

## Medicare-Medicaid Enrollees

This document describes the various categories of individuals who are known as Medicare-Medicaid enrollees (i.e., "dual eligibles"). Medicare-Medicaid enrollees are individuals who are entitled to Medicare Part A (hospital insurance) and/or enrolled in Part B (medical insurance) and are eligible for some form of Medicaid benefit. Part A is free for insured individuals. However, uninsured individuals can enroll in Part A if they elect to pay their monthly premium and enroll in or are already enrolled in Part B. Medicare-Medicaid enrollees may also qualify for Medicare Savings Programs (MSPs). MSPs help pay the enrollees Medicare premiums, including Medicare Part A and/or Medicare Part B deductibles, and may pay for coinsurance and copayments. If a beneficiary qualifies for MSP in a state, s/he automatically qualifies for Extra Help paying Medicare prescription drug coverage (Part D). Beneficiaries can learn more about Extra Help here: <http://www.ssa.gov/prescriptionhelp> Part C cost-sharing for dual eligibles is also explained later in this document.

Medicaid is a joint federal and state program that helps with medical costs for some people with limited income and resources. Medicaid also offers benefits not normally covered by Medicare, like nursing home care and personal care services. If a beneficiary qualifies for Medicaid in a state, s/he automatically qualifies for Extra Help paying Medicare prescription drug coverage (Part D).

Beneficiaries qualify for Medicare if s/he (or her/his spouse) worked for at least 10 years in Medicare-covered employment and are 65 years or older and a United States citizen or permanent resident of the United States. If the beneficiary is not yet 65 years of age, s/he might also qualify for coverage if s/he has a disability or has been diagnosed with End-Stage Renal disease (ESRD - permanent kidney failure requiring dialysis or transplant). It is important to note that coverage for beneficiaries not yet 65 years of age begins after a beneficiary has received disability benefits (Social Security Disability Income (SSDI)) for 24 months, and not 24 months from the date s/he became disabled. Additionally, beneficiaries diagnosed with amyotrophic lateral sclerosis (ALS - often referred to as Lou Gehrig's Disease) are eligible for Medicare coverage the first month of diagnosis. Beneficiaries diagnosed with ESRD are eligible for Medicare after a 3-month waiting period.

Medicare coverage has four parts:

- Part A (hospital insurance) helps cover inpatient care in hospitals, as well as skilled nursing facility, hospice, and home health care;
- Part B (medical insurance) helps cover doctor and other health care providers' services, outpatient care, durable medical equipment, home health care, and some preventive services;
- Part C (Medicare health plans – also called Medicare Advantage) provides Part A and Part B benefits to people with Medicare who enroll in these plans, which include Medicare Cost Plans, Demonstration/Pilot Programs, and Programs of All-inclusive Care for the Elderly (PACE). Medicare health plans are offered by private companies that contract with Medicare to provide Part A and Part B benefits, and in most cases, Part D;
- Part D provides coverage of prescription drug costs through private plans.

### Eligibility Categories and Assistance with Medicare Parts A/B Costs

This section summarizes the eligibility categories for Medicare-Medicaid enrollees, including the degree to which individuals in each category receive assistance with Medicare Parts A and B premiums and cost sharing.

Eligibility Group	Income Criteria	Resources Criteria	Medicare A/B Premium and Cost-sharing	Full Medicaid Coverage
Qualified Medicare Beneficiaries (QMB) Only*	≤ 100% of the Federal Poverty Level (FPL)	≤ 3 times the Supplemental Security Income (SSI) limit, adjusted for inflation	Medicaid covers Part A and B premiums, deductibles and coinsurance	No
Qualified Medicare Beneficiaries (QMB) Plus**	≤ 100% of the FPL	≤ 3 times the SSI limit, adjusted for inflation, or a lower amount, depending on the Medicaid category under which the individual is attaining eligibility	Medicaid covers Part A and B premiums, deductibles and coinsurance	Yes
Specified Low-Income Medicare Beneficiaries (SLMB) Only*	> 100% of the FPL but < 120% of the FPL	≤ 3 times the SSI limit, adjusted for inflation	Medicaid covers Part B premium	No
Specified Low-Income Medicare Beneficiaries (SLMB) Plus**	> 100% of the FPL but < 120% of the FPL	≤ 3 times the SSI limit, adjusted for inflation	Medicaid covers Part B premium	Yes

Eligibility Group	Income Criteria	Resources Criteria	Medicare A/B Premium and Cost-sharing	Full Medicaid Coverage
Qualified Disabled and Working Individuals (QDWI)	≤ 200% of the FPL	≤ 2 times the SSI limit	Lost benefits due to returning to work, but eligible to enroll in and purchase Part A; Medicaid covers Part A premium	No
Qualifying Individuals (QI)	≥ 120% of the FPL but < 135% of the FPL	≤ 3 times the SSI limit, adjusted for inflation	Medicaid covers Part B premium	No
Full Benefit Dual Eligible (FBDE)	Varies by State	Varies by State	None	Yes

\* These beneficiaries qualify for help with Medicare costs, but do not qualify for any additional Medicaid benefits.

\*\*These individuals often qualify for full Medicaid benefits by meeting the Medically Necessary standards, or through spending down excess income to the Medically Needy level.

- 1) **Qualified Medicare Beneficiaries (QMBs) without other Medicaid (QMB Only – also known as QMB “partial benefit”):** These individuals are entitled to Medicare Part A, have income of 100% Federal poverty level (FPL) or less and resources that do not exceed three times the limit for Supplementary Social Security Income (SSI) eligibility, and are not otherwise eligible for full Medicaid benefits through the State. Medicaid pays their Medicare Part A premiums, if any, Medicare Part B premiums, and, to the extent consistent with the Medicaid State plan, Medicare deductibles and coinsurance for Medicare services provided by Medicare providers. Medicaid does not pay towards out-of-pocket costs for the deductible, premium, coinsurance, or copayments for Medicare Part D prescription drug coverage; however, these individuals are automatically enrolled in Medicare’s low income subsidy (LIS) program which provides assistance with Part D prescription drug costs.
  
- 2) **Qualified Medicare Beneficiaries (QMBs) with full Medicaid (QMB Plus – also known as QMB “full benefit”):** These individuals are entitled to Medicare Part A, have income of 100% FPL or less and resources that do not exceed three times the limit for SSI eligibility, and are eligible for full Medicaid benefits. Medicaid pays their Medicare Part A premiums, if any, Medicare Part B premiums, and, to the extent consistent with the Medicaid State plan, Medicare deductibles

and coinsurance, and provides full Medicaid benefits. These individuals often qualify for full Medicaid benefits by meeting Medically Needy standards, or by spending down excess income (usually because of incurred medical or custodial care expenses) to the Medically Needy level. Medicaid does not pay towards out-of-pocket costs for the deductible, premium, coinsurance, or copayments for Medicare Part D prescription drug coverage; however, these individuals are automatically enrolled in Medicare's low income subsidy (LIS) program which provides assistance with Part D prescription drug costs.

- 3) **Specified Low-Income Medicare Beneficiaries (SLMBs) without other Medicaid (SLMB only – also known as SLMB “partial benefit”):** These individuals are entitled to Medicare Part A, have income of greater than 100% FPL, but less than 120% FPL and resources that do not exceed three times the limit for SSI eligibility, and are not otherwise eligible for Medicaid. Medicaid pays their Medicare Part B premiums only. These individuals do not qualify for any additional Medicaid benefits. Medicaid does not pay towards out-of-pocket costs for the deductible, premium, coinsurance, or copayments for Medicare Part D prescription drug coverage; however, these individuals are automatically enrolled in Medicare's low income subsidy (LIS) program which provides assistance with Part D prescription drug costs.
- 4) **Specified Low-Income Medicare Beneficiaries (SLMBs) with full Medicaid (SLMB Plus – also known as SLMB “full benefit”):** These individuals meet the standards for SLMB eligibility and also meet the criteria for full State Medicaid benefits. They are entitled to Medicare Part A, have income of greater than 100% FPL, but less than 120% FPL and resources that do not exceed three times the limit for SSI eligibility, and are eligible for full Medicaid benefits. Medicaid pays their Medicare Part B premiums and provides full Medicaid benefits. These individuals often qualify for Medicaid by meeting Medically Needy standards or by spending down excess income to the Medically Needy level. Medicaid does not pay towards out-of-pocket costs for the deductible, premium, coinsurance, or copayments for Medicare Part D prescription drug coverage; however, these individuals are automatically enrolled in Medicare's low income subsidy (LIS) program which provides assistance with Part D prescription drug costs.
- 5) **Qualified Disabled and Working Individuals (QDWIs – also known as QDWI “partial benefit”):** These individuals lost their Medicare Part A benefits due to their return to work. They are eligible to enroll in and purchase Medicare Part A benefits, have income of 200% FPL or less and resources that do not exceed two times the limit for SSI eligibility, and are not otherwise eligible for Medicaid. Medicaid pays the Medicare Part A premiums only. Medicaid does not pay towards out-of-pocket costs for the deductible, premium, coinsurance, or copayments for Medicare Part D prescription drug coverage.

- 6) **Qualifying Individuals (1) (QI-1s – also known as “partial benefit”):** This group is effective 1/1/1998 – 3/31/2014. There is an annual cap on the amount of money available, which may limit the number of individuals in the group. These individuals are entitled to Medicare Part A, have income of at least 120% FPL, but less than 135% FPL, resources that do not exceed three times the limit for SSI eligibility, and are not otherwise eligible for Medicaid. Medicaid pays their Medicare Part B premiums only. Medicaid does not pay towards out-of-pocket costs for the deductible, premium, coinsurance, or copayments for Medicare Part D prescription drug coverage; however, these individuals are automatically enrolled in Medicare’s low income subsidy (LIS) program which provides assistance with Part D prescription drug costs.
  
- 7) **Other Full Benefit Dual Eligible (FBDE):** These individuals are entitled to Medicare Part A and/or Part B and are eligible for full Medicaid benefits. They are not eligible for Medicaid as a QMB, SLMB, QDWI, or QI. Typically, these individuals are eligible for Medicaid either categorically (recipients whose income and assets do not need to be retested – for example, recipients of Supplemental Security Income (SSI)) or through optional coverage groups, such as Medically Needy or special income levels for institutionalized or home and community-based waivers. Medicaid provides full Medicaid benefits and pays for Medicaid services provided by Medicaid providers, but Medicaid will only pay for services also covered by Medicare if the Medicaid payment rate is higher than the amount paid by Medicare, and, within this limit, will only pay to the extent necessary to pay the beneficiary’s Medicare cost sharing liability. Payment by Medicaid of Medicare Part B premiums is a State option; however, States may not receive federal financial participation (FFP) for Medicaid services also covered by Medicare had they been enrolled. Medicaid does not pay towards out-of-pocket costs for the deductible, premium, coinsurance, or copayments for Medicare Part D prescription drug coverage; however, these individuals are automatically enrolled in Medicare’s low income subsidy (LIS) program which provides assistance with Part D prescription drug costs.

### **Eligibility Categories and Assistance with Medicare Part C Costs**

Medicare Part C (Medicare health plans – also called Medicare Advantage) is a type of Medicare health plan offered by a private company that contracts with Medicare to provide all Part A and Part B benefits. Medicare Advantage Plans include: Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), Private Fee-for-Service Plans, Special Needs Plans, and Medicare Medical Savings Account Plans. Beneficiaries enrolled in Medicare Part C receive all Medicare services through the plan and not under Original Medicare; this includes prescription drug coverage.

The following chart can be used to determine the Medicaid liability for Medicare Part C cost-sharing for a Medicare-Medicaid enrollee. Additional factors also determine whether Medicaid is liable for coverage of cost-sharing in Medicare Advantage plans. These factors include: the dual eligible coverage category, the type of cost-sharing, the options elected by the State, and payment limitations specified in the State Medicaid plan.

### Medicare Part C cost-sharing Chart

Eligibility Group	Part C Premium (for Basic Medicare Part A and Part B Benefits and Mandatory Supplemental Benefits)	Part C Premium for Optional Supplemental Benefits	Medicare Deductible, Coinsurance, and Copayment (except Part D)*	Out-of-Pocket Cost-sharing
QMB Only	Optional	Not allowed	Required	Required
QMB Plus	Optional	Optional	Required	Required
SLMB Only	Not allowed	Not allowed	Not allowed	Not allowed
SLMB Plus	Not allowed	Optional	Conditional**	Conditional**
QI	Not allowed	Not allowed	Not allowed	Not allowed
QDWI	Not allowed	Not allowed	Not allowed	Not allowed
Other FBDE	Not allowed	Optional	Conditional**	Conditional**

\* The Social Security Act specifies that Federal Financial Protection is not available for the coverage of Medicare Part D drugs for Medicare Part D eligible individuals.

\*\*States may pay Medicare Part C cost-sharing for QMBs and full benefit dual eligibles if the service in question is covered by both Medicare and Medicaid, the Medicare provider is also enrolled as a State Medicaid provider, and the amount specified in the State plan is greater than the Medicare payment amount.