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**DEPARTMENT  
POLICY****MA Only**

Medicare is a federal health insurance program administered by the Social Security Administration (SSA). Medicare has three parts: Part A, hospital insurance (HI), and Part B, supplementary medical insurance (SMI), Part D, prescription drug coverage. A person receiving Medicare may have to pay a monthly premium for his Medicare. A person is also responsible for some of the cost of Medicare-covered services. These costs are called coinsurances and deductibles.

**Medicaid** coverage includes Medicare cost-sharing benefits. This means Medicaid pays Medicare Part B premiums or Part A and B premiums, coinsurances and deductibles for certain Medicaid recipients. A person who can receive Medicare Part A free of charge is encouraged to apply for it.

The Michigan Department of Health and Human Services (MDHHS) Medical Services Administration (MSA) administers the Buy-In programs.

**MEDICARE PART A**

There are four provisions under which a person can be eligible for Medicare Part A:

- Section 226 of the Social Security Act.
- Section 226A of the Social Security Act.
- Section 1818 of the Social Security Act, and
- Section 1818A of the Social Security Act.

Most persons receive Medicare Part A under section 226 or 226A.

For Medicaid purposes it is important to distinguish only persons receiving under section 1818A from the other three sections.

**226/226A Eligibility**

A person will usually be eligible for Part A under section 226 or 226A of the Social Security Act if he or she:

- Is at least age 65 and has sufficient countable work history, or

- Has received RSDI or Railroad Retirement disability/blindness benefits for 24 consecutive months, or
- Has end-stage renal disease treated by a kidney transplant or a regular course of dialysis, or
- Has Amyotrophic Lateral Sclerosis, also known as “Lou Gehrig’s disease”.

There is no monthly Part A premium.

### 1818 Eligibility

A person is eligible for Part A under section 1818 of the Social Security Act if he or she meets all of the following criteria:

- Is at least age 65.
- Is a resident of the U.S. and is either:
  - A U.S. citizen, or
  - An alien lawfully admitted for permanent residence who has resided in the U.S. continuously for the 5-year period immediately preceding the month in which he meets all other requirements.
- Is **not** eligible for Medicare Part A without paying a monthly premium.
- Is:
  - Receiving Medicare Part B, supplementary medical insurance (SMI), or
  - Eligible for and has applied for Medicare Part B during an enrollment period.
- Applies for enrollment during his **Initial Enrollment Period** or a **General Enrollment Period**.

**Exception:** The general enrollment period is waived for persons covered by the **Part A Buy-In Program**.

The monthly Part A premium must be paid to maintain eligibility.

## 1818 A Eligibility

A person is usually eligible for Part A under section 1818A of the Social Security Act if he meets all of the following criteria:

- Is under age 65.
- Has been entitled to Medicare Part A based on disability (including child's or widow(er)'s benefits based on disability).
- Continues to have the disabling impairment upon which his Part A eligibility has been based.
- Entitlement to disability-based Part A has ended solely because earnings exceed the dollar limit used to determine whether a person is performing a substantial gainful activity (SGA).
- Is **not** otherwise eligible for Part A.
- Applies for enrollment during the **Initial Enrollment Period** or a **General Enrollment Period**.

A monthly Part A premium must be paid to maintain eligibility.

## Enrollment

A person receiving RSDI or Railroad Retirement benefits is usually enrolled in Part A automatically if he or she is eligible. Other persons must apply for enrollment at the local SSA office during their **Initial Enrollment Period**, a **General Enrollment Period** or through the **Part A Buy-In Program**.

## Premiums

Persons receiving Part A under sections 226 and 226A qualify for Part A free of charge. Persons receiving under sections 1818 and 1818A are charged a monthly premium. Medicaid pays the premiums for some persons under the **Part A Buy-In Program**.

## MEDICARE PART B

### Eligibility

A person is eligible for Part B if he:

- Is eligible for Part A, or

- Is at least age 65, lives in the U.S., and is either a U.S. citizen or an alien lawfully admitted for permanent residence who has lived in the U.S. five consecutive years.

**Note:** If a person is age 65 or older and has not lived in the U.S. for five consecutive years, send or FAX a copy of the alien registration card to the Buy-In Unit. The Buy-In Unit must have the person's date of entry so the other insurance code can be changed to 50 and Medicaid will process claims without Medicare documentation.

## Enrollment

Generally, a person who is eligible for Part B and is enrolled in Part A is automatically enrolled in Part B. He may refuse Part B.

A person who is **not** automatically enrolled must apply for enrollment at the local SSA office during his **Initial Enrollment Period** or a **General Enrollment Period**. The general enrollment period is waived for persons covered by the **Part B Buy-In Program**.

## Premiums

All persons enrolled in Part B are charged a monthly premium. The premium is determined by SSA. A person who does **not** enroll when first eligible is charged a higher premium. Premiums are automatically deducted from Railroad Retirement, RSDI, and U.S. Civil Service and Federal Employee Retirement checks. Medicaid pays the premiums for some persons under the **Part B Buy-In Program**.

## MEDICARE PART D

### Eligibility

Starting January 1, 2006, Medicare prescription drug coverage will be available to everyone with Medicare. The Michigan Department of Health and Human Services (MDHHS) Medical Services Administration (MSA) is the state agency responsible for determining eligibility for the Low-Income Subsidy clients who want a determination made by the state.

### Enrollment

A client may contact MSA to request an application at 1-800-642-3195. When a client requests the state agency determine eligibility,

rather than have a SSA determination, MSA will mail an application to the client. The completed application should be returned to:

State Medicaid Agency  
Medicare D LIS Processing  
PO Box 30412  
East Lansing, MI 48823

The MDHHS contractor will review and process the application within 45 days. MDHHS staff are encouraged to assist clients in applying online through the SSA website. The web address is: [www.socialsecurity.gov](http://www.socialsecurity.gov) or [www.ssa.gov](http://www.ssa.gov).

### Premiums

A monthly premium will be charged and will vary based on the prescription drug plan the client has chosen.

### MEDICARE ENROLL- MENT PERIODS

The following is a general description of Medicare enrollment periods and begin dates of coverage. Other rules apply to people with end-stage renal disease.

#### Initial Enrollment Period

For persons eligible under section 1818A the period begins the month they are notified of 1818A eligibility and ends seven months later.

The period for other persons extends for seven calendar months beginning with the third calendar month before the month a person would first be eligible for Medicare. The actual date Medicare coverage begins depends on when the person applies.

- Applies during first three months - coverage begins the month all eligibility requirements are met.
- Applies during fourth month - coverage begins the next month.
- Applies during fifth month - coverage begins the next month.
- Applies during sixth or seventh month - coverage begins the third month after enrollment.

**General  
Enrollment Period**

The general enrollment period is for a person who failed to enroll during his initial enrollment period. The general enrollment period is January 1 to March 31 each year. Medicare coverage begins July 1.

The general enrollment period is waived for persons covered by the **Part A or B Buy In Program**.

**Part D Enrollment  
Period**

A client who has Part A and/or Part B coverage can join a prescription drug plan. Information on part D enrollment may be found on the Social Security website. Once enrolled, Medicaid beneficiaries may change plans at any time during the year.

**MEDICARE  
COST-SHARING  
BENEFITS**

Medicaid may pay the following for Medicaid recipients who are entitled to Medicare:

- Medicare Part A premiums.
- Medicare Part B premiums.
- Part of Medicare Part B premiums.
- Medicare deductibles and coinsurances.

The type of Medicare cost-sharing benefits depends on the type of Medicaid eligibility.

**Deductibles and  
Coinsurances**

A deductible or coinsurance is the portion of a Medicare-covered expense which Medicare considers the patient's liability. Examples:

- Medicare pays hospital expenses exceeding an annual amount called a deductible.
- Patients receiving Medicare-covered nursing home care are responsible for part of the per diem cost for a certain number of days. This daily amount is called a coinsurance.

Medicaid pays the Medicare deductibles and coinsurances for full-coverage QMB recipients and all other Medicaid recipients. The amount paid is limited by Medicaid's own reimbursement rates for services.

**Exception:** Medicaid does **not** pay deductibles and coinsurances for:

- SLM-only recipients (BEM 165),
- ALMs (BEM 165), and
- QDWIs (BEM 169).

### Part A Buy-In Program

The Part A Buy-In program is used to:

- Pay Part A premiums.
- Enroll persons eligible for, but **not** enrolled in, Medicare Part A.

The Part A Buy-In program covers persons entitled to Part A who are:

- Group 1 MA recipients **except**:
  - BEM 163 (AD-Care) recipients with Program Type (recipient) code 5
  - BEM 164 (Extended Care) recipients with Program Type (case) code 1
- Full-coverage QMB recipients (BEM 165)

**Exception:** Medicaid pays the Medicare Part A premium for QDWI recipients (BEM 169), but **not** through the Buy-In program.

### Part B Buy-In Program

The Part B Buy-In program is used to pay Part B premiums. The program is an agreement between DCH and SSA. The program covers persons who are eligible for both Medicare Part B and are:

- BEM 110, Low Income Families and FIP recipients.
- BEM 150, SSI recipients.
- BEM 155, 503 individuals.
- BEM 158, DAC recipients.
- BEM 163, AD-Care recipients.

- BEM 164, Extended-Care recipients eligible for QMB.
- QMB, SLMB and ALMB recipients (BEM 165).
- BEM 174, Freedom to Work.
- Group 2 MA recipients (most).

For persons included in the Part B Buy-In program, Medicaid:

- Pays the Medicare premiums; and
- Enrolls persons eligible for, but **not** enrolled in, Medicare Part B if they are enrolled in Medicare Part A or have refused Medicare Part B enrollment.

Generally, the Buy-In program operates automatically based on computer tapes from SSA and central office. Other insurance codes and social security claim numbers may be changed in Bridges by the Buy-In program activities.

### Part B Buy-In Effective Date

The Part B buy-in effective date is:

- Determined by SSA for SSI recipients.
- The month QMB or SLMB coverage begins if the only basis for buy-in is Medicare Savings Program eligibility.
- Determined by DCH for ALMB.
- The earliest date the client is both MA and Medicare Part B eligible for all other persons covered by the Buy-In Program, except that buy-in **under** Group 2 MA is **not** retroactive more than two years.

The buy-in is usually processed at the end of the calendar month that a case is opened in Bridges. It takes SSA about 120 days after that to adjust the client's RSDI check. The client will receive a refund for premiums paid while the buy-in was being processed.

### Part B Payments for ALMB

Full payment of Medicare Part B premiums is through the Part B Buy-In program provided funding is available. MSA decides whether funding is available.



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## Claim Numbers

MSA must know a person's health insurance claim number (HICN) for the Buy-In programs to operate. Generally a person's HICN and social security **claim** number are the same. The claim number is **not** the same as the social security account number (SSN). Enter a person's social security claim number (SS-CLAIM-NO) in addition to his SSN (SS-ACT-NO) to facilitate current or future Buy-In. The Medicare Buy-In Coordinator may contact the local office to obtain an HICN when necessary. A person's HICN is the claim number on his Medicare card.

**Note:** HICNs do **not** end in HA, DI or P.

## Claim Number Letter

MSA sends a letter, DCH-1144, to the clients described below urging them to apply for Medicare Part B in order to get a health insurance claim number. See **EXHIBIT I**.

The letter is sent to MA recipients who:

- Are age 65 or older, and
- Have Other Insurance code 90 on Bridges, and
- Do **not** have a Medicare/Social Security claim number in Bridges.

Clients are instructed to call the Medicaid Recipient Hot Line at 1-800-642-3195 if they have questions.

## PROBLEMS

Problems arise from time to time. For example, a person may appear Medicare eligible, but is **not**. Direct problems related to Medicare status in Bridges or the Buy-In programs to [Buyinunit@michigan.gov](mailto:Buyinunit@michigan.gov).

## MEDICARE APPLICATION

The local office can submit a Medicare enrollment form to SSA on behalf of a deceased MDHHS MA client. The purpose is to obtain Medicare coverage of medical bills.

Proceed as follows when you receive such a request:

- Complete form [HCFA-40B](#) according to the instructions below. The form may be obtained from your local SSA office.
- Provide verification according to the instructions below.
- Mail the completed HCFA-40B to your local SSA office.

## HCFA-40B Instructions

Complete the HCFA-40B as follows:

- Print “Deceased Individual” along the top margin of the form above the title.
- Line 1 - If client’s claim number is unknown, enter social security number.
- Line 2 - Leave blank.
- Line 3 - Check yes. Print “Part A and B”.
- Line 4 - Enter client’s name.
- Line 5 - Enter name if appropriate.
- Lines 6 and 7- Enter client’s last address.
- Line 8 - Print “MDHHS” and your telephone number.
- Line 9 - Sign your name with the title “MDHHS Official”.
- Line 10- Enter date.
- Provide verification of:
  - Age, and
  - Citizenship/alien status, and
  - Five years U.S. residency (if **not** U.S. citizen), and
  - Death.

It is **not** necessary to include copies of documents. Just describe the document used as verification and give the date received in item 14.

**Example:** Case record contains a copy of a person’s birth certificate that was obtained at interview on 5/11/05. Record: “Birth certificate received by MDHHS 5/11/05.”

**Common  
Verifications**

## Age:

- Birth certificate established before age five.
- Religious record of birth established before age five.
- Driver's license.
- School or hospital record.

## U.S. Citizenship:

- Birth certificate showing birth in U.S.
- U.S. passport.
- USCIS certificate of naturalization.
- I-551.

## U.S. Residence:

- U.S. passport.
- The following statement: "MDHHS records show person has been a Michigan resident since (date)."

## Death:

- Death certificate.
- Statement from funeral home.

## You may want to contact:

- Your local SSA office about other acceptable proofs, and
- Your county clerk about getting death certificates.

**LEGAL BASE****MA**

Social Security Act, Title 18, Section 1902(a)(10)(E), Section  
1905(p)  
42 CFR 431.625