

**DEPARTMENT
POLICY**

MA Only

Medicare Savings Programs are SSI-related MA categories. They are neither Group 1 nor Group 2.

This item describes the three categories that make up the Medicare Savings Programs. The three categories are:

1. Qualified Medicare Beneficiaries

This is also called full-coverage QMB and just QMB. Program group type is QMB.

2. Specified Low-Income Medicare Beneficiaries

This is also called limited-coverage QMB and SLMB. Program group type is SLMB.

3. Q1 Additional Low-Income Medicare Beneficiaries

This is also referred to as ALMB and as just Q1. Program group type is ALMB.

There are both similarities and differences between eligibility policies for the three categories. Benefits among the three categories also differ.

Income is the major determiner of category.

QMB	Net income cannot exceed 100% of poverty.
SLMB	Net income is over 100% of poverty, but not over 120% of poverty.
ALMB (Q1)	Net income is over 120% of poverty, but not over 135% of poverty.

A person who is eligible for one of these categories **cannot** choose to receive a different Medicare Savings Program category. For example, a person eligible for QMB **cannot** choose SLMB instead.

All eligibility factors must be met in the calendar month being tested.

**MEDICARE
SAVINGS
PROGRAMS
BENEFITS**

QMB Benefits

QMB pays:

- Medicare premiums, and

Note: QMB pays Medicare Part B premiums and Part A premiums for those few people that have them.

- Medicare coinsurances, and
- Medicare deductibles.

SLMB Benefits

SLMB pays Medicare Part B premiums.

ALMB Benefits

ALMB pays Medicare Part B premiums provided funding is available. The Department of Community Health decides whether funding is available.

**MEDICARE AND
BUY-IN
INFORMATION**

See [PAM 810](#) for general information about Medicare and information about the Buy-In program.

**WHEN TO DO
MEDICARE
SAVINGS
PROGRAMS
DETERMINATIONS****Separate Medicare
Savings Programs
Determination**

Do Medicare Savings Programs determinations for the following clients if they are entitled to Medicare Part A:

- Medicare Savings Programs-only.
- Group 2 MA (FIP-related and SSI-related).
- Extended Care ([PEM 164](#)).
- Healthy Kids.
- TMA-Plus.

See [“INSTRUCTIONS FOR QMB AND SLMB”](#) and [“INSTRUCTIONS FOR ALMB”](#) about proper CIMS coding.

Automatic QMB

Person's receiving MA under the following categories and entitled to Medicare Part A are considered QMB eligible without a separate QMB determination.

- [PEM 110](#), Low-Income Families and FIP recipients.
- [PEM 111](#), Transitional MA.
- [PEM 113](#), Special N/Support.
- [PEM 150](#), SSI Recipients.
- PEM 154, Special Disabled Children.
- PEM 155, 503 Individuals.
- PEM 156, COBRA Widow(er)s.
- PEM 158, DAC.
- PEM 163, AD-Care.

Use Client Program Type (PT) code 4 on CIMS in order for Buy-In to work for AD-Care recipients.

Note: The Buy-In Unit will correct the PT code for AD-Care recipients who are entitled to Medicare Part A, but have PT code 5 on CIMS if the situation is discovered. The Buy-In Unit will change PT code 5 to PT code 4.

MEDICARE SAVINGS PROGRAMS COVERAGE BEGIN DATES

QMB Begin Date Begin QMB coverage the calendar month after the processing month. The processing month is the month during which you make the eligibility determination. QMB is **not** available for past months or the processing month.

SLMB Begin Date SLMB coverage is available for retro MA months and later months.

Note: SLMB is only available for months income exceeds the QMB limit. A person **cannot** choose SLMB in place of QMB in order for coverage to start sooner (example, to get retro MA).

ALMB Begin Date ALMB coverage is available for retro MA months and later months; however, not for time in a previous calendar year (see below).

ALMB and Previous Year Limit Do **not** approve ALMB for any month that is in a previous calendar year, even if application was made in the previous calendar year.

Example: Application was made December 27, 2005. Eligibility was determined on January 3, 2006. ALMB **cannot** be approved for any time before January 1, 2006.

MEDICARE SAVINGS PROGRAMS INQUIRY

A person may wish to know whether MA will pay Medicare premiums before enrolling in Medicare. The person may even contact the Department before reaching age 65 (example, during the three months before the person's 65th birthday).

Advise persons listed under "[Automatic QMB](#)" above that MA will pay their Medicare premium.

Do a determination of eligibility for all other persons. In doing this determination:

- Explain the nonfinancial eligibility factors. Assume they will be met.

- Use current information to determine financial eligibility. Do **not** ask for verification.
- Explain that changes may affect the actual determination of eligibility. Be sure to discuss asset policy thoroughly if the person's assets exceed the limit.

NONFINANCIAL ELIGIBILITY FACTORS

Entitled to Medicare Part A

The person must be entitled to Medicare Part A. That means something different for QMB than it does for SLMB and ALMB.

Entitled to Medicare Part A for QMB

For QMB, entitled to Medicare Part A means the person meets condition 1, 2 or 3:

1. Is receiving Medicare Part A with no premium being charged.

Note: A premium is being charged even when it is being paid by the Buy-In program.

BENDEX and State Online Query (SOLQ) indicate whether a Medicare Part A premium is being charged.

LOA2. Use Medicare code 1 on SSI-related LOA2.

2. Refused premium-free Medicare Part A.

Suffix. Claim number suffix is always M1.

LOA2. Use Medicare code 2 on SSI-related LOA2.

3. Is eligible for, or receiving, Premium HI (Hospital Insurance).

Premium HI is what the Social Security Administration calls Medicare Part A when it is **not** free of charge.

Suffix. Claim number suffix is M.

LOA2. Use Medicare code 3 on SSI-related LOA2.

Exception: Medicare Part A under section 1818A of the Social Security Act does **not** meet this eligibility factor. See [“Part A Identification”](#) below.

Entitled to Medicare Part A for SLMB and ALMB

For SLMB and ALMB, entitled to Medicare Part A means the person is receiving Medicare Part A with no premium being charged.

BENDEX and SOLQ indicate whether a Medicare Part A premium is being charged.

A premium is being charged even when it is being paid by the Buy-In program.

Exception: Medicare Part A under section 1818A of the Social Security Act does **not** meet this eligibility factor. See [“Part A Identification”](#) below.

ALMB and Other MA

A person is **not** eligible for ALMB if the person is eligible for MA under another category. However, for deductible clients:

- Persons in active deductible status (scope/coverage 20) are **not** considered eligible for another MA category, and
- Persons coded on CIMS as ALMB eligible at the time they report meeting their deductible remain ALMB eligible. This is because ALMB eligibility **cannot** be terminated retroactively.

Persons who are eligible for MA benefits under another category (example, scope/coverage 2F), but do **not** want such assistance can be eligible for ALMB.

Note: Persons can receive QMB or SLMB and full Medicaid benefits under another category.

Other Nonfinancial Factors

The MA eligibility factors in the following items must be met:

- PEM 220, Residence.
- PEM 221, Identity.
- PEM 223, Social Security Numbers.
- PEM 225, Citizenship/Alien Status.
- PEM 255, Child Support.
- PEM 256, Spousal/Parental Support.
- PEM 257, Third Party Resource Liability.
- PEM 265, Institutional Status.
- PEM 270, Pursuit of Benefits.

Part A Identification

Absent evidence to the contrary (example, SSA document), use the following guidelines to distinguish between Medicare for Medicare Savings Programs and Medicare under section 1818A of the Social Security Act.

- There is no charge for the person’s Medicare Part A - Medicare Savings Program
- The person is at least age 65 - Medicare Savings Programs
- The person is under age 65 and there is a premium charged for Medicare Part A -**not** Medicare Savings Programs. See [PEM 169, Qualified Disabled Working Individuals](#).

BENDEX and SOLQ indicate whether a Medicare Part A premium is being charged.

FINANCIAL ELIGIBILITY FACTORS

Groups

Use fiscal and asset group policies for SSI-related groups in PEM 211.

Assets

Countable assets **cannot** exceed the limit in PEM 400. Countable assets are determined based on MA policies in PEM 400, 401 and 402.

Divestment

Policy in PEM 405 applies to QMB because there could be a Medicare coinsurance or deductible for LTC or home and community-based services.

Income Eligibility

Income eligibility exists when net income is within the limits in PRT 242 or 249. Income eligibility **cannot** be established with a patient-pay amount or by meeting a deductible.

Determine countable income according to the SSI-related MA policies in PEM 500 and 530, **except** as explained in ["COUNTABLE RSDI"](#) below. Apply the deductions in PEM 540 (for children) and 541 (for adults) to countable income to determine net income.

COUNTABLE RSDI

Federal law requires that for January, February and March:

- The RSDI cost-of-living increase received starting in January be disregarded for fiscal group members, and
- The income limits for the preceding December be used.

For all other months, countable RSDI means the countable amount for the month being tested.

For all other persons whose income must be considered, the RSDI cost-of-living increase is **not** disregarded.

Countable RSDI and LOA2

Enter countable RSDI for the month being tested. When the month being tested is January, February or March LOA2 automatically:

- Computes and deducts the RSDI cost-of-living increase for fiscal group members, and
- Uses the limits for the preceding December.

VERIFICATION REQUIREMENTS

Verification requirements for all eligibility factors are in the appropriate manual items.

**INSTRUCTIONS
FOR QMB, SLMB,
AND ALMB**

Refer to 'How Do I' for CIMS coding instructions.

**Annual
Redetermination**

A redetermination of ALMB eligibility must be completed before the end of each calendar year. Set the ALMB redetermination date as September, October, November or December. ALMB cannot have a 24 month certification.

**MEDICARE PART A
LOA2 INPUT**

Answer the Medicare Part A question on SSI-related MA LOA2 based on the following:

- 1- Receiving Medicare Part A with no premium being charged.
- 2- Refused premium-free Medicare Part A. Claim number suffix is M1.
- 3- Entitled to buy Medicare Part A. The Social Security Administration calls this Premium HI. Claim number suffix is M.

Enter countable RSDI for the month being tested. LOA2 automatically deducts the RSDI cost-of-living increase for fiscal group members if the month being tested is January, February or March.

Enter the person's claim number on the Recipient Information Screen when it is requested. It will then be printed on any memo generated for the Buy-In coordinator.

NOTIFICATION

Send a DHS-4660 Medicare Savings Program notice to clients eligible for:

- PEM 154, Special Disabled Children.
- PEM 155, 503 Individuals.
- PEM 156, COBRA widow(er)s.
- PEM 158, DAC.

LOA2 does not generate a memo as these categories are automatically eligible without a separate determination.

Send the LOA2-generated memo (or a copy of the completed DHS-4660) to the Buy-In Coordinator when full-coverage QMB or limited-coverage QMB (QMB or SLMB) is:

- Approved, or
- Changed, or
- Terminated.

Use ID mail if available or email the information to Buyinunit@michigan.gov.

The address is:

Lewis Cass Building
320 South Walnut
Buy-In Unit, 3rd Floor
Lansing, MI 48913

The Buy-In Coordinator will send a memo (see ["EXHIBIT"](#) below) to the local office when CIMS coding and the DHS-4660 do **not** agree. The local office is responsible for:

- Correcting CIMS, and
- Completing section 2 of the memo, and
- Returning the memo to the Buy-In Coordinator using ID mail where available.

EXHIBIT

TO: _____ COUNTY DHS

Date:

TO: **Lewis Cass Building**
320 South Walnut
Buy-In Unit, 3rd Floor
LANSING, MI 48913

FROM: _____ COUNTY DHS

RE: _____ RECIPIENT ID

Your memo about QMB eligibility does not agree with the coding on CIMS. CIMS must be coded correctly before the buy-in process can begin.

LEGAL BASE

Social Security Act sections:

- 1902(a)(10)(E)(i) for QMB
- 1902(a)(10)(E)(iii) for SLMB
- 1902(a)(10)(E)(iv) for ALMB
- 1902(r)(2)
- 1905(a) for retro MA
- 1933 for ALMB funding

JOINT POLICY DEVELOPMENT

Medicaid, Adult Medical Program (AMP) also known as Adult Benefit Waiver (ABW), Transitional Medical Assistance (TMA/TMA-Plus), and Maternity Outpatient Medical Services

(MOMS) policy has been developed jointly by the Department of Community Health (DCH) and the Department of Human Services (DHS).