State Buy-in Data Exchange Processes
Chapter 2

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(Rev. 4, 08-21-20)

2.0 Introduction

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

State buy-in of Medicare premiums operates through a data exchange process among states, the Centers for Medicare & Medicaid Services (CMS), and the Social Security Administration (SSA).

This chapter describes:

- *The buy-in data exchange processes involving states, CMS, and SSA;*
- *State and CMS processes to start ("accrete"), change, and end ("delete") buy-in enrollment; and*
- *CMS buy-in system processing rules and tips for states.*

Chapter 3 contains buy-in file exchange layouts, and chapter 4 contains CMS system code definitions.

***NOTE:** This chapter contains links to the SSA Program Operations Manual System (POMS) and information on SSA data exchange applications as of July 2020.*[1]

2.1 Overview of State Buy-in Data Exchange

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

States submit buy-in files to CMS' Third Party System (TPS) to identify individuals dually eligible for Medicare and Medicaid for whom the state will pay Part A and/or B premiums. In turn, TPS responds to state submissions with response files and a monthly billing file.

On a daily basis, TPS updates the CMS Enrollment Database (EDB) to record all state Medicaid recipients enrolled in, or being enrolled in, Medicare due to state buy-in. The EDB is the CMS authoritative source for Medicare enrollment information including demographic information, enrollment dates, state buy-in information, and Medicare managed care enrollment for all Medicare beneficiaries.

On a daily basis, TPS and EDB exchange data directly with SSA systems for storage in the Master Beneficiary Record (MBR), SSA's database that records Medicare and Social Security eligibility determinations and enrollment data. This CMS-SSA daily exchange may trigger updates to beneficiary data concerning buy-in enrollment, Medicare entitlement, and premium billing in either or both systems.

States can obtain information to support state buy-in operations and Medicaid eligibility and enrollment processes by querying these SSA and CMS databases in a variety of ways as described in section 2.4.

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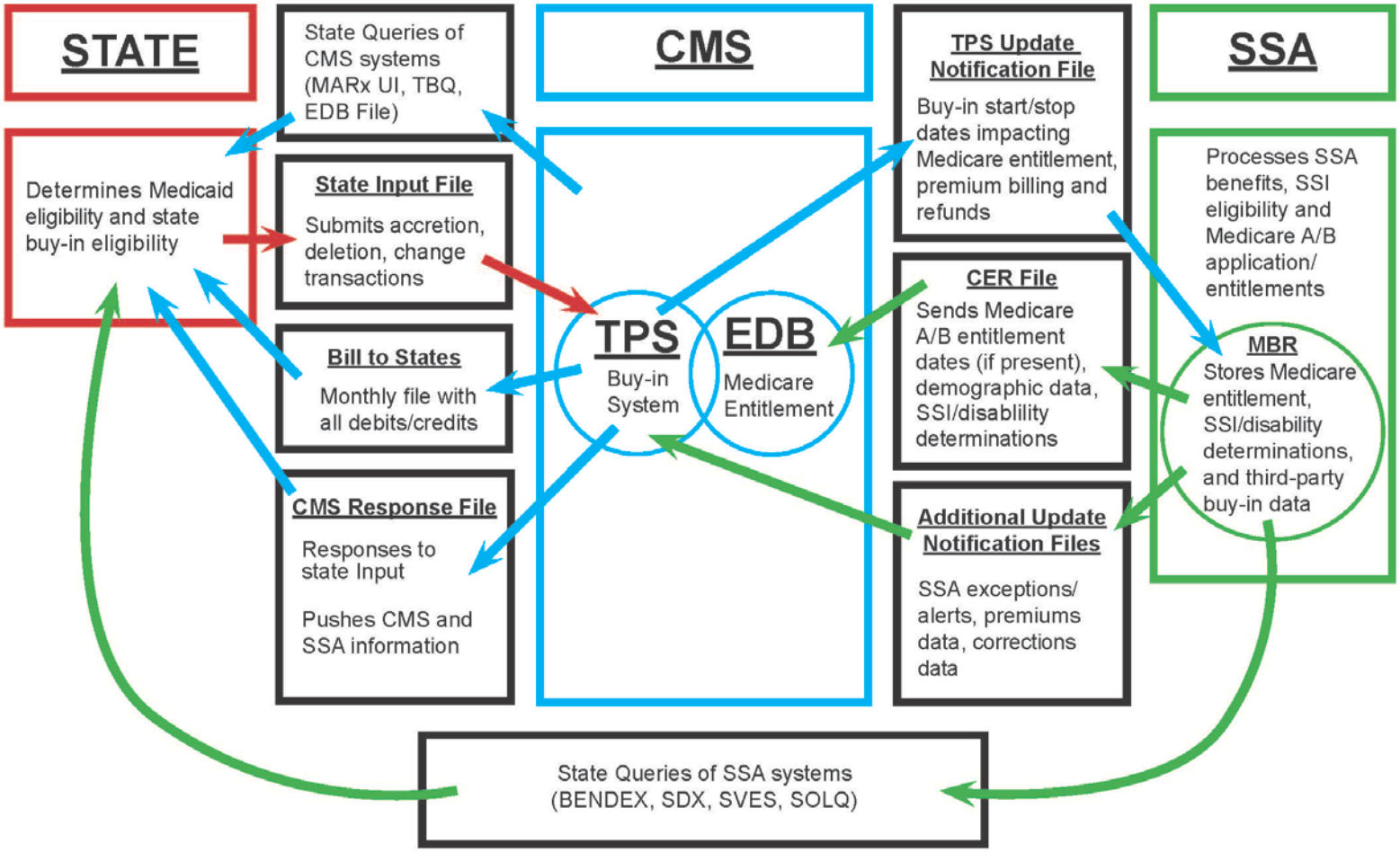
1 As a courtesy to states, CMS provides links to the SSA POMS and other online SSA materials as of the time the manual was published. Changes may occur after release. For more information visit ssa.gov.



Glossary of Abbreviations

BENDEX - Beneficiary and Earnings Data Exchange
CER - Combined Exchange Record
EDB - Enrollment Database
MARx UI - Medicare Advantage Prescription Drug System User Interface
MBR - Master Beneficiary Record
SDX - State Data Exchange
SOLQ - State Online Query
SVES - State Verification and Exchange System
TBQ - Territories & States Beneficiary Query
TPS - Third Party System

2.2 - Frequency of State-CMS File Exchange

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

CMS encourages states to exchange buy-in data with TPS on a daily basis. Through March 2022, states can send input files to TPS as frequently as each business day (daily) and opt to receive one monthly response file or to receive daily response files, in addition to the monthly billing file.

Daily state-CMS buy-in exchange promotes efficiencies for states and allows beneficiaries to more quickly enroll in Medicare Part A and/or B, or stop paying Medicare premiums if they are already enrolled and had been paying them on their own.

*Starting April 1, 2022, federal regulations at 42 CFR §§ 406.26 and 407.40 require all states to **submit** and **receive** buy-in files on a daily basis. See the Interoperability and Patient Access final rule (CMS-9115-F), 85 Federal Register 25510 (May 1, 2020).*

***NOTE:** States transitioning to daily **receipt** of CMS buy-in files should contact the MAPD Help Desk at mapdhelp@cms.hhs.gov to schedule the update. CMS may need to limit the number of states at any given time transitioning to **receiving** daily buy-in files given impacts to CMS systems.*

*For CMS technical assistance to help shift to daily **receipt** of buy-in files, states can contact the CMS Office of Financial Management (OFM)/Accounting Management Group (AMG)/Division of Premium Billing and Collections (DPBC) through the DPBC resource mailbox at DPBCStateBuy-In@cms.hhs.gov.*

*Unlike the shift to daily **receipt** of CMS buy-in files, a state's shift to **sending** daily buy-in files involves no federal system changes. States can, therefore, start to **send** daily files to CMS at any time.*

2.2.1- State Input Files

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

Each state submits the buy-in input file to TPS through an electronic file transfer (EFT) exchange setup. The state's input file includes a record for each Medicare beneficiary for whom the Medicaid agency is accreting, deleting, or changing buy-in status and the state responsible for paying the Part A or B premiums.

In response, CMS returns an updated transaction record that provides data identifying, for each transaction on the state input file, whether CMS accepted, modified, or rejected it, as well as a Part A or Part B billing record showing the state's premium responsibility.

In addition, CMS may "push" new updates obtained from SSA to the state, for example, Supplemental Security Income (SSI) determinations or changes in the Health Insurance

Claim Number (HICN).

***NOTE:** The HICN or RRB claim numbers are preferred for state buy-in exchanges. CMS will accept the MBI, but will return only the HICN (or, for RRB beneficiaries, the converted RRB claim number, also known as pseudo HICN) on state buy-in response files.*

See chapter 3 for further details on CMS/state data exchange.

2.2.2 - CMS Response to States (CMS Billing and Response Files)

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

*All states receive Part A and Part B monthly billing files from CMS containing all new and ongoing credit/debit billing records. In states that receive **only** monthly exchange files from CMS, CMS sends a monthly billing file containing all billing records and reply records, reflecting state, CMS, and SSA information received through the last business day of the month. In daily exchange states, CMS sends daily response files (or, as frequently as the state submits the input file), containing only reply records; the CMS monthly file includes only billing records.*
CMS will process each state input file on a flow basis, in the order they are received, by adding them to the input processing lineup for the next scheduled daily update run of TPS.

The CMS reply records for state accretions and deletions will be one of the following types:
An acknowledgement reply that TPS has accepted the accretion or deletion action, found in daily response files only;

- *A billing reply indicating the liability charges or refund resulting from an accepted accretion or deletion action, found in monthly response files only;*
- *A reject reply code describing the reason for the rejected accretion or deletion action; or*
- *An adjustment reply if CMS changes the date of the state transaction.*

TPS responses are differentiated by a Record Identification Code (RIC) value of A through F, each identifying a type of response. Chapter 3 contains a detailed description of the format for each RIC type included on daily response files and the monthly billing file.

RIC-A	*SSI Alert*
RIC-B	*Monthly Billing Records*
RIC-C	*Medicare Number Change Record*

RIC-D	*Date Change or Reply Record*
RIC-E	*Personal Characteristics Change Record*
RIC-F	*Reject Record*

2.3 - Data Exchange Between CMS and SSA

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

The Combined Exchange Record (CER) file daily exchange process between CMS and SSA eligibility systems is another integral part of buy-in data exchange.

Through CER file processing, CMS receives from SSA Medicare Part A and/or B entitlement dates, SSI and disability determinations, and demographic data. Once TPS completes its daily update of the EDB to reflect new state accretions, deletions, and changes, TPS also sends these update notifications to SSA systems for storage in its MBR database. CMS does so through its daily TPS Update Notification File transmission to SSA. If SSA systems receive and accept the records, the MBR will reflect updated enrollment information (e.g., newly enrolling buy-in coverage group members in Medicare Parts A or B) and trigger downstream premium billing actions (e.g., starting or stopping premium withholding and direct billing; issuing credits or debits for the beneficiary). SSA systems send MBR data on updated or new entitlement via the CER file to the EDB, which in turn updates the entitlement record.

In addition to state-initiated buy-in transactions, SSA may transmit data that causes CMS to perform buy-in actions for states. When the MBR is updated to reflect new or modified beneficiary information received by other parts of SSA, the SSA systems share these MBR updates with the EDB. For example, once SSA makes an SSI determination, SSA systems will share this information with the EDB via the CER file, and TPS will auto-accrete the beneficiary to Part B buy-in in an auto-accrete state or send an alert notification on behalf of the beneficiary to an alert state. See section 2.5.1.1 for more information about accretions for SSI individuals.

***NOTE:** When SSA's automated system cannot accept a buy-in record from CMS, Medicare entitlement will not update to the MBR. In these instances, SSA systems will generate a processing limitation/exception or return a deletion record to CMS. Both instances will require administrative (manual) action by CMS and/or SSA to correct.*

Discrepancies between the EDB and MBR are common in these cases. For example, TPS will continue to bill states for Part A and/or Part B premiums even if a beneficiary record does not yet show Medicare entitlement and/or may show beneficiary premium liability amounts (i.e., the record shows SSA deduction or direct billing status). If any of these

situations are identified, the state should submit a resolution request to CMS' Offices of Hearings and Inquiries (OHI), Division of Medicare System Exceptions and Interfaces (DMSEI) for assistance (see chapter 6, section 6.2).

2.4 - Federal Resources for States to Support Buy-in and Medicaid Operations

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

States have a number of options to query an individual's HICN/MBI and Medicare entitlement status in CMS or SSA systems, or SSI status in SSA systems, in order to help the state correct and re-submit the buy-in accretion.

2.4.1 - CMS Data Systems for States

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

2.4.1.1 - Territories and States Beneficiary Query (TBQ) File

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

The TBQ File supports a query process that includes Medicare Parts A, B, C, and D eligibility and enrollment data on the queried beneficiaries. States and territories may query CMS daily for Medicare beneficiary eligibility determinations. For additional information about your state's TBQ File, visit the CMS TBQ page at https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/DataStatisticalResources/TerritoryBeneficiaryQuery.

2.4.1.2 - Enrollment Database (EDB) File

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

The EDB File supports a query process that includes Medicare Parts A and B eligibility and enrollment data on the queried beneficiaries. States and territories may query CMS daily for Medicare beneficiary eligibility determination. Note that CMS is not expanding access to new states; CMS will provide new states access to the TBQ.[2] For additional questions about your state's EDB File, contact the State Data Resource Center (SDRC) at http://statedataresourcecenter.com/.

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2 CMS. (2019). *Data Disclosures and Data Use Agreements: States.* Retrieved from https://www.cms.gov/Research-Statistics-Data-and-Systems/Files-for-Order/Data-Disclosures-Data-Agreements/States.html.

2.4.1.3 - Medicare Advantage Prescription Drug System User Interface (MARx UI)

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

The MARx UI system provides individual beneficiary look-up where users can find real-time data about a beneficiary who is enrolled in a Medicare Advantage and/or Prescription Drug plan, either currently, in the past, or in the future. Data fields include demographic data, Medicare Parts A and Part B Entitlement, Non-Entitlement, Enrollment, and Disenrollment codes, Low-Income Subsidy (LIS) status, and detailed health plan enrollment information at a beneficiary level. For information about accessing and using the MARx UI system, see the MAPD State User Guide at https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/mapdhelpdesk/Downloads/MAPD-State-User-Guide-Version-80.pdf. Note that data are only available for individuals enrolled in a Medicare plan; if they are not, the end-user will not find them in MARx and will need to check a different CMS system. For help, contact the MAPD Help Desk at mapdhelp@cms.hhs.gov or 1-800-927-8069; for more information about the MAPD Help Desk, visit their website at http://go.cms.gov/mapdhelpdesk.

2.4.1.4 - Medicare Prescription Drug, Improvement, and Modernization Act (MMA) File Exchange[3]

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

The MMA File Exchange is the state's data exchange with CMS in which the state provides current information on updated full-benefit dually eligible and partial-benefit dually eligible beneficiary status (i.e., those who get Medicaid help with Medicare premiums, and often for cost-sharing), and CMS provides a response file with Medicare Parts A, B, C, and D enrollment and eligibility information. This is an operational exchange, but states may find information on the CMS response file useful for researching and trouble-shooting rejected records. For information about the MMA File Exchange, visit the CMS MMA page at https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/DataStatisticalResources/StateMMAFile.html.

Information about the MMA File Exchange, TBQ File, and/or EDB File can also be found at Understanding CMS Data: An Overview of EDB, MMA, and TBQ Files on the SDRC[4] website at

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3 The "MMA file" is named after the Medicare Prescription Drug, Improvement and Modernization Act of 2003, and is also referred to as the "State Phasedown file."

4 In 2011, CMS established the SDRC to provide states with support, assistance, and guidance on how to request, access, and use Medicare data provided by CMS to support their dually eligible beneficiaries. The SDRC team consists of data experts who provide states with information and resources to help support their use of Medicare data for Medicare–Medicaid care coordination and program integrity purposes.

https://statedataresourcecenter.com/assets/files/Task12_Overview_Edited_SDRC_MMCO_Final508.pdf.

For technical help with the MMA File Exchange, MARx UI, TBQ File, and/or EDB File, contact the MAPD Help Desk at https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/mapdhelpdesk/index or reference the MAPD State User Guide at https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/mapdhelpdesk/Downloads/MAPD-State-User-Guide-Version-80.pdf.

For questions regarding your CMS data agreement, status of exchanges and queries for your state/territory, or understanding the data in these files, contact SDRC at http://statedataresourcecenter.com/.

Section 2.4.1.5 provides further detail on the information provided in each file to help states identify Medicare eligibility within their population.

2.4.1.5 - Table of CMS Files That Provide Data on Medicare Eligibility

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

File Element	*MMA*	*EDB*	*TBQ*	*MARx UI*
Beneficiary Name	*Yes*	*Yes*	*Yes*	*Yes*
Beneficiary Address	*No*	*Mailing*	*Mailing and residence*	*Yes*
Date of Birth	*Yes*	*Yes*	*Yes*	*Yes*

File Element	*MMA*	*EDB*	*TBQ*	*MARx UI*
HICN, MBI, SSN	*HICN, MBI, SSN*	*HICN, MBI, SSN*	*HICN, MBI, SSN*	*MBI only* ***NOTE**: CMS has created an MBI Plan lookup tool in MARx that provides authorized users the ability to obtain an individual beneficiary's MBI.*[5]
Part A	*Yes*	*Yes*	*Yes*	*Yes*
Part B	*Yes*	*Yes*	*Yes*	*Yes*
Part C	*Yes*	*No*	*Yes*	*Yes*
Part D	*Yes*	*No*	*Yes*	*Yes*
Date of Disability	*No*	*Yes*	*No*	*Yes*
Dual Eligibility Status	*Qualified Medicare Beneficiaries (QMBs), Specified Low-Income Medicare Beneficiaries (SLMBs), Qualifying Individuals (QIs), and other full-benefit dually eligible beneficiaries.*	*No*	*QMBs, SLMBs, QIs, and other full-benefit dually eligible beneficiaries.*	

5 See the HPMS memo of May 19, 2020, on "Medicare Beneficiary Identifier (MBI) Plan Lookup Tool," available at: https://www.cms.gov/files/document/mbi-lookup-tool.pdf.

2.4.2 - SSA Data Systems for States
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

In addition to querying CMS data systems for correct HICN/MBI information, states can also query SSA systems. These queries include SSN verification and benefit information for Title II (Old Age, Survivors, and Disability Insurance (OASDI)) and Title XVI (SSI) of the Social Security Act ("the Act"), which can be used to support states' buy-in operations. Section 2.4.2.6 identifies the relevant SSA data exchanges, in the event a state prefers to leverage them. See SSA POMS GN 03314.155 at https://secure.ssa.gov/apps10/poms.nsf/lnx/0203314155.

2.4.2.1 - State Verification and Exchange System (SVES)
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

SVES is a batch query system that provides states and some federal agencies with a standardized method of SSN verification and uniform data response for Title II (OASDI) and Title XVI (SSI) of the Act. SVES also allows states to request information from other SSA exchange systems external to SVES (e.g., Beneficiary and Earnings Data Exchange (BENDEX), State Data Exchange (SDX)) via the SVES request.

SVES utilizes SSA's File Transfer Management System (CyberFusion) to receive and transmit files. States and, in some cases, federal agencies transmit files containing requests to SSA. SVES filters the files and routes the requests to the proper applications (e.g., BENDEX, SDX) for processing. For more details, see SSA's State Verification and Exchange System (SVES) and State Online Query (SOLQ) Manual at https://www.ssa.gov/dataexchange/documents/sves_solq_manual.pdf.

2.4.2.2 - State Online Query (SOLQ)
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

SOLQ is an online version of SVES and allows states real-time access to SSA's SSN verification service and retrieval of OASDI or SSI data. For a full list of SOLQ/SOLQ-I record data elements, see Appendix J of SSA's State Verification and Exchange System (SVES) and State Online Query (SOLQ) Manual at https://www.ssa.gov/dataexchange/documents/sves_solq_manual.pdf. The manual also provides guidelines for requesting data from other SSA data exchange applications including BENDEX/Beneficiary Earnings Exchange Record (BEER) records, SDX records, prisoner data records, and 40 qualifying quarters records. In addition, the manual provides information about how states can obtain citizenship data to administer health care programs.

2.4.2.3 - Beneficiary and Earnings Data Exchange (BENDEX)
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

BENDEX is a batch data exchange from SSA that provides OASDI and earnings data to state agencies. BENDEX data is retrieved from the MBR. The primary purpose of the BENDEX is to assist states in administering the Temporary Assistance to Needy Families (TANF) program and their Medicaid programs.

BENDEX contains only those records on which the state has requested data exchange as a result of direct input by the state or as a by-product of a state buy-in action.

The BENDEX file provides OASDI benefit payment status, SSI payment status (if applicable), and Medicare enrollment dates (if applicable).

For more details, see the SSA's list of BENDEX data elements at https://www.ssa.gov/dataexchange/documents/Bendex%20record.pdf.

2.4.2.4 - State Data Exchange (SDX)
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

SDX is a batch data exchange that provides SSI data to states that administer federally funded income or health maintenance programs. The SDX is created by SSA from the SSI record. The primary purpose of the SDX is to assist the states in administering Medicaid and State Supplemental Programs (SSPs).

SDX contains a record of all persons within the state who are eligible for the basic federal SSI payment or a federally-administered state supplement. It provides a method of identifying people who may be eligible for state buy-in. However, there is no indication of whether the individual has established eligibility for Medicare.

SDX also identifies all individuals who lose SSI regardless of whether they are on state buy-in. Loss of SSI constitutes a change in circumstances that may affect an individual's Medicaid eligibility and thus requires a redetermination. See 42 CFR § 435.916(d). See section 2.6.1.2 for more information about procedures when an individual loses SSI.

For more details, see the SDX record data elements at https://www.ssa.gov/dataexchange/documents/SDX%20record.pdf

2.4.2.5 - Low-Income Subsidy (LIS)
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

Federal law requires SSA to transmit files containing data from LIS applications to

states, and for states to use the data to initiate Medicare Savings Program (MSP) applications. States must treat the LIS "leads" data as an application for the MSP, as if it had been submitted directly by the applicant, even if SSA denied the applicant's LIS application. See sections 1144(c)(3) and 1935(a)(4) of the Act.

SSA sends daily files containing LIS application data and eligibility determinations to state Medicaid agencies. The files contain data for all LIS applications received, with limited exceptions. See SSA POMS HI 00815.024 at *https://secure.ssa.gov/poms.nsf/lnx/0600815024 for information about these exceptions. SSA LIS leads data files contain information about beneficiaries' LIS eligibility, as well as demographic, income, and resource information verified by SSA.*

For more details, see SSA's list of LIS record data elements at https://www.ssa.gov/dataexchange/documents/LIS%20record.pdf.

2.4.2.6 - Table of SSA-State Data Exchanges

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

Data Exchange	***Type***	***Description***	***Manual/Data Elements***
State Verification and Exchange System (SVES)	*Batch query*	*SVES draws upon BENDEX, SDX, prisoner data, and 40 qualifying quarters data.*	*SVES/SOLQ Manual (https://www.ssa.gov/dataexchange/documents/sves_solq_manual.pdf)*
State Online Query (SOLQ)	*Individual query*	*Online version of SVES which allows states real-time access to SSA's SSN verification service and retrieval of OASDI or SSI data.*	*See above.*

Data Exchange	Type	Description	Manual/Data Elements
State Data Exchange (SDX)	*Batch query*	*Eligibility data for the basic federal SSI payment or federally-administered SSPs. It provides a method of identifying people who may be eligible for state buy-in.*	*SDX record data elements (https://www.ssa.gov/dataexchange/documents/SDX%20record.pdf)*
Beneficiary and Earnings Data Exchange (BENDEX)	*Batch query*	*OASDI benefit payment status, SSI payment status, and Medicare enrollment dates. Data retrieved from MBR.*	*BENDEX data elements (https://www.ssa.gov/dataexchange/documents/Bendex%20record.pdf)*
LIS Leads Data	*Daily file from SSA to state Medicaid agencies*	*LIS application data and eligibility determinations.*	*LIS record data elements at https://www.ssa.gov/dataexchange/documents/LIS%20record.pdf.*

2.5 - Accretions

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

2.5.1 - Part B Buy-in Accretions
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

Each state is responsible for ensuring Part B buy-in enrollment for members of the buy-in coverage group identified in the state's buy-in agreement. CMS will generally initiate Part B buy-in enrollments for SSI eligible individuals residing in states with signed 1634 agreements, referred to as "SSI auto-accrete" states. Auto-accrete states make all buy-in eligibility determinations for non-SSI recipients and submit state accretion requests directly to CMS. Alert states are responsible for all buy-in eligibility determinations (i.e., for both SSI and non-SSI) and submit accretion requests directly to CMS. In limited circumstances, SSA can take steps to initiate Part B buy-in through the Public Welfare (PW) Accretion process for individuals who file a Medicare application and appear to qualify for Part B buy-in. See section 2.8.

2.5.1.1 - Part B Buy-in for Cash Assistance Recipients (SSI/SSPs)
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

SSA explores Medicare eligibility for all SSI (including federally-administered SSPs) applicants.[6]

Through the daily CER file exchange, SSA notifies CMS about individuals who are entitled to SSI and found eligible for Medicare. CMS systems follow up with one of two actions.
In auto-accrete states, CMS systems will automatically accrete the individual to Part B buy-in and transmit an auto-accretion code to the state ***(code 1180).***

NOTE: *In auto-accrete states, an internal SSA process called the Medicare Attainment and Leads Process (MALP) identifies current SSI (and federally-administered SSPs) recipients for Medicare screening as they approach their 65th birthday. These individuals:*

- *Must be within three months of the attainment of age 65, provided the SSI record is annotated to reflect that the individual has submitted proof of age (which meets the Title II proof of age requirements); and,*
- *Must have submitted proof of U.S. citizenship or proof that he/she has been lawfully admitted for permanent residence and has resided in the United States continuously for five years.*

See SSA POMS HI 00810.010 at https://secure.ssa.gov/poms.nsf/lnx/0600810010.

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6 SSA explores eligibility for all possible benefits, including Medicare, under the SSI applicant's SSN (this includes exploring under the SSN of a spouse, former spouse, or parent, etc.). SSA POMS SI 00601.060.D.2.i at https://secure.ssa.gov/poms.nsf/lnx/0500601060#d.

In alert states, CMS systems will transmit an SSI alert that a beneficiary in its jurisdiction is entitled to SSI benefits and may be eligible for buy-in ***(code 86bb).***

2.5.1.1.1 - Auto-Accrete States and States with Federal Administration of SSPs

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When CMS receives a record for an individual entitled to SSI (and/or federally-administered SSPs), TPS will auto-enroll the individual in Part B buy-in.

The effective date of the accretion will be the first month/year of the most recent continuous period the individual is entitled to SSI (and/orfederally-administered SSPs), entitled to Medicare, and a resident of the state.[7] CMS generates auto-accretions at any time of the year, without regard to Medicare enrollment periods or premium increases for late enrollment.

Systems Tip: *CMS notifies states of Part B auto-accretions with transaction* ***code 1180*** *in the monthly billing file (RIC-B) sent to states (or in the daily response files, RIC-D, sent to daily exchange states). The following month, the record will appear as an ongoing item* ***(code 41)*** *unless the item is deleted.*

NOTE*: States are responsible for ensuring that all eligible individuals are enrolled in buy-in. Although CMS auto-accretes SSI (federally-administered SSPs) recipients in auto-accrete states, auto-accretion may omit SSI beneficiaries in limited instances. States should review SSA records (i.e., SVES/SOLQ, SDX, or BENDEX) to identify SSI recipients and other covered members and submit needed transactions to CMS. A state-initiated SSI accretion* ***code 61*** *or* ***code 63*** *is processed in the same manner as any other state-initiated accretion.*
In addition, SSA can initiate Part B buy-in through the PW accretion process when an individual files a new Medicare application. See SSA POMS HI 00815.030 at https://secure.ssa.gov/poms.nsf/lnx/0600815030 and section 2.8 for more information about PW accretions.

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7 Pursuant to the court decision in NY State v. Sebelius (N.D. NY, June 22, 2009), available at https://www.govinfo.gov/content/pkg/USCOURTS-nynd-1_07-cv-01003/pdf/USCOURTS-nynd-1_07-cv-01003-0.pdf, CMS has in effect a policy under which states are granted states equitable relief from the imposition of retroactive Part B premiums in certain instances involving lengthy delays in Medicare eligibility determinations to the extent that such delays would result in retroactive auto-accretions that would cover periods for which it is too late to obtain the benefits of Medicare coverage.

2.5.1.1.2 - Alert States

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

Alert states are responsible for accreting all SSI (SSPs) individuals in Part B buy-in if the state finds them eligible for a buy-in coverage group as part of a Medicaid eligibility determination.

To assist states with the identification of SSI recipients who are also eligible for Medicare, CMS sends SSI accretion alert records to states. CMS generates such SSI accretion alert notifications once it is notified by SSA that the SSI individual qualifies for Medicare and may be eligible for a buy-in coverage group. States can also use information transmitted through SSA systems (i.e., SVES/SOLQ, SDX, or BENDEX) to identify SSI recipients for the purpose of Medicaid eligibility determinations.

If the state determines that a Medicare-eligible individual is also eligible for a buy-in coverage group, it must submit a state accretion request to CMS. The effective date of the accretion will be the first month of buy-in eligibility based upon the SSI/SSPs effective date.

***Systems Tip:** SSI accretion alert records (RIC-A) contain a Part B transaction **(code 86)**. Once an alert state determines an SSI recipient eligible for a Part B buy-in coverage group, the state can accrete the individual to Part B buy-in (generally, **code 84**).*

2.5.1.2 - Members of the Buy-in Coverage Group Who Do Not Receive Cash Assistance

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

States must initiate Part B buy-in accretions for any member of the buy-in coverage group who does not receive cash assistance.

The effective date of the accretion will be based on the start date of the buy-in period, which differs depending upon the Medicaid eligibility category. See chapter 1, section 1.13 and chapter 1, appendix 1.C. States can submit a Part B buy-in accretion and establish Medicare entitlement at any time of the year, without regard to Medicare enrollment periods or premium increases for late enrollment if the individual is already enrolled in Part A or Part B. Once TPS shares the new accretion record with the MBR, the MBR will update the Medicare enrollment record.
The buy-in effective date is the first month the individual is eligible for buy-in. See chapter 1, appendix 1.C for more information about the effective dates for buy-in.

Systems Tip: Common codes used by states

- ***Code 61** - state accretion action;*
- ***Code 63** - identical to **code 61** but used for special accretion actions or monitoring specific coverage groups;*

- ***Code 84*** *- used by an alert state to accrete a beneficiary to Part B buy-in in response to a* ***code 86*** *accretion alert record or by an auto-accrete state to accrete a beneficiary based on an examination of the SDX file.*

See chapter 4 for detailed buy-in transaction code descriptions.

2.5.2 - Part A Buy-in Accretions

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

States may accrete QMB-eligible beneficiaries to their Part A buy-in rolls through a buy-in agreement or a group payer arrangement. For information about these options, see chapter 1, section 1.7 and chapter 2, section 2.5.3.3.

States pay Part A premiums for Qualified Disabled Working Individuals (QDWIs) only through the group payer arrangement. States may only cover Part A premiums for QDWIs; however, the individuals must be enrolled in Part B prior to the state accreting the record to their buy-in account. For more information about QDWIs, see chapter 1, section 1.6.2.

Each state is responsible for accreting individuals determined eligible for QMB or QDWI. CMS does not accrete beneficiaries to Part A buy-in except when requested to do so by the state in conjunction with a buy-in problem resolution request. See chapter 6.

For any accretion, the latest acceptable effective date a state may submit is one month prior to the current billing period. The accretion effective date may not be equal to or later than the current billing period. The current billing period is equal to the calendar month in which the accretion is processed plus two months. For example, any action processed in April is part of the June billing period. The latest accretion effective date a state may submit within the June billing period is May. Any accretion with an effective date of June submitted during the June billing period will be rejected. In other words, for any accretion processed in April (i.e., in the June billing period), the latest acceptable effective date a state may submit is May.

Systems Tip: *States use accretion* ***codes 61 and 63*** *for routine Part A accretions. The Buy-in Eligibility Code (BIEC) is* ***not*** *required for Part A billing records. States may submit a BIEC for Part A accretions and CMS will store the value in the beneficiary's EDB record; CMS, however, will not return a Part A BIEC reply.*

NOTE: *The Part A accretion BIEC will* ***not*** *update the Part B BIEC stored on the EDB.*

2.5.3 - Important Processing Rules for MSP Accretions

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

2.5.3.1 - Required Steps for QMB, SLMB, and QI Part B Buy-in Accretions

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

To ensure a Part B accretion for a QMB, SLMB, or QI successfully updates through TPS, states should leave the Buy-in Eligibility Code (BIEC) blank in the initial state accretion. If the state buy-in system requires a BIEC code, states should use another code besides "P," "L," or "U" to avoid triggering a rejection.

The state can add the appropriate BIEC to the billing record by using the code 99 update process. CMS encourages states to verify Part B buy-in is present in CMS systems before submitting the ***code 99.*** *A* ***code 99*** *action will always update prospectively. States cannot change a BIEC for a past period through the buy-in data exchange.*

CMS will return a Part A or Part B ***code 21XX*** *series rejection, or sub-code C rejection record in reply to state accretion requests if the state accretion request includes the BIEC identifier. See chapter 4, section 4.7.1, for a description of the* ***code 21XX*** *rejection series.*

NOTE*: If a state determines an individual eligible for QMB-plus or SLMB-plus, Part B buy-in begins the earlier of the buy-in effective date applicable to the Medicaid or MSP categories. For QMB-plus individuals determined eligible at application, the separate full-benefit Medicaid coverage may be effective up to three months before the month of application, if the individual received Medicaid covered services and would have been eligible at the time the services were received, even though the same retroactive eligibility period does not apply to their QMB benefits. See 42 CFR § 435.915(a) and chapter 1, section 1.13.1. TPS will accept retroactive start dates for the Part B buy-in accretion as long as the BIEC identifier in the transaction is blank.*

2.5.3.2 - Part B Before Part A Rule for QMB Accretions

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

TPS will not accept a state's request for a ***Part A*** *accretion unless the EDB shows current Medicare Part A and* ***Part B*** *entitlement and open buy-in coverage. That is, if a state determines an individual eligible for QMB, the state or CMS must first accrete* ***Part B*** *before the state can accrete* ***Part A****. States may submit Part A and Part B accretions simultaneously in the same month or first submit a Part B accretion followed by a Part A accretion. The exception to this rule applies to QDWIs for which the state only pays premiums for Part A. TPS cannot accept a Part A accretion for QDWI records unless the EDB shows current Part B entitlement, but the beneficiary, not the state, is liable for the Part B premiums.*

NOTE: *TPS automatically sorts buy-in files so Part B actions process before Part A. To safeguard against TPS rejections for Part A and/or Part B, ensure the Part B accretion*

requests do not include the BIEC identifier.

2.5.3.3 - Part A Buy-in State v. Group Payer State Status
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

The state's payment arrangement status (i.e., Part A buy-in state or Part A group payer state) determines when a state can enroll QMB-eligible individuals in Medicare Part A. This status will also determine if the state will pay applicable surcharge amounts due to late enrollments or re-enrollments.

A Part A buy-in state can enroll a QMB individual in Part A buy-in at any time of year. If the individual is already enrolled in Part B and Part B buy-in is open, TPS will accept a state Part A buy-in accretion request. If the QMB individual lacks Parts A and B, the individual must first apply for Premium-Part A (conditionally or unconditionally) and for Part B at SSA before the state can submit the accretion to TPS. SSA will process the Premium-Part A enrollment without regard to Medicare enrollment periods and without premium increases for late enrollment.

A group payer state is limited in when it can enroll a QMB in Part A buy-in. The individual must first file a conditional or unconditional Part A application (and enroll in Part B if they are not already enrolled) during the General Enrollment Period (GEP) (January through March; coverage will be effective July 1). The ***code Z99*** *on the MBR represents conditional enrollment.*

The effective date associated with the ***code Z99*** *is July 1. Once the state determines the individual eligible for QMB, it can submit the accretion request with an effective date of July 1 at the earliest. If premium surcharge amounts for late enrollment apply, CMS will bill the state for them.*

See chapter 1, section 1.11 for more information.

2.5.4 - CMS Adjustment of State Accretion Effective Date to Coincide with Medicare Entitlement Data
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

All state-initiated accretion actions are screened against the EDB for the presence of Medicare entitlement. In those cases where entitlement exists, TPS compares the beneficiary's Medicare entitlement date established by SSA with the state buy-in effective date. If the state buy-in effective date precedes the individual's Medicare entitlement date, TPS will automatically adjust the state buy-in date to agree with the individual's Medicare entitlement date. For Part A accretions, the accretion cannot be earlier than both the Medicare Part B entitlement date on the EDB and the Part A entitlement or conditional enrollment (Z99) date.

NOTE: *Conditional Part A enrollment data are used by CMS in deriving Part A buy-in start dates, but do not appear in CMS response files. See chapter 4, section 4.7.1, transaction code 21XX, sub-code C.*

Systems Tip: *The state will receive two reply records as a result of the adjustment to the state-submitted start date. The first record* ***(code 30XX)*** *will contain the effective date as submitted by the state. The second record will contain the adjusted effective date that corresponds to the individual's Medicare entitlement date. The transaction code in this record can be any one of the possible reply codes for a state-submitted accretion.*

Example: *The state-initiated accretion record contains a state buy-in effective date of 03/2017. When the accretion is screened, CMS will examine the Medicare entitlement date. In this example, the EDB Medicare entitlement date is 04/2017.*

The state will receive two reply records for this situation. The first record will be a ***code 30XX****. This record will contain the state buy-in effective date of 3/2017 submitted by the state. The second record will be a* ***code 1161****. The state buy-in effective date contained in this record will be 04/2017.*

2.6 - Deletions

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

2.6.1 - State-Initiated Deletions

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

2.6.1.1 - Medicare Parts A and B Deletions Based on Loss of Buy-in Coverage

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

States should submit deletion actions promptly when the state determines the individual is no longer eligible for buy-in due to loss of membership in the buy-in coverage group. See sections 2.1.6.3 and 2.1.6.4 for guidance on how the end date is applied for a state deletion request.

Systems Tip: *states use* ***code 51*** *- state deletion record for a beneficiary who is no longer a member of the state's coverage group - to delete a record from the state's account. A state's deletion record will be* ***rejected*** *if:*

- *The deletion date is blank, incomplete, or otherwise in error.*
- *The deletion date, other than a death deletion, is* ***equal to or greater than*** *the billing month.*
- *The deletion date for a death deletion is* ***later than*** *the current (update) month.*

NOTE: *See section 2.9 for information about state deletions for PW accretions.*

2.6.1.2 - Special Procedures for an Individual Who Loses SSI

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

If a beneficiary loses SSI, a state must conduct a Medicaid redetermination to assess whether or not the individual qualifies for a different Medicaid category, including those encompassed by the state's buy-in coverage group.

CMS transmits an informational "SSI deletion alert" notification record ***(code 87)*** *to auto-accrete and alert states upon notification from SSA that a beneficiary has lost SSI eligibility.*

The alert is not a notification that CMS has deleted the record or that the state must submit a deletion transaction. Rather, the alert is intended to prompt the state to conduct a redetermination. While the state is making this determination, the state must maintain Medicaid coverage and must not terminate the individual from buy-in. If the state determines the individual eligible for another Medicaid category in the buy-in coverage group, the state should maintain buy-in coverage for the individual. ***States shall not delete individuals from buy-in unless the state redetermination finds the individual no longer qualifies as a member of the buy-in coverage group.*** *See chapter 1, section 1.4 for more information about redeterminations.*

Systems Tip: *If the state redetermination finds the individual no longer eligible as a member of the buy-in coverage group, the state should delete the individual using* ***code 51****. If the state redetermination shows the individual qualifies under another Medicaid category in the buy-in coverage group, the state should not submit a* ***code 51*** *deletion. Instead, the state should submit a* ***code 99*** *(change record) to change the BIEC in the state's billing record using the steps described in chapter 4.*

2.6.1.3 - CMS Processing of Part B Deletions Because a Beneficiary is No Longer a Member of the State's Coverage Group

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

*CMS will evaluate the requested stop date of all state deletion requests for Part B (****code 51*** *and, in some cases,* ***code 50****) based on loss of buy-in coverage group membership (this does not apply to* ***code 53****) and, where necessary, modify the deletion effective date based on the processing limitations below.*

- *The deletion regulations for Part B buy-in limit the retroactivity of Part B deletions to the CMS processing month minus two months. See 42 CFR § 407.48(c). This rule aims to prevent excessive hardship for beneficiaries when*

buy-in coverage ends by restricting retroactive liability to two months.[8]

***NOTE**: In practice, SSA may initially bill beneficiaries for premium liability amounts of up to three months (current month plus two retroactive billing months) when buy-in coverage ends. The deletion regulation is also known as the "Commissioner's Decision" (CD) because it was issued in 1972 by SSA's commissioner, before the creation of its sister-agency, the Health Care Financing Administration (HCFA, now CMS).*

- *CMS operates in alignment with SSA's Current Operating Month (COM) schedule, rather than by calendar month. COM dates vary each month and are determined by SSA. The COM dates provide the start and end dates for processing periods/months. For example, the August 2020*[9] *COM ran from July 24 through August 25. The September 2020 COM ran from August 26 through September 23.*

*CMS, in order to maintain synchronicity with SSA, processes **code 51** deletions according to the business day prior to the COM change date. This is necessary because the TPS daily exchange with SSA is not processed by SSA until the next business day.*

***Systems Tip:** CMS sends a copy of SSA's COM schedule to states on a quarterly basis to help the states determine the earliest deletion date.*

***NOTE:** The deletion cut-off of the 25th day of the month in 42 CFR § 407.48(c) no longer applies; SSA's COM schedule should be referenced, instead.*

The date of CMS processing depends upon the time of day received. Generally, TPS update processing begins at 11:00 a.m. (Eastern Time (ET))--and no earlier--every business day. Files received before daily processing begins are processed the same day. Processing may be delayed on rare occasions. Files received after daily processing begins (usually 11:00 a.m. ET) are processed in the next scheduled TPS daily run.

***Example:** State **code 51** deletion requests are received in the calendar month of August 2020. The TPS August 2020 COM is from July 24 through August 25, and the TPS September 2020 COM is from August 26 through September 23. TPS processing starts at 11:00 a.m. ET.*

*State **code 51** deletion requests received by TPS in August 2020 prior to 11:00 a.m. ET on the 25th had a processing month of August and may have an effective deletion date no earlier than June. If the state requested an effective date prior to June, CMS adjusted the*

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8 The retroactive liability may not extend to a point in time prior to the date of action in the notice which informed the beneficiary of their loss of Part B buy-in coverage through the Medicaid program. See 42 CFR 431.201, 435.917, 431.206, and 431.210 to 214.

9 Note: these dates are specific to 2020, and provided as illustrative examples. The specific dates will vary by calendar year.

deletion date, processing it as June (i.e., if the state requested an effective date of April, TPS automatically adjusted the effective date to June). The state remained liable for billing prior to and including June. CMS refunded the state for any premiums already billed for July through September (CMS bills one month prospective to the date the billing invoice is mailed) and the beneficiary became liable for those months.[10]

*State **code 51** deletion requests processed by TPS on or after August 26 (regardless of the time of day), had a processing month of September and an effective deletion date no earlier than July 2020. If the state requested an effective date prior to July, TPS automatically adjusted the deletion date, processing it as July (e.g., if the state requested an effective date of April, TPS automatically adjusted the effective date to July). The state remained liable for billing prior to, and including, July 2020. CMS refunded the state for any premiums already billed for August through September (CMS bills one month prospectively) and the beneficiary became liable for those months.*

2.6.1.4 - CMS Processing of State-Initiated Part A Deletion Requests Based on Loss of QMB Status
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

The state must notify CMS through a Part A deletion request when an individual loses eligibility for QMB. Part A buy-in ends at the end of the month the deletion is processed, regardless of the date the individual lost QMB status. See 42 CFR § 406.26. Actions received on the last business day of a month are processed the next month. CMS will evaluate the requested effective date of all state Part A deletions and modify the deletion effective date based on these two rules.

Examples:

State Part A deletion requests received in August prior to 11:00 a.m. ET on the 31st may have an effective deletion date no earlier than August. If the state requests an effective date prior to August, CMS will adjust the deletion date, processing it as August (e.g., if the state requests an effective date of July, TPS automatically adjusts the effective date to August). The state remains liable for billing prior to and including August. CMS will refund the state for any premiums already billed for September (CMS bills one month prospectively) and the beneficiary becomes liable for that month.

State Part A deletion requests received in August after 11:00 a.m. ET on the 31st may be held until September. Those held until September may have an effective deletion date no

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10 Note: CMS does not automatically bill the beneficiary for those months; instead, CMS notifies SSA. SSA may begin withholding the monthly premium from the person's benefits; if they do not, SSA would notify CMS to begin direct billing of the individual.

earlier than September. If the state requests an effective date prior to September, TPS will automatically adjust the deletion date, processing it as September (e.g., if the state requested an effective date of August, TPS automatically adjusted the effective date to September). The state remains liable for billing prior to and including September. CMS will refund the state for any premiums already billed for October (CMS bills one month prospectively) and the beneficiary is liable for that month.

2.6.2 - CMS-Initiated Deletions

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

CMS will initiate a deletion action to terminate ongoing buy-in coverage or annul ("wipe-out") the entire buy-in coverage period in response to certain events. This section describes events that will cause CMS to delete ongoing buy-in billing records from a state's account.

2.6.2.1 - Death of the Beneficiary

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

SSA receives reports of death from a number of sources in the daily operation of its various programs. CMS receives death notifications in the CER file exchange with SSA, which will first trigger an update to the EDB, and then to TPS, to end buy-in coverage. CMS will delete the beneficiary from buy-in effective the last day of the beneficiary's month of death. In cases where the date of death is prior to the buy-in start date, the state will receive credit for the entire buy-in period.

Systems Tip: *CMS sends* ***code 16bb****, notification of death, to the state on the next monthly billing file (and in the daily response files in a daily exchange state). The month and year of death reported by SSA are shown in the transaction effective date field.*

NOTE: *In some instances, SSA may send a death notification to CMS in error. In these cases, the state should ask the beneficiary to submit proof of identity to SSA so it can remove the date of death from the MBR. The state may re-accrete the beneficiary to the buy-in rolls through the normal data exchange after SSA corrects the record in the MBR.*

2.6.2.2 - Beneficiary's Loss of Medicare Eligibility

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

SSA will end Medicare entitlement for a beneficiary for various reasons, such as the loss of entitlement to disability benefits, the receipt of a kidney transplant to treat End-Stage Renal Disease (ESRD), or failure to meet or provide documentation to meet citizenship or alien residency requirements.

In such cases, CMS will receive a Medicare termination notification from SSA in the CER

file exchange, which will first trigger an update to EDB, and then to TPS, to end buy-in coverage. The buy-in end date associated with the deletion transaction will be the last month prior to the Medicare termination.

***Systems Tip:** CMS sends a **code 15bb** to the state on the next monthly billing file (and in the daily response files in a daily exchange state).*

2.6.2.3 - Beneficiary Changes of State of Residency
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

Membership in a buy-in coverage group derives from the receipt of Medicaid coverage. Loss of state residency will disqualify an individual for Medicaid and, thus, buy-in coverage.

2.6.2.4 - Deletion as a Result of Another State's Accretion Action
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

If a beneficiary is enrolled in buy-in in one state ("former state") and CMS receives an accretion action from another state ("new state") for the same beneficiary, CMS assumes that the new state has jurisdiction over the record. When CMS processes the accretion from the new state, TPS will trigger a deletion to remove the records from the former state's buy-in rolls. The stop date in the deletion record is the month prior to the buy-in accretion in the new state.

***Systems Tip:** CMS will send the former state a **code 1728** deletion record and reflect the new state in CMS records.*

2.6.2.5 - Change of State Residence for SSI Recipients
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

*When an SSI beneficiary moves to another state, SSA will process a change of state residency action to update the SSI record and the MBR, which then transmits the information to the EDB (via the CER file) to update the beneficiary's record. The change of residency update in EDB will cause CMS to delete the individual from the former state's account. The deletion (**code 1728**) effective date will be the last month of residency in the "former" state.*

- *If the beneficiary moves from one auto-accrete state to another auto-accrete state, CMS will auto-accrete the beneficiary in Part B in the new state. The effective date of the accretion is the start of the first continuous period of SSI entitlement. If the SSI record reflects earlier SSI coverage while the beneficiary resided in the former state, CMS will send the new state a **code 1180** followed by the sub-code A. Sub-code A alerts the state that CMS will also send a RIC-A record with the complete SSI data.*

- *If the beneficiary moves from an auto-accrete state to an alert state, or from one alert state to another alert state, CMS will transmit an SSI alert notification (**code 86bb**) to the new state,.*

*State Action: The former state should examine the Medicaid eligibility record for any beneficiary for whom it receives a **code 1728** to ensure the state closed the beneficiary's Medicaid eligibility record. If the former state believes it should retain jurisdiction of the case, it must contact the new state to resolve jurisdictional issues.*

***Systems Tip**: CMS will notify the former state of the deletion with a **code 1728** transaction in the billing/response files (i.e., positions 124 to 126 on the RIC-B record and positions 94-96 on the RIC-D record as described in chapter 3). The deletion date is the individual's last month of residency in the former state. Chapter 3 describes the record format and data fields for the **code 1167** accretion in the monthly billing file (RIC-B) and, for states receiving daily files, **code 1167** is also sent as a RIC-D record. The new state will receive either an SSI alert record **(code 86)** or an SSI accretion record **(code 1180),** if SSI entitlement continues.*

***NOTE:** Upon receipt of the deletion transaction from CMS, the former state should conduct a Medicaid redetermination to assess continued Medicaid eligibility, including state residency. If the beneficiary no longer resides in the state, the state should ensure that it has closed the Medicaid record to prevent a cycle of re-accretion and deletion actions between states. If the state finds the individual still resides in the state, it must contact the new state in order to resolve state residency.*

2.6.2.6 - Beneficiary Becomes Entitled to Reduced or Premium-Free Part A

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

Part A buy-in will terminate when an individual obtains enough Social Security quarters to qualify for Premium-free Part A (either based on their own on their spouse's record). SSA will send a notification to CMS when coverage changes from Premium-Part A to a reduced premium or from reduced Premium-Part A to Premium-free Part A entitlement. Premium-based changes are received daily by CMS from SSA in the CER file exchange. Once EDB updates the new entitlement record, TPS will trigger the appropriate action(s).

In cases where Premium-Part A premium liability changes from the full premium to a reduced amount, TPS will generate a deletion to stop billing at the "previous rate" and re-accrete the record to begin state billing at the "new rate." In cases where the premium liability amount changes from reduced Premium-Part A to Premium-free Part A, TPS will send a deletion and stop billing the state for Part A. The deletion date in both instances is the month prior to the effective date of reduced or Premium-free Part A.

***Systems Tip:** CMS sends a **code 14bb** to the state to identify the deletion.*

2.6.2.7 - Deletions from Other Sources
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

CMS may be notified outside of the normal data exchange that a manual deletion action is required. CMS generally receives these requests from the state or from the SSA FO on the Form CMS-1957 "SSO Report of State Buy-in Problem," or Form SSA-5002-HB "Report of Contact," after a beneficiary reports information that indicates a change in residency or SSI entitlement. See chapter 6, section 6.6 for additional details.

2.7 - Changes and Corrections
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

2.7.1 - State Correction of a Previously Submitted State Accretion or Deletion Date
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

2.7.1.1 - Adjustment to the Start Date for Ongoing (Code 41) Billing Items
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

*The state may adjust the accretion date of an ongoing record or a new accretion to an earlier date by submitting a **code 61** transaction containing the new accretion date in the regular buy-in data exchange.*

***NOTE:** States should use a **code 61** to adjust a period to an earlier date with caution - only when the earlier date/period is contiguous with the current period.*

- *CMS will send the state a **code 4361, 4363, or 4384** to reflect that CMS has established an earlier period of state buy-in coverage in response to the state's retroactive accretion. If CMS establishes ongoing coverage, the state will receive a **code 1161, 1163, or 1184**.*

- *The state may not adjust an accretion date to a later date since this would disadvantage the beneficiary. CMS will reject the state accretion with a **code 2561,** duplicate accretion action.*

2.7.1.2 - Adjustment of Accretion or Deletion Date - Closed Period of State Buy-in Coverage
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

*The state may send CMS a simultaneous accretion/deletion action (**code 75**) to establish a closed period of state buy-in coverage separate from existing buy-in coverage already reflected in CMS systems. CMS will acknowledge the closed period request with a reply **code 4375**.*

The state is responsible for the accuracy of the dates submitted. The state cannot adjust the accretion date to a later date nor adjust the deletion date to an earlier date on a closed period of state buy-in coverage. Either action would disadvantage the beneficiary.

*If the simultaneous accretion/deletion action duplicates an existing period of coverage on the EDB, CMS will send the state a rejection **code 2575**.*

- *If a state receives this rejection code, it should not submit a **code 61** to change the accretion date on a closed period. The system interprets a **code 61** as a request to expand coverage. Not only will a **code 61** change the accretion date to afford greater coverage, it will also reopen the closed period and establish ongoing coverage.*
- *The state may adjust the deletion date for a closed period to an earlier date. For Part B, this may be no earlier than two months prior to the processing month in which the adjustment is processed and, for Part A, this may be no earlier than the calendar month in which the adjustment is processed, except in the case of death. A death case may be deleted retroactively to the month of death.*

*If the date of death (DOD) in the MBR conflicts with the date of death on a state request to correct an erroneous **code 16** death deletion, SSA will ask the state to provide corroborating evidence to support its request.*

- *To correct an erroneous death deletion, submit a buy-in problem resolution request to CMS. See chapter 6 for submission methods. A separate memorandum is required for each request.*

CMS will notify the state through the buy-in data exchange of an adjustment action that results in a debit or credit action.

- ***Code 4268** - acknowledgment of a state-submitted request to move an accretion date to a **later date** resulting in a **credit** to the state. CMS made this adjustment because it applied an incorrect accretion effective date.*
- ***Code 4269** - acknowledgment of a state-submitted request to move a deletion date to an **earlier date** resulting in a **credit** to the state. CMS made this adjustment because it applied an incorrect deletion date.*
- ***Code 4368** - acknowledgment of a state-submitted request to move an accretion date to an **earlier date** resulting in a **debit** to the state. CMS made this adjustment because it applied an incorrect accretion effective date.*
- ***Code 4369** - acknowledgment of a state-submitted request to move a deletion date to a **later date** resulting in a **debit** to the state. CMS made this adjustment because it applied an incorrect deletion date.*

2.7.2 - State Request for Adjustment of SSI Actions Accreted by CMS
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

An auto-accrete state may identify items on its state buy-in account that conflict with state records or the SSA data in the SVES/SOLQ, SDX, or BENDEX.

Potential discrepancies between the EDB records and the state records or the SSA data are:

- *CMS newly auto-accreted the record to the state's buy-in account **(code 1180)** or the billing record shows ongoing buy-in **(code 41)**, but SSA has no record of the individual;*

- *SSA has a record of an individual age 65 or older in an auto-accrete state, but CMS has no record of the individual; or*

- *The effective date of the CMS-initiated accretion and the effective date of SSI eligibility differ.*

In the situations described above, examine SSA data exchanges before initiating a complaint. The SSI eligibility date and the state buy-in eligibility date can differ if:

- *The beneficiary was not eligible for Medicare at the time of SSI eligibility;*
- *The beneficiary changed legal residence after the individual established SSI eligibility; or*
- *The beneficiary's SSI status changed from conditional to ineligible or from ineligible to eligible, and SSA is processing a reinstatement.*

States can submit a State Buy-in Resolution request to correct an erroneous SSI-based accretion to DMSEI. See chapter 6 for instructions on how to submit buy-in cases for resolution.

When DMSEI receives the request, it will conduct an investigation. If DMSEI determines:

- *Buy-in coverage was updated in error, the state will receive a **code 1750**, annulment of entire buy-in coverage period.*
- *Buy-in coverage start and/or stop date is incorrect, the state will receive a credit item **(code 4268)** based on the accretion date adjustment and/or deletion date adjustment.*

***Systems Tip:** States must contact CMS to manually correct discrepant records. See chapter 6 for instructions on how to submit buy-in cases needing resolution.*

2.7.3 - State-Initiated Change Records
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

2.7.3.1 - Medicare Part B
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

The state may change a beneficiary's BIEC and state welfare (Medicaid) identification number.

- *A state can use **code 99** to add or change the individual's BIEC. The **code 99** update will be effective with the next billing cycle.*
- *A state **code 99** submission with blanks in positions 71-72 **will not** eliminate an existing BIEC in the billing record.*
- *A state can use **code 99** to add or change a state welfare identification number, but cannot delete an existing state welfare identification number.*
- *A state **code 99** submission with blanks in positions 101-120 will not eliminate an existing state welfare identification number.*

*The record format is the same as the format for the state accretion or deletion action (State Agency Input Record) described in chapter 3. The transaction code for the change record is **code 99**. A **code 99** action can only be applied to an open TPS record (e.g., **code 41**).*

2.7.3.2 - Medicare Part A
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

The state may change only the Client Identification Number on the Part A TPS record.

*The transaction code for the change record is **code 99** and can only apply to an open TPS record (e.g., **code 41**).*

2.7.4 - CMS Reply to a State-Initiated Change Record (Code 99)
(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

*CMS will apply state change records **(code 99)** to existing open coverage billing records **(code 41)** if the change record matches the existing EDB record on HICN/MBI and state agency code and the EDB shows an open coverage record. If CMS applies the change, it will not send the state a reply. Otherwise, CMS will reject the change record with the transaction **code 4999**.*

*If the state submits a Part B **code 99** with a BIEC of "P" (QMB), "L" (SLMB), or "U" (QI) and the EDB does not reflect a current Part A and Part B entitlement and open Part B buy-in, CMS will reject the transaction with a reply **code 4999**.*

2.8 - SSA-Initiated Accretions - Public Welfare Accretion Procedure (Code 1167)

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

The SSA FO can start buy-in coverage through the PW accretion procedure when an individual files an application for Medicare and is, or will be, a member of a Part B buy-in coverage group in the state. See chapter 1, section 1.6, for a list of state buy-in coverage groups. The PW procedure allows the SSA FO to establish Part B through state buy-in, making the state responsible for paying the Part B premiums instead of the individual.

Each state should work with its SSA Regional Office to define the individuals for whom SSA FOs will initiate a PW accretion and the procedures to verify an individual's potential membership in the state's buy-in coverage group before initiating a PW accretion.

***Systems Tip:** After SSA establishes Medicare entitlement for a beneficiary who may be eligible for buy-in, SSA will transmit the PW accretion to CMS, which uses the **code 1167** to accrete the record to the state's Part B buy-in account. If the individual is SSI-eligible and resides in an alert state, CMS will send an SSI alert record (**code 86bb**).*

*SSA may use the PW accretion process for SSI-eligible individuals who are also eligible for Medicare in auto-accrete states, with the expectation that CMS will then auto-accrete (**code 1180**) these individuals in Part B buy-in. Depending on the timing of the SSI entitlement update from MBR to EDB, the state may first receive the PW accretion **code 1167** followed by **code 1180** (after deletion of the **code 1167**), or it may only receive **code 1180.** The state also receives a SSI alert record (**code 86bb**) for informational purposes.*

*Chapter 3 describes the record format and data fields for the **code 1167** accretion in CMS billing records (RIC-B and, for states receiving files daily, RIC-D).*

2.9 - Erroneous PW Accretion - All States

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

*If the state determines that a PW accretion (**code 1167**) was processed for an ineligible individual, the state may appeal the action. The state must react to the PW accretion before the end of the second month following the month in which the state received notification of the PW accretion on its billing file. If the state does not react within the established timeframe, the state becomes responsible for the premium liability until a state's deletion action is processed per the standards in section 2.6.1.3.*
***Example**: A state receives a PW accretion (**code 1167**) billing record on the monthly billing file sent by CMS February 1st. The state may submit a **code 50** deletion request to CMS within two billing months (i.e., must be received by CMS prior to 11:00 a.m. ET on April 30th or the last business day, if the last day of the month is a non-business day).*

Systems Tip: *If a PW accretion is processed in error or the accretion date is incorrect, submit a* ***code 50*** *deletion or "wipe-out" to CMS in the state's input file within the established timeframe (two billing months). If the state submits the* ***code 50*** *after the two-month window, the deletion will be subject to the limitations of the Commissioner's Decision as if it were a* ***code 51*** *deletion. TPS will delete the* ***code 1167*** *open period and send a deletion reply* ***code 1750*** *with a modified effective end date as required by the Commissioner's Decision.*

If the effective date of the PW accretion is correct, but the state has determined the individual is no longer eligible for buy-in coverage, the state should submit a ***code 50*** *deletion request with the appropriate end date to establish a closed period of coverage.*

2.10 - Enrollment of Persons Who Refuse to Establish Medicare Eligibility

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

If an individual refuses to cooperate with SSA to establish eligibility for Medicare Part B (Supplementary Medical Insurance (SMI)), the FO will advise the state Medicaid agency or the office delegated to perform Medicaid eligibility determinations so they can take any appropriate action to obtain the cooperation of the individual. The state may enroll the individual only in Medicare Part B. The individual must enroll in Medicare Part A.

In order to enroll the individual in Part B buy-in, the state must establish that the individual is a member of the state's coverage group and that the individual meets the requirements for Medicare entitlement.

The state must complete the application Form CMS-4040, "Request for Enrollment in Supplementary Medical Insurance" which it can obtain from the FO or from the CMS website under Medicare, CMS Forms at https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/index.html. Send the completed form and related documentation to the FO which services the individual's address.

Most of the information which is requested on the application can be obtained from local county eligibility records. Enter the following:

- *The beneficiary's address, since that is the address to which the Medicare card will be mailed; and*

- *The beneficiary's HICN/MBI. If the individual does not have a HICN/MBI, contact the local FO for assistance in obtaining a HICN/MBI for the individual.*

The enrollee need not sign the application. Instead, the eligibility staff person should complete the signature block and annotate the form to show that the information on it was taken from local records.

The application also requests that the state submit the following documentation:

- *Proof of age. The state should submit a copy of the individual's birth certificate. If the birth certificate is not available, submit copies of the documents which were used to establish the date of birth in the Medicaid record; and*
- *Proof of citizenship or residency. If the individual was born in the United States no proof of citizenship or residency is required. If the individual was born outside the United States, the state should submit a copy of the evidence which was used to establish citizenship or residency.*

SSA makes the final determination of Medicare entitlement. *After SSA has established the Medicare record, SSA will accrete the individual to Part B buy-in through the PW procedure, accretion* ***code 1167.***

2.11 - State Accretion Procedure to Establish a Closed Period of State Buy-in Coverage

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

2.11.1 - Medicare Part B

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

*The Simultaneous Accretion/Deletion (SAD) transaction (**code 75**), also referred to as a "closed period," is available to states for the purpose of inserting a closed period of buy-in coverage. A state's buy-in request (**code 75**) must contain a start and stop date. Closed period insertions are common in SSA disability appeals cases involving individuals with past Medicaid entitlements. In these cases, SSA issues a retroactive SSI/SSDI award with a disability entitlement date more than 24 months in the past. In such cases, SSA will retroactively establish Part A entitlement (starting the 25th month after the disability entitlement date). States are required to pay Part B premiums for all periods for which an individual is eligible for buy-in under Medicaid and is Medicare entitled.*

Example:

- *SSA established retroactive premium-free Medicare Part A and Part B effective 08/2017. The beneficiary is QMB beginning 09/2017.*
- *The individual has SSI entitlement from 05/2017 through 07/2017. The state submits a **code 75** with a start date of 05/2017 and a stop date of 08/2017.*

Systems Tip: *Submit a **code 75** (closed period) to insert a limited buy-in coverage period. The **code 75** must provide the start date and stop date. Failure to send both the accretion start date and the deletion end date will result in a rejection. States may submit multiple requests for **code 75** actions on a single input file. Each discrete period must be represented by a separate input record with the same transaction code.*

- *A **code 4375** is returned to the state to acknowledge the successful update of a **code***

***75** request.*

- *The **code 75** must contain the proper Medicare identification information to allow the item to be processed in the month submitted. If the transaction record does not match the Medicare data on the EDB, it is automatically rejected.*

2.11.2 - Medicare Part A

(Rev. 4, Issued: 08-21-20, Effective: 09-08-20, Implementation: 09-08-20)

There are situations where states fail to accrete eligible beneficiaries on a timely basis. That is, the beneficiary is not currently eligible as a QMB or a QDWI, but was eligible for one or more months in the past and should have been enrolled in Part A buy-in. This situation should occur infrequently.

*A Part A buy-in state may use the **code 75** to establish Medicare Part A state buy-in coverage for a closed or limited period of coverage. In rare instances, a closed period of Part A Buy-in coverage may be updated for group payer states. A request to update a closed period in group payer states may be directed to DMSEI (see chapter 6).*

Transmittals Issued for this Chapter

Rev #	Issue Date	Subject	Impl Date	CR#
R4SPMP	08/21/2020	New State Payment of Medicare Premiums, (SPMP)	09/08/2020	N/A