or after the Medicare GEP has ended. Those potential QMBs who wish to apply for Part A after the GEP or who are not on Buy-In must wait until the



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next GEP (January through March) and should be advised to reapply at that time.

### II. CONDITIONAL ENROLLMENT PROCESS

An individual who is not on Buy-In and would be eligible for Medicare Part A if he/she paid a premium may go to the SSA office and sign up for "conditional" Part A Medicare before being evaluated for QMB eligibility by the county. Conditional enrollment means if the county determines he/she is not eligible as a QMB, the individual is not liable for the Part A premium when it is effective in July. An individual who has signed up for conditional Part A may have a receipt. If not, and the individual states he/she has applied for conditional Part A during the current general enrollment period, the county should evaluate for QMB eligibility except for the Part A requirement. When the individual is verified by SSA as eligible for Part A via BENDEX, eligibility will begin in July.

However, most individuals who contact the county for a QMB eligibility determination will not have signed up for "conditional" Part A. These individuals, if otherwise eligible as a QMB except for meeting the Part A requirement, should be sent to SSA to apply for conditional enrollment in Part A. The individual should receive a verification of conditional enrollment from SSA. If otherwise eligible, the effective date of the Part A benefit will be July.

#### I. QMB PROCESSING

##### 1. Medically Needy-Only Beneficiaries With Part A At No Cost

Counties should evaluate those medically needy beneficiaries who receive Part A at no cost at the time of application or redetermination. If eligible as a QMB, they would be eligible the month after the month of QMB approval. Since this group receives no additional benefit, they need not be informed of this program; however, counties must ensure they are identified as QMBs on MEDS for funding purposes since California will receive FFP for the Part B premium for these individuals.

##### 2. Medically Needy-Only Beneficiaries and AFDC/IHSS Recipients Who Pay For Part A

Counties should inform medically needy beneficiaries and AFDC/IHSS recipients who are paying for Part A about the QMB program at the time of their application or redetermination. If they apply for QMB coverage, the county should send a notice of action (NOA). If eligible, QMB coverage begins the month after the month of QMB approval.

3. Medically Needy Beneficiaries and AFDC/IHSS Recipients Without Part A

If the beneficiary/recipient applies from April to December (or his/her redetermination is during this period and he/she wants to be evaluated as a QMB), the county should inform him/her of the QMB program and instruct him/her to return to the county in January if he/she wishes to apply as a QMB unless he/she has already applied for Part A at an earlier date. The county should send a NOA.

If the beneficiary/recipient applies from January--March (or his/her redetermination is during this period) or has previously signed up for Part A and he/she wants to be evaluated as a QMB, the county shall determine whether he/she is otherwise eligible as QMB, i.e., meets all requirements except for eligibility to Part A.

If otherwise eligible as a QMB and if:

- a) the beneficiary/recipient is on Buy-In, the county will send the SSA 795 and a NOA.
- b) the beneficiary/recipient is not on Buy-In, but appears to be eligible for Medicare, ( e.g., aged, blind, disabled), the county should evaluate him/her for QMB eligibility and if eligible, refer him/her to SSA and send the appropriate NOA.

If not otherwise eligible as a QMB, the county must send a denial NOA.

NOTE: If the beneficiary/recipient is not on Buy-In and does not appear to be eligible for Medicare, (e.g., not aged, blind, or disabled), the county should refer him/her to SSA before determining if otherwise eligible since the person probably is not eligible for Medicare. The county should deny the beneficiary/recipient and inform him/her to reapply for QMB benefits after applying for conditional Part A.

4. SSI/SSP recipients without Part A

- a) Part A Conditional Enrollees

SSA should refer these individuals to the counties after they sign up for "conditional" Part A. These individuals may have verification showing they have applied for Part A, but it does not necessarily guarantee that Part A eligibility will be later confirmed. The county must

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determine whether they are otherwise eligible as a QMB. These individuals would be eligible in July.

b) Those Who Have Not Enrolled in Conditional Part A

If the individual is currently on the Buy-In program and has not signed up for conditional Part A, the SSA 795 form may be used during the general enrollment period to sign up for Part A. The county should send the appropriate NOA.

If the individual (whether on Buy-In or not) applies after the GEP and has not signed up for conditional Part A, the county should inform him/her to apply for conditional Part A and reapply at the county in January - March.

c) Application Process

A face-to-face interview is not required for the SSI/SSP recipient who contacts the county to apply for the QMB program. The county should review MEDS to determine if he/she meets the QMB income requirement. (See Section K(4)(d) for detailed instructions).

If his/her total net nonexempt and deemed income exceeds the QMB income limit, the county should send a denial notice and state that the individual may provide verification of income if he/she does not agree with the notice.

If his/her income is below the QMB limit as reported on MEDS, the county should complete the CA 1, Sections 1 and 2 and the signature block (counties should indicate QMB Program in the "Other" box). The CA 1, the MEDS printout with the income information, and the NOA are the only documents required in the case file. No MC 210 is required. A Notice of Action and, if the individual is on Buy-In, the SSA 795 form should be sent to the individual. He/she must mail the SSA 795 to Chicago by March 31st. No SSA 795 need be sent if the individual has Part A or has already applied for conditional Part A (see above). If the individual is not on Buy-In, he/she should apply for Medicare Part A and B at the SSA office.

d) Intercounty Transfer Procedures

When an SSI/SSP recipient who is also eligible for the QMB Program moves to another county, the original county must retain responsibility of the QMB case until the new county assumes responsibility. Both the original county and the new county will receive a worker alert. Counties should

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transfer these cases using existing intercounty transfer procedures.

5.     General Public (QMB-Only)

The application process for a QMB-only is the same as for any other Medi-Cal applicant, e.g., a Statement of Facts must be completed, Rights and Responsibilities reviewed, an MC 13 completed and an IEVS referral made.

a)     Individuals with Part A

These individuals can be evaluated for QMB eligibility at any time since they already have Part A. The county should send a NOA.

b)     Individuals without Part A (whether or not they have Part B)

If these individuals inquire about the QMB program or apply between April and December, the county should advise them to return in January for an eligibility determination unless they have previously signed up for conditional Part A at SSA. The county should also inform them of the Part A requirement and that they may sign up for "conditional" Part A at SSA during the general enrollment period. If the individual actually applied for QMB benefits, the county should send an appropriate NOA.

If these individuals apply in January through March or have previously applied for conditional Part A with SSA, the county should evaluate the individual for QMB eligibility. If otherwise eligible, they should be referred to SSA to apply for conditional Part A benefits unless they have already done so. When Part A eligibility is verified by SSA, these individuals would be eligible for QMB benefits in July. The county should send a NOA.

J.     QMB PROPERTY DETERMINATION

1.     General

The net nonexempt property of a QMB applicant/beneficiary cannot exceed twice the Medi-Cal property limit as determined under QMB property methodology (Method II as described below in items 5 and 6). Nonexempt property shall be determined in accordance with standard Medi-Cal rules governing property [Title 22, California Code of Regulation (CCR) Article 9].

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Note: For purposes of this section, property determinations for QMB applicants also include ongoing property redeterminations for QMB beneficiaries.

### 2. Property Limit Met

If the QMB applicant is receiving Medi-Cal from another program (e.g., ABD-MN, SSI, AFDC), the QMB property requirement is met. If one or both members of a married couple living together are applying for QMB benefits but only one member is receiving Medi-Cal from another program, the QMB property requirement is met for both members of the couple.

### 3. Two Methods for Dual Eligibles

If the QMB applicant is also applying for Medi-Cal under another program at the same time as the QMB application, there are two methods for determining whether the QMB property requirement is met.

- a) Method I: This method is the regular method of determining Medi-Cal eligibility and follows the normal Medi-Cal rules found in Title 22, CCR, Article 9.
- b) Method II: This method is the QMB methodology found in Title 22, CCR, Section 50421 (Property Limit for the QMB Program).

#### Choosing a Method

For flexibility in determining whether a QMB applicant meets the QMB property limit, the eligibility worker (EW) may choose the method he/she believes would permit eligibility to the QMB program. However, since the QMB applicant is also applying for regular Medi-Cal, it is likely that the EW will first use Method I to determine whether the QMB property requirement is met. IF INELIGIBILITY RESULTS FROM METHOD I, THE EW MUST EVALUATE ELIGIBILITY UNDER METHOD II TO DETERMINE IF QMB PROPERTY ELIGIBILITY CAN BE ESTABLISHED.

### 4. QMB-Only

If the QMB applicant is applying as a QMB-only, only Method II (See above) should be used.

### 5. QMB Methodology (Method II) for Determining Property When the QMB Applicant is 18 years of Age or Older or is Married

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- a. Only consider the property of the QMB applicant (and spouse, if any). Do NOT consider the property of any other family members in the home.
- b. Determine the net nonexempt property in accordance with Article 9.
- c. Compare the net nonexempt property to twice the Medi-Cal property limit for one person (or twice the property limit for two persons if the spouse is at home, regardless of whether the spouse is a QMB applicant/beneficiary).
- d. If the result in Step (c) is equal to or less than twice the Medi-Cal property limit shown in that step, then the QMB property requirement is met.
- e. If the result in Step (c) exceeds twice the Medi-Cal property limit shown in that step, then the applicant is ineligible for QMB due to excess property.

Note: The QMB applicant in this situation is an adult under Method II even if he/she is between 18-21 years of age and would be treated as a child in determining eligibility for regular Medi-Cal as specified in Title 22, CCR, Section 50030 (e.g., is a blind or disabled MN person who is 18 to 21 years of age, living in the home of a parent and currently in school).

Example 1

Joe and Jackie are married and living together with their three minor children. Joe has been receiving Social Security disability (not SSI) for two years and is now eligible for Medicare. He is applying for QMB benefits for himself. Neither he nor Jackie receive Medi-Cal from any other program and they do not wish to. Joe and Jackie have nonexempt property which consists of a checking and savings account. The lowest balance in the month of application is \$5000. Their three children have separate trust accounts created by their grandparents. The total value of the trust accounts is \$20,000. Joe's and Jackie's names do not appear on any of the trust documents. The EW uses Method II since Joe is applying as a QMB-only. The EW will only consider Joe's and Jackie's own property and will ignore the children's trust accounts.

1. \$5000 = Joe's and Jackie's own net nonexempt property
2. COMPARE TO \$6000 (twice the Medi-Cal property limit for two)

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3. Joe meets QMB property requirements since \$5000 is less than \$6000

Example 2

Kyle is 20 years old, totally disabled and residing with his mother. Kyle has been receiving Social Security benefits as a disabled adult child on his mother's Social Security Account and is eligible for Medicare. He is not on SSI and is in school. Kyle has \$300 in net nonexempt resources. His mother has \$3100 in net nonexempt resources. Kyle and his mother now want to apply for regular Medi-Cal and Kyle wants QMB coverage.

1. Since Kyle is applying for regular Medi-Cal, the EW will determine property under regular Medi-Cal rules. Under Title 22, CCR, Section 50030, Kyle is a child living in the home of a parent. The MFBU consists of Kyle and his mother. Their total nonexempt property is \$3400. Since the Medi-Cal property limit for two is \$3000, they are ineligible due to excess resources.
2. The EW now evaluates whether Kyle is eligible as a QMB. Under Method II, Kyle is considered an adult and there is no deeming of any other family member's resources except for those of a spouse. Since Kyle is not married, only his own resources are considered. His total resources are \$300. Therefore, Kyle meets the QMB property requirement.

6. QMB Methodology (Method II) When the Applicant is Under Age 18

Under the QMB program, a child under age 18 would be eligible for QMB benefits only under certain circumstances since children under age 18 are not normally eligible for Medicare. Persons may be eligible for Medicare at any age if they need maintenance dialysis or a kidney transplant for permanent kidney failure (chronic renal disease). Therefore, a child under age 18 would be eligible for Medicare only if he/she were determined to have chronic renal disease. This would be the only situation when a child under 18 would be eligible to the QMB program.

a. There Is Only One QMB Child

- (i) Consider only the property of the parent(s) and/or stepparent in the home and the property of the QMB child applicant. Do NOT consider the property of any other family members.
- (ii) Determine the parent(s)' net nonexempt property in accordance with Article 9.

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- (iii) Subtract the property limit for one person (if two parents, subtract the Medi-Cal property limit for 2 persons) from the parent(s) net nonexempt property. The net result will be the amount of property allocated to the child QMB applicant.
- (iv) Add the property allocated from the parent (Step (iii)) to the child QMB applicant's own net nonexempt property.
- (v) Compare the result from Step (iv) to twice the Medi-Cal property limit for one person.
- (vi) If the result from Step (iv) is less than or equal to twice the Medi-Cal property limit for one person, the QMB property requirement is met.
- (vii) If the result from Step (iv) is greater than twice the Medi-Cal property limit for one person, the child QMB applicant is ineligible due to excess property. If there is more than one child QMB applicant in the home, proceed to item b. below.

Example 3

Sandy is 7 years old and has chronic renal disease. She receives Medicare but no Medi-Cal from any other program. She is applying as a QMB-only. She lives with her mother, Carol, who has a savings account of \$5000 and no other property. Sandy has no property of her own. The EW uses Method II to determine her property eligibility.

1. Allocation from parent:

Carol's savings:	\$5000
Medi-Cal property limit for one:	- 2000
Remainder to be allocated:	\$3000

2. Sandy's property and parental allocation:

Sandy's net nonexempt property:	0
Allocation from parent	+ 3000
Total nonexempt property	\$3000

3. COMPARE TO TWICE THE MEDI-CAL  
PROPERTY LIMIT FOR ONE PERSON: \$4000

4. Sandy meets the QMB property requirement.



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b) There is More Than One Child QMB Applicant

1. Use this methodology if there are multiple QMB children residing with their parent(s)/stepparent. Under this methodology, allocation of parental (including stepparents) net nonexempt resources are divided equally among QMB eligible children. This entire process must be recalculated if at any time one or more of these QMB children is or becomes ineligible for QMB benefits as a child, for example, due to excess property, attainment of age 18 so that the QMB child becomes a QMB adult, or eligibility to Medicare ceases (disability ends).

Example 4

Ann and Andy are twins. They are both 14 years old, residing at home with their mother Anna, stepfather Aaron, and a young stepsister, Angela. Ann and Andy have chronic renal disease and have been receiving Medicare (Parts A and B). They are not on SSI and do not receive Medi-Cal from any other program. Ann has a savings account with a value of \$4000 and no other property. Andy has a savings account with a value of \$2000 and no other property. Their mother and stepfather have combined net nonexempt property totaling \$5000. Both Ann and Andy are applying as QMB-only's.

Ann

1. Parents' property:

\$5000	mother and stepfather's nonexempt property
- <u>3000</u>	property limit for two persons
\$2000	remainder

2. Parental Allocation of Property to Ann:

Divide \$2000 by the number of QMB children (2) = \$1000 each to be allocated to Ann and Andy.

3. Ann's Property Plus Parental Property Allocation:

\$1000	property allocated from parents
+ <u>4000</u>	Ann's savings account
\$5000	combined net nonexempt property

4. COMPARE TO \$4000 (twice the Medi-Cal property limit for one person).

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5. Ann is ineligible for QMB due to excess property. Therefore, the property allocation from her parent and stepparent (\$1000) is now allocated to Andy, the remaining child QMB applicant. The new allocation from his parent and stepparent is \$2000 (\$2000 parental allocation divided by one QMB child).

Andy

1. Andy's Property plus Parental Allocation:
- |               |   |
|---------------|---|
| \$2000        | property allocated from parent and stepparent |
| + <u>2000</u> | Andy's savings account                        |
| \$4000        | combined nonexempt property                   |
2. COMPARE TO \$4000 (twice the Medi-Cal property limit for one person.)
3. Andy has met the QMB property requirement since his net nonexempt property does not exceed \$4000 (twice the Medi-Cal property limit.)

Example 5

Jake is 15 years old, has chronic renal disease, and is receiving Medicare (Parts A and B). He lives with his father, Jason, and his mother Janet. They are also disabled and have been receiving Social Security benefits for two years. Jason and Janet are eligible for Medicare. None of the three are on SSI. They do not receive Medi-Cal under any other program and only want to receive QMB coverage. Their property consists of the following:

Jason (father)	\$3000	cash surrender value of life insurance
Janet (mother)	+ \$2000	stocks and bonds
Jason and Janet	<u>\$2000</u>	joint bank accounts
TOTAL (parent's)	\$7000	

Jake (son) \$3000 savings account

1. Property eligibility determination for Jason and Janet (parents)

Method II is used since neither are applying for or receiving regular Medi-Cal.

- a. \$7000 total net nonexempt property

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- b. COMPARE TO \$6000 (twice the Medi-Cal property limit)
- c. Jason and Janet are not eligible for the QMB program because their net nonexempt property exceeds twice the Medi-Cal property limit.

Note: If either or both had been eligible, none of their property would be allocated to Jake in determining whether he meets the QMB property requirement.

2. Property determination for Jake:

Method II is used.

- a. Parental allocation:  
$$\begin{array}{rcl} \$7000 & \text{total net nonexempt property of parents} & \\ - \underline{3000} & \text{Medi-Cal property limit for two persons} & \\ \$4000 & \text{remainder} & \end{array}$$
- b. 
$$\begin{array}{rcl} \$4000 & \text{parental allocation} & \\ + \underline{3000} & \text{Jake's savings account} & \\ \$7000 & \text{Jake's net nonexempt property} & \end{array}$$
- c. COMPARE TO \$4000 (twice the Medi-Cal property limit for one)
- d. Jake is ineligible for the QMB program because he has excess property.

K. QMB INCOME DETERMINATION

1. Income Eligibility Criteria

New regulation 50258, Title 22, California Code of Regulations (CCR), requires a Qualified Medicare Beneficiary (QMB) applicant to have net nonexempt income which does not exceed 90% of the official federal poverty level beginning January 1, 1990. (This amount will increase to 100% on January 1, 1991 and thereafter.) This information will be provided annually to counties when applicable.

2. Income Eligibility Determination Process

- a) Medi-Cal Income Methodology  
New regulation 50570, Title 22, CCR, requires when determining the eligibility of a QMB adult, couple or child, the net nonexempt income shall first be determined

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using Medi-Cal income methodology. This includes all applicable provisions of Article 8, Medi-Cal Family Budget Unit (MFBU) and Article 10, Income, with the following exceptions:

- o health insurance and Medicare premium deductions are not allowed; and
- o deductions for Impairment Related Work Expenses (IRWE) are allowed.

IRWE, as defined in Title 22, CCR, Section 50045.1, are those expenses of a working disabled QMB necessary to become or remain employed. This deduction is only allowed for the QMB applicant/beneficiary. The IRWE must be paid by the applicant/beneficiary to be allowed. Any payment made by a third party (e.g., Department of Rehabilitation) is not allowable.

b) SSI Income Methodology

If ineligibility results after using Medi-Cal methodology, and certain family circumstances exist, the net nonexempt income shall be determined using SSI income methodology. Because SSI income methodology allows for deductions not allowed under Medi-Cal and only considers the income of the QMB applicant and the spouse of the applicant, there may be particular family circumstances where SSI income methodology is less restrictive than Medi-Cal income methodology. SSI income methodology allows the ineligible spouse of a QMB applicant to reduce his/her gross nonexempt income by:

- o Allocating income to ineligible minor child(ren) residing with the applicant, less any income the child(ren) may have. This shall be known as the "Standard QMB Allocation".
- o If the remaining income of the ineligible spouse after the allocation to the ineligible minor child(ren) is equal to or less than the Standard QMB Allocation amount, the income shall be considered exempt. If there are no ineligible children to allocate to and the ineligible spouse's income is equal to or less than the Standard QMB Allocation amount, it is also exempt.

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3. Medi-Cal Income Methodology

a) Medi-Cal Income Determination Form

In order to determine the net nonexempt income of a QMB applicant using Medi-Cal income methodology, the basic format of the MC 176 M (Share of Cost Determination Form) has been modified to develop the MC 176 QMB1. This new form accommodates all the provisions of Article 8 (MFBU) and Article 10 (Income) of the Medi-Cal Eligibility Manual.

b) Income Eligibility Determination Process

Determine the net nonexempt income using Medi-Cal income methodology in the following order:

- 1) Determine the members of the MFBU, both eligible and ineligible, as specified in Article 8.
- 2) Determine the gross nonexempt income of all members of the MFBU, as defined in Article 10. Do not include any Public Assistance (PA) when determining the gross nonexempt income. Under Medi-Cal methodology, income and deductions shall be apportioned, if applicable, as specified in Article 10.
- 3) Allow all applicable deductions. Any Aged, Blind or Disabled - Medically Needy (ABD - MN) deductions of the QMB applicant and his/her spouse can be determined using Section VI. (ABD INCOME DEDUCTIONS) of the MC 176 W (Allocation/Special Deduction Worksheet). Any deductions that are applicable to any Aid to Families with Dependent Children - Medically Needy/Medically Indigent (AFDC - MN/MI) members of the MFBU can be determined using Section IV (AFDC MN/MI Earned Income Deductions) of the MC 176 W. IRWE deductions are entered on the MC 176 QMB1. Do not allow any deductions for Medicare or health insurance premiums.
- 4) Determine the net nonexempt income.
- 5) Compare the net nonexempt income to the appropriate poverty level for the number of members in the MFBU. If the net nonexempt income is equal to or less than the current percentage (i.e., 90% in 1990) of the Federal Poverty Level (FPL), the QMB applicant is income eligible. If the net nonexempt income exceeds the current FPL for the MFBU, and certain family

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circumstances exist, attempt to establish income eligibility using SSI methodology.

4. SSI Income Methodology

a) QMB Applicants Ineligible Using Medi-Cal Income Methodology

After using Medi-Cal income methodology, if the net nonexempt income exceeds the current percent of the FPL for the MFBU and certain family circumstances exist, determine the QMB income eligibility using SSI income methodology. These family circumstances include an ineligible spouse with or without an ineligible minor child(ren) who reside with the QMB applicant.

b) SSI Income Determination Form

In order to determine the net nonexempt income of a QMB applicant using SSI income methodology, the MC 176 QMB2A was developed. This form accommodates all income and deductions for a QMB adult, ineligible spouse, or a couple. It also provides for the Standard QMB Allocation determination to an ineligible child(ren) who resides with the QMB applicant and the QMB income eligibility determination.

c) Income Eligibility Determination Process

Determine the net nonexempt income of the QMB applicant using SSI income methodology in the following order:

- 1) Determine the gross nonexempt income of the QMB applicant, his/her spouse and ineligible child(ren) who reside with the QMB applicant. SSI income methodology requires that actual income be used to determine gross nonexempt income. Therefore, the apportionment of income and deductions are not applicable using SSI income methodology.
- 2) Determine any allocation to the ineligible minor child(ren) residing with the QMB applicant from the ineligible spouse using Section II of the MC 176 QMB2A. The Standard QMB Allocation is only allowed from an ineligible spouse. Do not allocate from a QMB applicant. Subtract any income the child(ren) may have from the Standard QMB Allocation. (Do not include any PA or other PA.) The remainder is the actual allocation amount. If the ineligible minor child(ren) is a student, allow the Student Income Deduction. Effective January 1, 1990, the Standard

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QMB Allocation is \$193. This amount will increase to \$203 effective January 1, 1991, and on an annual basis which will be provided to counties when applicable.

NOTE: Under SSI Income Methodology, an eligible minor child is defined as any child under eighteen years of age and unmarried. An ineligible child is defined as any unmarried child under eighteen years of age or eighteen to twenty-one years of age if he/she is a full-time student.

- 3) Determine if the remaining income of the ineligible spouse, after the allocation to ineligible minor children, is less than the Standard QMB Allocation. If so, it shall be considered exempt. This also applies to an ineligible spouse with no child(ren). Section III of the MC 176 QMB2A can be used to make this determination.

Note: Section III is used for evaluation purposes only. If the remaining income of the ineligible spouse exceeds the Standard QMB Allocation amount, include the gross income and any applicable allocation to minor ineligible children in Section I.

- 4) Determine the net nonexempt income. Allow all applicable deductions as indicated on the MC 176 QMB2A. These deductions include: the \$65 and 1/2 deduction; the IRWE deduction; allocation to ineligible child(ren); and the \$20 Any Income Deduction.
- 5) Compare the net nonexempt income to the appropriate percent of the FPL. Since SSI income methodology only considers the income of the applicant and spouse, determine the appropriate FPL as follows: use the FPL for one, if only the QMB applicant's income is used; or the FPL for two, if the QMB applicant's income is combined with income of the spouse. If the net nonexempt income is less than or equal to the appropriate FPL, the QMB applicant is income eligible.

d) SSI/SSP QMB Applicants

Since SSA has already determined the net<sup>\*</sup> unearned, earned and deemed income of an SSI/SSP recipient, use the SDX Inquiry screen (QX on MEDS) to determine the total net nonexempt income. If the net nonexempt income is equal to

or less than the applicable percentage of the FPL for one, the applicant is income eligible for QMB. The MC 176 QMB2A or a print-out of the inquiry screen may be used to document the net nonexempt income of the QMB applicant.

If an SSI couple is applying for QMB, use the individual SDX (QX on MEDS) Inquiry screen for each applicant and determine the income eligibility separately using the FPL for one.

As previously stated, a face-to-face interview is not required for this group of applicants; a telephone inquiry is sufficient. The county need only complete Sections 1 and 2 of the CA 1 and sign the application on behalf of the applicant. If the SDX information indicates income ineligibility, the applicant has the right to provide income verification and have his/her income eligibility determined using either the Medi-Cal or SSI methodology, if applicable. Do not include PA income.

5. QMB Children Applicants

A QMB child applicant with net nonexempt income which exceeds the current FPL for the MFBU using Medi-Cal income methodology, shall next be evaluated for income eligibility using SSI income methodology, if certain family circumstances exist. These family circumstances include ineligible parents with or without ineligible siblings who reside with the QMB child applicant.

a) QMB Applicants Under Eighteen Years of Age

Only children receiving renal dialysis can receive Medicare at any age (if the parents have sufficient work quarters). SSI Income Methodology allows allocations to ineligible minor children and certain income deductions for ineligible parent(s) who reside with the QMB applicant for only those applicants who are unmarried and under eighteen years of age. Therefore, those QMB child applicants under eighteen years of age shall have their net nonexempt income determined using the QMB child income eligibility determination process.

NOTE: Under SSI methodology, persons who are married or 18 years and older are considered adults.

b) QMB Child Income Determination Form

In order to determine the net nonexempt income of a QMB child using SSI income methodology, the MC 176 QMB2B was developed. This form accommodates all income and



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deductions for the ineligible parent(s) with or without minor ineligible children and allocations to the ineligible minor child(ren).

c) QMB Child Income Eligibility Determination Process

Determine the net nonexempt income of the QMB child in the following order:

- 1) Determine the actual gross unearned income of the ineligible parent(s).
- 2) Determine the allocation to the ineligible minor child(ren) from the ineligible parent(s) (line 5, Section II). Subtract the actual allocation, first, from the gross unearned income of the ineligible parent(s).
- 3) Subtract the \$20 Any Income Deduction.
- 4) Subtract the parent deduction for unearned income. This deduction shall be known as the parent deduction of the QMB Child. Effective January 1, 1990, the parent deduction amount is \$368, if one parent lives with the QMB child; or \$553 if both parents live with the QMB child. This amount is put on line 9, Section 1, part A. Any unused portion of the allocation is placed on line 15, Section 1, part B.  
  
NOTE: These amounts will change on an annual basis and counties will be notified.
- 5) Subtract the \$65 and 1/2 deduction.
- 6) Determine the net countable income of the ineligible parent(s). This is considered the allocation to the QMB child from the ineligible parent(s).
- 7) Use Section III to determine the QMB child's net nonexempt income. Enter the countable income of the ineligible parent(s) from line 18, B. I.
- 8) Add any earned or unearned income of the QMB child. If the QMB child is a student, he/she is entitled to a student deduction of \$1620 per year as specified in Title 22, CCR, Section 50551.
- 9) Allow the \$20 Any Income Deduction, IRWE and the \$65 and 1/2 Earned Income Deduction, if applicable.

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- 10) Determine the net nonexempt income of the QMB child.
- 11) Compare this amount to the current FPL for one. If the net nonexempt income of the QMB child is equal to or less than the FPL, the child is income eligible for QMB.

Medi-Cal Income Methodology  
Example #1

Robert Williams is a single man who receives a Social Security benefit of \$465 per month. He is currently not on Medi-Cal but will apply at the same time he applies as a QMB. He currently pays his own Part B Medicare premium of \$31.90 (1989 amount) each month.

QMB Income Eligibility Determination

- 1) Determine the MFBU - One
- 2) Determine the Net Nonexempt Income  
  
\$465 Gross Unearned Income  
- \$20 Any Income Deduction  
\$445 Net Nonexempt Income
- 3) Compare the Net Nonexempt Income to the Federal Poverty Level (FPL) for the appropriate MFBU.

The Net Nonexempt Income of \$445 is equal to or less than the FPL for one (\$449); income eligible for QMB.

Medi-Cal Share of Cost Determination

\$465	Gross Unearned Income
- <u>\$20</u>	Any Income Deduction
\$445	
- <u>\$32</u>	Medicare Premium Deduction
\$413	Net Nonexempt Income
- <u>\$600</u>	Maintenance Need (One)
\$0	Share of Cost

Medi-Cal Income Methodology  
Example #2

Steven Baker is applying for both QMB and Medi-Cal. He receives a monthly Social Security benefit of \$325. He is also employed part-time with an insurance company. He earns \$400 (gross) per month. Mr. Baker rents an electric wheelchair which is necessary for him to continue working. The monthly rental cost of the wheelchair is \$150. Steven's wife, Wilma,

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receives a monthly pension of \$192 from the Teamsters Union. Steven pays a monthly Medicare Part B premium of \$31.90 per month.

**QMB Income Eligibility Determination**

1) Determine the MFBU - Two

2) Determine the Net Nonexempt Income

\$325	Steven's Gross Unearned Income
+ <u>\$192</u>	Wilma's Gross Unearned Income
\$517	Combined Unearned Income
- <u>\$20</u>	Any Income Deduction
\$497	Net Unearned Income
\$400	Steven's Gross Earned Income
- <u>\$65</u>	Earned Income Deduction
\$335	
- <u>\$150</u>	IRWE
\$185	
X <u>1/2</u>	Earned Income Deduction
\$92.50	Net Earned Income
+ <u>\$497</u>	Net Unearned Income
\$589.50	Net Nonexempt Income

3) Compare the Net Nonexempt Income to the current FPL for the appropriate MFBU.

The Net Nonexempt Income of \$590 (rounded) is equal to or less than the current FPL (\$602); income eligible for QMB.

**Medi-Cal Share of Cost Determination**

\$400	Steven's Gross Earned Income
- <u>\$65</u>	Earned Income Deduction
\$335	
X <u>1/2</u>	Earned Income Deduction
\$167.50	
+ <u>\$497</u>	Net Unearned Income
\$664.50	
- <u>\$31.90</u>	Health Insurance Deduction
\$632.60	Net Nonexempt Income
- <u>\$934</u>	MN (Two)
\$0	SOC

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**Medi-Cal Income Eligibility Determination**  
**Example #3**

Sam Ito is a disabled individual applying for QMB benefits only. Sam, his wife Emiko, and their two children, Michael and Rose, all receive Social Security benefits. Sam receives a monthly disability benefit of \$460. Emiko receives a monthly Social Security benefit of \$250. Michael and Rose each receive a monthly benefit of \$135.

**QMB Income Eligibility Determination**

- 1) Determine the MFBU
- 2) Determine the Net Nonexempt Income using the MC 176 QMB1.
- 3) Compare the Net Nonexempt Income to the current FPL for the appropriate MFBU.

**SSI Income Methodology**  
**Example #4**

Since Mr. Ito's net nonexempt income exceeds the current FPL for an MFBU of four, income ineligible for QMB using Medi-Cal methodology. Since certain family circumstances exist (i.e., an ineligible spouse and ineligible minor children), determine the net nonexempt income using SSI Income Methodology.

**QMB Income Eligibility Determination**

- 1) Determine the Standard QMB Allocation (1989) for ineligible minor children using Section II of the MC 176 QMB2A.

Child -	Michael	Rose
Standard QMB Allocation	\$185	\$185
Less Any Income	- <u>\$135</u>	- <u>\$135</u>
Actual Allocation	\$50	\$50 - \$100

Subtract the actual QMB allocation amount, first, from the unearned income of the ineligible spouse. Any unused allocation can be deducted from the gross earned income of the ineligible spouse.

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- 2) Determine if the remaining income of the ineligible spouse, after the deduction to ineligible children if applicable, can be exempt.

\$250 Emiko's Unearned Income  
- \$100 QMB Allocation to the ineligible minor children  
\$150 Net Unearned Income (less than \$185 - Exempt)

- 3) Determine the Net Nonexempt Income using the MC 176 QMB2A.

+ \$460 Sam's Unearned Income  
- \$20 Any Income Deduction  
\$440 Net Nonexempt Income

- 4) Compare the Net Nonexempt Income to the appropriate FPL.

Since the income of the ineligible spouse was not combined with the applicant's income, the appropriate FPL is one (\$449).

The Net Nonexempt Income is less than or equal to the appropriate FPL for one (\$449); income eligible using SSI Income Methodology.

### SSI Income Methodology Example #5

Jason Peters is receiving renal dialysis. He is currently paying for his Part A Medicare. He receives a monthly Social Security benefit of \$150. Jason's father, Stephen, is employed as a mechanic. He earns \$1900 (gross) per month. Jason's mother, Brenda, has no income. Jason has an infant brother, Bobby.

### Medi-Cal Income Methodology

- 1) Determine the MFBU - Four  
2) Determine the Net Nonexempt Income using the MC 176 QMB1.

\$150 Jason's SSA  
- \$20 Any Income Deduction  
\$130 Net Unearned Income

\$1900 Stephen's Gross Earned Income  
- \$65 Earned Income Deduction  
\$1835

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X 1/2      Earned Income Deduction  
\$917.50 Net Earned Income  
+ \$130      Jason's Net Unearned Income  
\$1047.50 Net Nonexempt Income

- 3) Compare the Net Nonexempt Income to  
the FPL for the appropriate MFBU.

The Net Nonexempt Income of \$1048 (Rounded) exceeds the current FPL for four (\$908); income ineligible using Medi-Cal Income Methodology. Attempt to establish income eligibility using SSI Income Methodology.

**QMB Child Income Determination**

- 1) Determine the Standard QMB Allocation  
to the ineligible minor children using  
Section II of the MC 176 QMB2B.

\$185 Standard QMB Allocation  
- \$0 Less Any Income  
\$185 Actual Allocation Amount

Subtract this amount, first, from the unearned income of the ineligible parent(s). Any unused allocation can be deducted from the gross earned income.

- 2) Determine the Parent Deduction of the QMB Child.

Since both parents live with Jason and the income of the ineligible parents is earned, the parent deduction is two times the couple deduction.

\$553 Parent Deduction (Couple)  
X 2  
\$1106 Actual Parent Deduction of the QMB Child.

- 3) Determine the Net Nonexempt Income of the  
ineligible parent(s).

\$1900 Gross Earned Income  
- \$185 Actual QMB Allocation Amount  
\$1715  
- \$20 Unused Any Income Deduction  
\$1695  
- \$65 Earned Income Deduction  
\$1630  
- \$1106 Parent (Couple) Earned Income Deduction  
\$524  
X 1/2 Earned Income Deduction  
\$262 Net Earned Income

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4) Determine the QMB Child Income Eligibility.

\$262 Allocation from the ineligible parents  
\$150 Jason's SSA  
- \$20 Any Income Deduction  
\$392 Net Unearned Income

5) Compare the Net Nonexempt Income of the  
QMB Child to the FPL for one.

The Net Nonexempt Income of \$392 is equal to or less than the FPL for one (\$449); income eligible for QMB.

SSI Income Methodology  
Example #6

Emilio Sanchez is ten years old and receiving renal dialysis. He receives a monthly Social Security benefit of \$175. His father, Roberto, also receives a monthly Social Security benefit of \$250. Only Emilio is applying for QMB. Emilio's mother, Charlene, is a nursing assistant. She earns \$1600 (gross) per month. Roberto and Charlene have another son, Roberto Jr.

Medi-Cal Income Methodology

1) Determine the MFBU - Four

2) Determine the Net Nonexempt Income  
using the MC 176 QMB1.

\$175 Emilio's SSA  
+ \$250 Roberto's SSA  
\$425  
- \$20 Any Income Deduction  
\$405 Net Unearned Income  
  
\$1600 Charlene's Gross Earned  
- \$65 Earned Income Deduction  
\$1535  
X 1/2 Earned Income Deduction  
\$767.50 Net Earned Income  
+ \$405 Net Unearned Income  
\$1172.50 Net Nonexempt Income

3) Compare the Net Nonexempt Income to  
the FPL for the appropriate MFBU.

The Net Nonexempt Income of \$1173 (Rounded) exceeds the current FPL for four (\$908); income ineligible using Medi-Cal Income Methodology. Attempt to establish income eligibility using SSI Income Methodology.

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QMB Child Income Determination

- 1) Determine the Standard QMB Allocation to the ineligible minor children using Section II of the MC 176 QMB2B.
- 2) Determine the Parent Deduction of the QMB Child.
- 3) Determine the Net Nonexempt Income of the ineligible parents using the MC 176 QMB2B.
- 4) Determine the QMB Child Income Eligibility.
- 5) Compare the Net Nonexempt Income of the QMB Child to the FPL for one.

L. QUESTIONS AND ANSWERS

Program

1. Is an IEVS check required for a QMB?

Answer: A QMB-only applicant must be otherwise eligible for Medi-Cal and is therefore subject to applicable Medi-Cal regulations and the regular application process including an IEVS check. Dually eligible QMB applicants including SSI/SSP recipients have already had an IEVS check when their income and property were reviewed during the application process.

2. If QMB benefits begin the month after the month of QMB approval, is this the date reported to MEDS or the date the supervisor or worker approves the case?

Answer: The county reports as the effective date the month QMB coverage is to begin, i.e. the month after the case is actually approved.

3. If, on March 15th, an individual with Part B Medicare-only applies to the county for a QMB determination and the county is not able to schedule an appointment or make a determination before March 31st, should the county inform the applicant to first apply for conditional Part A before the March 31st deadline and return for an eligibility determination later?

Answer: Yes. The county should inform the individual of the Part A enrollment deadline and advise him/her to apply for conditional Part A before March 31st. If the county later determines the individual as QMB eligible, benefits could begin in July. Otherwise, he/she would be required to wait another year to apply



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for Part A and could not be eligible for QMB benefits this year.

4. Are status reports required for QMB-only recipients?

Answer: No. A QMB is similar to aged, blind, or disabled (ABD) recipients who are not required to complete status reports, but as with ABDs, QMBs must report income or property changes.

5. If a family was discontinued for failure to return a status report (mother and children were AFDC-MN based on the father's incapacity) and the father is also a disabled QMB, would he remain eligible as a QMB since no status reports are required?

Answer: Yes.

6. May counties align the QMB redetermination date with the Medi-Cal redetermination date for the MNO?

Answer: Yes. For dually eligibles the QMB redetermination may be aligned with the regular Medi-Cal redetermination after the initial QMB determination.

7. If a QMB-only without Part A was preapproved in January but benefits do not begin until July, when is his/her redetermination date?

Answer: January.

8. If a dually eligible individual in LTC who has a SOC under regular Medi-Cal is paying his/her Part A premium and is approved for QMB benefits, how many months should the county allow for Medicare to begin billing DHS for the premium?

Answer: Counties should allow approximately two months before readjusting the individual's share of cost. This is similar to the Buy-In process (Part B).

9. Can an IHSS statement of facts form be used for a dually eligible IHSS/QMB or must the county complete an MC 210?

Answer: Counties may use the existing IHSS information.

Medicare (This information is based on conversations with SSA. Detailed questions regarding Medicare should be referred to SSA).

1. Must the parent of a QMB child on dialysis be deceased, aged, or disabled in order for the child to be eligible for Medicare?

Answer: No, however, the parent must have worked the appropriate number of quarters under Social Security.

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2. If an individual with chronic renal disease has not paid into SSA and is not eligible for premium free Part A Medicare and has no parent or spouse who has worked the appropriate number of quarters under Social Security, may he/she purchase Part A?

Answer: No.

3. If an individual who is eligible for premium free Part A does not apply for this benefit, may he/she enroll later at anytime?

Answer: An individual is not given the option of refusing premium free Part A Medicare. He/she receives it when eligible; therefore, there is no need to enroll later.

4. How does an individual who has chronic renal disease apply for Medicare Part A?

Answer: Application is made with SSA. Most providers who specialize in this disease have the appropriate Medicare forms.

5. When is a person with chronic renal disease eligible for Medicare Part A?

Answer: An individual may apply in the third month of dialysis or immediately for home dialysis or a kidney transplant.

6. May an individual purchase Medicare Part A but not B?

Answer: No.

7. a) Can IRCA/OBRA applicants/beneficiaries qualify for Medicare?  
b) If Yes, can they be eligible as a QMB?

Answer: a) Yes, an IRCA/OBRA individual can qualify for Medicare if the individual has paid into Social Security for the required quarters and is also either 1) blind or disabled and has received Title II benefits for at least 24 months or 2) aged.

b) Federal guidelines state that a QMB must be either a citizen or a lawfully admitted for permanent residence alien; therefore, an OBRA alien or a limited scope IRCA individual is not eligible for QMB benefits. However, a full scope IRCA individual can be a QMB eligible.

8. Must a blind individual also receive Title II benefits for 24 months before eligibility to Medicare begins?

Answer: Yes.

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9. If an individual files for Part A benefits after the March 31st general enrollment, will SSA waive this deadline in some cases?

Answer: Yes. If the individual has good cause.

10. Is a child or spouse of an aged, deceased, blind, or disabled individual eligible for Medicare?

Answer: Yes, but only if he/she is also aged, blind, or disabled.

SSI/SSP Recipients

1. Should the county mail an application or Statement of Facts to the individual who was terminated from SSI/SSP to determine if he/she continues to be eligible as a QMB?

Answer: Yes, if the individual did not receive these forms with the Ramos v Myers NOA.

2. If an SSI/SSP individual who is also eligible as a QMB has an increase in income which changes the amount of his/her cash grant but is not enough to cause the loss of SSI/SSP eligibility, will the county be notified?

Answer: Unless the individual informs the county directly, the county will not be aware of this fact until the QMB redetermination.

3. How may the SSI/SSP recipient distinguish his/her check from that of the SSA Title II check?

Answer: The SSI/SSP check is sent in a blue envelope and has "SSI" on the face of the check as opposed to an SSA Title II check which is sent in a manila envelope and has "SOC SEC" on the face.

4. Is the MC 13 Form (Citizenship) required for SSI/SSP recipients who apply for QMB benefits?

Answer: No. SSA has already asked for this information.

5. If the county inadvertently reviews IEVS and finds a contradiction in income from the income recorded on MEDS, should the county attempt to verify the difference?

Answer: No. Counties are to assume that the income information on MEDS is correct unless the individual reports otherwise.

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6. Is a QMB redetermination required for SSI recipients?

Answer: Yes. They are considered aged, blind, or disabled and should be evaluated yearly.

Providers and Billing

1. If a QMB-only individual resides in a county that requires Medi-Cal recipients to use certain facilities such as a prepaid health plan (PHP), may the QMB-only use that facility?

Answer: Not at this time, but he/she can use other providers who accepts Medi-Cal and Medicare.

2. If a QMB beneficiary receives services from a provider who does not accept Medi-Cal, can the beneficiary be billed for the coinsurance and deductibles?

Answer: Yes. Medi-Cal will not pay the coinsurance and deductibles if the beneficiary receives services from a provider who is not an approved Medi-Cal provider.

3. May a provider bill a QMB for the difference between his/her rate and the approved Medicare reimbursement?

Answer: No.

Property

1. Can a QMB applicant spenddown excess property to within the QMB property limit?

Answer: Yes.

2. If an individual is less than 18 years old and married, is he considered a QMB adult or child?

Answer: He/she would be considered an adult for Medi-Cal, (unless claimed as a tax dependent by his/her parents), as well as for QMB regulations.

3. When there is more than one child in the home applying for QMB benefits and one has more property than the other, should the county begin the QMB property determination with the child with less property or more?

Answer: It is the county's decision. However, the county may wish to begin with the child who has the most property to avoid a recomputation if that child is ineligible.

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4. Will the property level change on an annual basis?

Answer: No.

5. How will community spouse rules under MCCA affect QMB property rules?

Answer: MCCA primarily affects situations where one aged, blind, or disabled (ABD) spouse is institutionalized after 9/30/89, the other spouse is not institutionalized, and the application is made on or after 1/1/90. Each spouse is in a separate MFBU. After MCCA property is developed, the EW uses each person's property as allocated for the QMB property determination. Similarly, for long term care individuals for whom the division of community property rules apply, each spouse's property as determined under those rules apply in the QMB determination.

Income

1. Must the county deny or discontinue QMB applicants/recipients who are not eligible due to excess income based on the SSA COLA or may the county wait until the increase in the federal poverty level?

Answer: Effective January 1, 1991, the county must disregard the COLA increase until the publication of the federal poverty level.

2. When does the "Standard QMB Allocation" amount change?

Answer: The Standard QMB Allocation amount changes on January 1st of each year based on the annual Title II, Social Security Cost of Living Adjustment (COLA).

3. How are Impairment Related Work Expenses (IRWE) deducted? Are there set limits? Are IRWEs allowed under the regular Medi-Cal program?

Answer: The IRWE is deducted from a QMB applicant's earned income. The IRWE deduction is the actual amount paid by the applicant. These deductions are not applicable for those applying for regular Medi-Cal.

4. Since the Medicare Part B premium is deducted from the SSA benefit check (unless the beneficiary does not receive a check), what amount is used to determine QMB income?

Answer: Since the gross amount of the SSA benefit is considered, it is necessary to add the premium amount back if it was deducted. Health insurance premiums may not be deducted.

5. If the spouse is also applying and he/she has income less than the Standard QMB Allocation amount, would this income be exempt?

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Answer: No. Only the income of the ineligible spouse shall be evaluated for exemption if less than the Standard QMB Allocation amount.

6. Under Medi-Cal income methodology, a child may be excluded from the MFBU if he/she has separate income or property. May the child be excluded using SSI Income methodology?

Answer: No, not unless the child receives PA or other PA. A child's income is only considered when computing the parent allocation to an ineligible child(ren).

7. When do the SSA grant amounts change?

Answer: The grant amounts are based on the COLA and are effective on January 1st of each year. If the increase results in the loss of SSI/SSP benefits, the recipient will receive a Ramos notice of action. (See Medi-Cal Eligibility Manual 5-E and ACWDL 89-56)

8. Would any QMB applicant have a share of cost (SOC) under regular Medi-Cal?

Answer: There is a possibility that a QMB child might have a SOC under regular Medi-Cal. If both parents have earned income, they would be entitled to a \$1106 parent deduction under SSI methodology. This deduction is not allowed under regular Medi-Cal. There are also individuals in LTC with a SOC who will be QMB eligible.

9. Under "Pickle", a person is in his/her own MFBU. Would a person be in his/her own MFBU when applying for QMB benefits?

Answer: Only if the person were in long term care. A person who is applying as a QMB should first be determined using Medi-Cal rules (all family members are in the MFBU). If not eligible, then SSI rules are used and there would be an MFBU of either one or two (depending on whether the income of the ineligible spouse is combined with the applicant's income).

10. Is income apportioned under SSI income methodology?

Answer: No. SSI income methodology requires that the actual gross income be used to determine income eligibility.

11. How will community spouse rules under MCCA affect QMB income rules?

Answer: They don't. Post-eligibility treatment of income rules do not apply to QMB individuals.

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M. NOTICES and FORMS

The following notices and forms are in the Forms Section of the Manual:

1. MC 239J Notice of Action - Approval for Benefits as a QMB

This NOA may be used for all approved and preapproved QMB applicants. For example, this form may be used for:

- o Medi-Cal beneficiaries who have met the QMB eligibility requirements except for Part A and who must send in the SSA 795 to apply for Part A, or who have met all the QMB eligibility requirements
- o The General Public who must apply for conditional Part A at the SSA office or are eligible because they already have Part A and meet all other QMB requirements.

2. MC 239J (SP) Notice of Action - Approval for Benefits as a QMB

This is the Spanish version of the MC 239J NOA.

3. MC 239K Notice of Action - Denial or Discontinuance of Benefits as a QMB

This NOA may be used for all QMB applicants.

4. MC 239K (SP) Notice of Action -Denial or Discontinuance of Benefits as a QMB

This is the Spanish version of the MC 239K NOA.

5. Preprinted Notice of Action- Combination approval and denial notice

This notice will be printed by DHS and mailed to counties in December on a one time basis. Counties may use this to notify Medically Needy-Only, AFDC, and IHSS recipients who either pay for Part A Medicare or who do not receive Part A, of their approval or denial for the QMB program.

6. SSA 795 and Cover Letter

This form and information sheet must be used to enroll those QMB applicants who do not have Part A and who meet all of the following:

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- a) are currently receiving Medi-Cal,
- b) have Part B Medicare, and
- c) are part of the Buy-In Program.

It is suggested that counties not modify the SSA 795 form because it contains information required by SSA.

7. SSA 795 Cover Letter (SP)

This is the Spanish version of the SSA 795 Cover Letter

8. MC 176 P QMB-A - QMB Property Worksheet - Adult

This form may be used to determine the property of a QMB applicant 18 years of age and older or if married.

9. MC 176 P QMB-C - QMB Property Worksheet - Child

This form may be used to determine the property of a QMB applicant 17 years of age and younger and unmarried.

10. MC 176 QMB1 - QMB Income Eligibility Worksheet - All Applicants

This form may be used to determine the income of a QMB applicant, couple, or a minor child(ren) who is also applying for regular Medi-Cal benefits.

11. MC 176 QMB2A - QMB Income Eligibility Worksheet - Applicant with an Ineligible Spouse, with or without Children

This form may be used to determine the income of a QMB applicant who has an ineligible spouse with or without children, who is not applying for regular Medi-Cal benefits or who was not eligible using the MC 176 QMB1 worksheet.

12. MC 176 QMB2B - QMB Income Eligibility Worksheet - Child Applying with or without Ineligible Parents

This form may be used to determine the income of a QMB child who is not applying for regular Medi-Cal benefits or who was not eligible using the MC 176 QMB1 worksheet.

13. MC Information Notice 008 - QMB Program Information Notice

This form may be used to provide information to those interested in the requirements of the QMB program.



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14. MC 237 (QMB) - Caseload Movement and Activity Report - QMB

This form is used to identify how many of those reported on the regular 237 form are SSI/SSP QMBs and QMB-only applicants and beneficiaries.

N. SAMPLES OF SSA VERIFICATIONS

1. SSA Conditional Medicare Part A Receipt

Attachment 1 is a sample of a receipt that may be given to an individual who has applied for "conditional" Part A with SSA. A receipt is not proof of Part A eligibility.

2. SSA Award Certificate

Attachment 2 is a sample of an award certificate for Part B medical insurance. An award certificate for Part A must state "hospital insurance". Counties may use this certificate as proof of Medicare if the individual has not received his/her Medicare card.

# SAMPLE CLAIM RECEIPT

NH 000-00-0000

SG-HCFA-18, PAGE 003

RECEIPT FOR YOUR CLAIM FOR SOCIAL SECURITY HOSPITAL INSURANCE BENEFITS

## QMB DETERMINATION NEEDED

NAME OF PERSON TO CONTACT  
ABOUT YOUR CLAIM: C. Repp

THE TELEPHONE NUMBER TO CALL IS: (415) 000-0000

YOUR APPLICATION FOR MEDICAL INSURANCE HAS BEEN RECEIVED AND WILL BE  
PROCESSED AS QUICKLY AS POSSIBLE.

YOU SHOULD HEAR FROM US WITHIN 10 DAYS AFTER YOU HAVE GIVEN US ALL THE  
INFORMATION WE REQUESTED. SOME CLAIMS MAY TAKE LONGER IF ADDITIONAL  
INFORMATION IS NEEDED.

IN THE MEANTIME, IF YOU CHANGE YOUR MAILING ADDRESS, YOU SHOULD REPORT THE  
CHANGE. ALWAYS GIVE US YOUR CLAIM NUMBER WHEN WRITING OR TELEPHONING ABOUT  
YOUR CLAIM. IF YOU HAVE ANY QUESTIONS ABOUT YOUR CLAIM, WE WILL BE GLAD TO  
HELP YOU.

CLAIMANT

JO DOE

SOCIAL SECURITY CLAIM NUMBER

000-00-0000M

SAMPLE

SOCIAL SECURITY ADMINISTRATION

Western Program Service Center  
Richmond, California 94802

A W A R D   C E R T I F I C A T E

Date: November 2, 1989

Jo Doe  
123 Someplace Dr  
Anyplace CA 94732

Claim Number: 000-00-0000 M

You are entitled to medical insurance under Medicare beginning April 1989.

The State where you live will pay the premiums for your Medicare coverage beginning April 1989. You may receive a refund for some of the premiums you may have paid, if the State is responsible for paying them.

The benefits described in this letter are the only ones you can receive from Social Security. If you think that you might qualify for another kind of Social Security benefit in the future, you will have to file another application.

We will send your Medicare card in about 4 weeks. You should take this card with you when you need medical care. If you need medical care before you receive the card, use this letter as proof that you are covered by Medicare.

If you think we are wrong, you have the right to appeal. We will correct mistakes. We will look at any new facts you have. Then a person who did not make the first decision will decide your case again.

- o You have 60 days to ask for an appeal.
- o The 60 days start the day after you get this letter.
- o You will have to have a good reason for waiting more than 60 days to ask for an appeal.

The right to receive Social Security benefits carries with it certain responsibilities. They are explained in the booklet furnished you. Read this booklet carefully. Be sure you understand clearly what you can expect in benefits, and what is to be expected of you. If you have questions about your claim, you may get in touch with any Social Security office. Most questions can be handled by telephone or mail. If you visit an office, however, please take this notice with you.

Trevor Evans-Young  
Director

MO7111/ms

KEEP AS A PERMANENT RECORD--DO NOT DESTROY