

July 14, 2023

## GENERAL LETTER NO. 8-F-107

ISSUED BY: Iowa Medicaid

SUBJECT: Employees' Manual, Title 8, Chapter F, **Medicaid Coverage Groups**, 72, 76, 80, 83, 90, 96, 103, revised.

### Summary

This chapter is revised to update the non-MAGI program income limits for COLA.

### Effective Date

Immediately.

### Material Superseded

Remove the following pages from Employees' Manual, Title 8, Chapter F, and destroy them:

<u>Page</u>	<u>Date</u>
72, 76, 80, 83, 90, 96, 103	April 14, 2023

### Additional Information

Refer questions about this general letter to your area income maintenance administrator.

- The person has worked continuously for 8 1/2 years (while receiving extended social security disability cash benefits for the first 9 months and then 7 years and 9 months of extended Medicare benefits after termination of social security disability cash benefits). (Determine that Medicare benefits stopped due to work.)

NOTE: Before July 1997, the person would have received 9 months of social security disability benefits and then 36 months of extended Medicare benefits.

- The person is not entitled to any other Medicare benefits.

The Social Security Administration notifies the person that Medicaid payment for Medicare Part A may be an option at the same time it notifies the person that the person may continue Medicare Part A benefits by paying the premium. The Social Security Administration will inform the person of the general requirements for Medicaid eligibility and where to apply.

Establish eligibility under the QDWP coverage group if:

- The person is eligible for and enrolled in Part A Medicare. If the person chooses not to enroll, deny eligibility under this coverage group.
- Resources do not exceed twice the maximum allowed by the SSI program. Resources are treated according to SSI policies. See 8-D, [General NonMAGI-Related Resource Policies](#). The resource limits for the QDWP group are \$4,000 for an individual and \$6,000 for a couple.
- Net countable monthly income does not exceed 200% of the federal poverty level for the applicable family size.

Size of Family	200% of Poverty Level
Individual	\$2,430
Couple	\$3,287

Compare the net countable income to the individual limit when income is not deemed from the ineligible spouse to the eligible spouse.

To determine net countable monthly income, follow SSI policies. See 8-E, [Income Policies for NonMAGI-Related Coverage Groups](#). Allow the earned and unearned deductions. Consider the income prospectively.

- The person is **not** eligible for any other Medicaid benefits. If a person is eligible under another coverage group, the person is not eligible for QDWP.
- The person meets all other general eligibility requirements as other NonMAGI-related Medicaid members (except for substantial gainful activity).

- I. Mr. Z, aged 45, is currently receiving Medicare Part A benefits. His income does not exceed 200% of poverty, and his resources do not exceed twice the SSI resource limit. If all other program requirements are met, Mr. Z's application may be approved for the QDWP group.

1. Ms. K, age 68, is receiving social security benefits and Medicare benefits (Part A and Part B). Her income and resources are within limits for the QMB group. All other program requirements are met. Ms. K's application may be processed for QMB coverage.
2. Mr. L, age 70, is receiving SSI. Even though he does not qualify for social security benefits, having no work history, he is eligible for Medicare Part A. He has not enrolled for Part A before because the cost was too high. Mr. L has heard that Medicaid may now pay the Medicare Part A premium.  
  
 Since Mr. L is entitled to Medicare Part B and would be eligible for QMB, the state buy-in establishes Medicare Part A entitlement for Mr. L.
3. Mr. B applies for Medicaid on January 30. He is receiving \$900 per month in social security disability benefits. He is not eligible for Medicare Part A until he has been disabled for 24 months, which happens June 1.  
  
 Since Mr. B is not entitled to Medicare Part A, he is not eligible under the QMB group. Since he is disabled, the worker examines eligibility under Medically Needy or other NonMAGI-related coverage groups.
4. Ms. W, age 78, applies for Medicaid on February 1. She is living in her own home. She receives social security benefits but never applied for Medicare. Since Ms. W has a work history, she is eligible to enroll in Part A at any time.  
  
 The IM worker refers Ms. W to the Social Security Administration to apply for Medicare Parts A and B. If Ms. W enrolls for Medicare, the worker continues determining eligibility for Medicaid.

Determine the person's net countable income following SSI policies. Allow the earned and unearned income exclusions. Consider income prospectively. Compare the person's net countable income to 100% of the federal poverty level. Current monthly limits are:

Size of Family	100% of Poverty Level
Individual	\$1,215
Couple	\$1,644

Exclude the social security cost-of-living (COLA) increase received in the current calendar year for January through the month following the month in which the federal poverty level is published. Central office will notify you when to recalculate the poverty level using the social security COLA increases received in January.

Because QMB provides only limited Medicaid coverage, the relationship between QMB and other coverage groups is complex, especially in two areas:

- When a client is concurrently eligible for QMB and Medically Needy, the client is entitled only to QMB benefits until spenddown is met. Once spenddown is met, the client is entitled to all Medicaid benefits that are payable under Medically Needy.
- When a QMB client is also eligible for full Medicaid benefits and is living in a skilled nursing facility, client participation is not charged until Medicare coverage is exhausted. See 8-I, [Client Participation](#).

### **Specified Low-Income Medicare Beneficiaries (SLMBs)**

Legal reference: 441 IAC 75 (Rules in Process)

Limited Medicaid benefits are available to a person who meets all of these conditions:

- Is entitled to Medicare Part A, which provides benefits for hospital care.
- Has net countable monthly income that exceeds 100% of the federal poverty level for the family size but is less than 120% of this level.

<b>For family size:</b>	<b>Income is over:</b>	<b>But is less than:</b>
Individual	\$1,215	\$1,458
Couple	\$1,644	\$1,972

To determine net countable monthly income, follow SSI policies. See 8-E, [Income Policies For NonMAGI-Related Coverage Groups](#). Allow the earned and unearned deductions. Consider the income prospectively.

- Has resources that do not exceed twice the maximum allowed by the SSI program. Resources are treated according to SSI policies. The resource limits for the SLMB group are \$9,090 for an individual and \$13,630 for a couple. See 8-D, [General NonMAGI-Related Resource Policies](#).
- Meets all other nonfinancial NonMAGI-related Medicaid eligibility requirements except for disability determination and age.

Medicaid will **only** pay the cost of the Medicare Part B premiums for these “specified low-income Medicare beneficiaries” (SLMBs). Medicare copayments, deductibles, and Part A are not covered for this coverage group.

NOTE: People applying for SLMB may refer to the coverage group as the “Medicare savings program,” since Medicare uses this term to identify the SLMB group.

A person who wants this coverage must enroll in Medicare Parts A and B. A person who chooses not to enroll for Medicare Part A benefits cannot be eligible under SLMB. The state will not enroll people for Medicare Part A under SLMB. If the person does not enroll for Part A, it does not affect the person’s eligibility for other Medicaid coverage groups.

<b>For family size:</b>	<b>Income is at least:</b>	<b>But is less than:</b>
Individual	\$1,458	\$1,641
Couple	\$1,972	\$2,219

To determine net countable monthly income, follow SSI policies. See 8-E, [Income Policies For NonMAGI-Related Coverage Groups](#). Allow the earned and unearned deductions. Consider the income prospectively.

- Has resources that do not exceed twice the maximum allowed by the SSI program. Resources are treated according to SSI policies. The resource limits for the SLMB group are \$9,090 for an individual and \$13,630 for a couple. (See 8-D, [General NonMAGI-Related Resource Policies](#).)
- Meets all other NonMAGI-related Medicaid nonfinancial eligibility requirements except for disability determination and age.
- Is not eligible for any other Medicaid coverage group. (If a person is approved for Medically Needy with a spenddown, the person can receive E-SLMB until the spenddown is met.)

A person who wants this coverage must enroll in both Medicare Part A and Part B. The state will not enroll people for Medicare Part A under expanded SLMB. A person who chooses not to enroll for Medicare Part A benefits cannot be eligible under expanded SLMB. When Medicaid eligibility ends, the client is responsible for paying the Medicaid Part B premiums.

Calculate net countable monthly income using SSI policies. Allow the earned and unearned income exclusions. Consider the income prospectively. See 8-E, [Deeming NonMAGI-Related Income](#), when deeming to a spouse is applicable.

Exclude the social security COLA income from January through the month following the month in which the federal poverty level is published. Central Office will notify you when to recalculate the poverty level using the social security COLA increases.

Mr. X files an application on May 1. His monthly income is:	
\$ 1,190	Gross social security
+ 300	Retirement pension
\$ 1,490	
- 20	Income exclusion
\$ 1,470	Net countable monthly income
Since the net countable monthly income is more than 120% of the poverty level but less than 135% of the poverty level, there is eligibility for expanded SLMB.	

100% federal financial participation for Medicare Part B premiums is available for all people who meet E-SLMB requirements. Therefore, it is necessary to identify these people on the system. Enter the poverty level on the system for each person on the case.

For Medically Needy with a spenddown, also enter an “E” in the QMB indicator on TD03 for each person who is eligible as an expanded SLMB.

**Family Income Less Than 250% of Federal Poverty Level**

Legal reference: 441 IAC 75 (Rules in Process)

**Policy:** The total income of the family is considered for eligibility. “Family” is defined as follows:

- If the applicant or member is **under the age of 18 and is unmarried**, the “family” includes all of the following who live in the same household as the applicant or member:
  - The parents of the applicant or member.
  - Siblings who are under age 18 and unmarried.
  - Any children of the applicant or member.
- If the applicant or member is **aged 18 or older or is married**, the “family” includes all of the following who live in the same household as the applicant or member:
  - The spouse of the applicant or member.
  - Unmarried children of the applicant or member or the spouse who are under age 18.

Allow all disregards and exemptions that are allowed for other NonMAGI-related Medicaid coverage groups, including:

- \$20 general income deduction,
- \$65 earnings income deduction, and
- 50% exclusion from the balance of earned income.

Exclude the social security cost-of-living (COLA) increase received in the current calendar year for January through the month following the month in which the federal poverty level is published. Central office will notify you when to calculate the poverty level using the social security COLA increases received in January.

<b>MEPD Monthly Income Limits: 250% of Poverty Level</b>								
HH Size	1	2	3	4	5	6	7	8
Limit	\$3,038	\$4,109	\$5,180	\$6,250	\$7,321	\$8,392	\$9,463	\$10,534
Additional person: \$1,071 each								

**Premiums**

Legal reference: 441 IAC 75 (Rules in Process), Section. 5006 of ARRA

**Policy:** When the applicant or member’s gross income is at or below 150% of the federal poverty level, no premium is assessed. The member will **not** have Medicaid eligibility for a month with a premium owed until the premium is paid.

**Procedure:** The MEPD member returns the coupon from the *MEPD Billing Statement* with the payment in the prepaid envelope provided by the Department. The address on the billing coupon is:

Iowa Medicaid Enterprise  
P. O. Box 78003  
Minneapolis, MN 55480-2800

If a member brings the premium payment to the local office, do not accept it. Instead, reprint the billing statement for the member so the member will have a coupon to mail in with the payment. See I4-C, [STMT = MEPD Billing Statement Screen](#).

If an MEPD member asks questions about the posting of premium payments, do not tell the member to contact Member Services. Member Services **does not process** the payments. Instead, contact the DHS, SPIRS Help Desk for assistance.

**Comment:**

See 6-Appendix, [MEPD Billing Statement](#) and I4-C, [STMT = MEPD Billing Statement Screen](#)

**Posting of Premium Payments**

Legal reference: 441 IAC 75 (Rules in Process)

**Policy:** The earlier a premium payment is received, the sooner Medicaid eligibility will show on the Eligibility Verification System (ELVS). It is important for members to understand that there will be **no Medicaid eligibility** for a month **until the premium is paid**, even though the due date is not until the 14<sup>th</sup> of that month.

A member has until the 14<sup>th</sup> of the month to pay before an MEPD case can be canceled for nonpayment.

When an MEPD case is canceled for nonpayment of the premium, a premium may be paid within three months of the month of coverage or the month of initial billing, whichever is later, for the member to get Medicaid eligibility for a past month.

Any payments received after the 14<sup>th</sup> of the third month **will not be credited** towards eligibility for the unpaid past month.

Premium payments are applied by the MEPD billing system in this order:

1. Applied to the current month, if unpaid.
2. Applied to the following month when the payment is received after a billing statement has been issued for the following month and the current calendar month is paid.
3. Applied to old unpaid months, as follows:
  - To the month before the current calendar month, if unpaid, and then
  - To the oldest unpaid month and forward until all unpaid prior months have been paid.

<b>Application Processing</b>	
Step	Action
3	<p>The parents must:</p> <ol style="list-style-type: none"> <li>1. Check the correct box on the 470-4633 to describe the status of their child’s health insurance coverage, <b>and</b></li> <li>2. Either:           <ul style="list-style-type: none"> <li>▪ Complete <i>Insurance Questionnaire</i>, form 470-2826 or 470-2826(S), and return it to the worker, <b>or</b></li> <li>▪ Take the second page of form 470-4633 to the employer to be completed and returned to the worker.</li> </ul> </li> </ol>
4	<p>If the child is already enrolled in the parent’s employer group health insurance:</p> <ul style="list-style-type: none"> <li>▪ Ask the parents to provide verification of the enrollment.</li> <li>▪ Advise the parents that the child should not be disenrolled, unless the parents provide proof that the employer paid less than 50% of the cost of annual premiums for coverage that includes the child.</li> </ul>
5	<p>If the child is not enrolled in the parent’s employer group insurance:</p> <ul style="list-style-type: none"> <li>▪ Request information about the cost of health insurance premiums that are required to provide coverage for the child.</li> <li>▪ Check the information to see if the employer pays at least half the cost to the premiums that are required to cover the child.</li> </ul>
6	<p>If the employer pays at least half the premium cost required to cover the child, then tell the parent:</p> <ul style="list-style-type: none"> <li>▪ If the parent can enroll the child without a waiting period, then the parent must provide verification of the child’s enrollment before Medicaid can be approved.</li> <li>▪ If the parent verifies the need to wait to enroll the child at a later date, such as during the open enrollment period, Medicaid can be approved since the employer insurance is not currently available to the child.</li> </ul>
7	<p>If the parents cannot enroll the child until a later date, set a reminder to follow up on:</p> <ul style="list-style-type: none"> <li>▪ The enrollment of the child during the open enrollment period, or</li> <li>▪ If not enrolled on the follow-up date, that the employer reduced its contribution to less than 50% of the annual cost of premiums to provide coverage to the child.</li> </ul>