



Prohibition on Billing Qualified Medicare Beneficiaries



What's Changed?

Note: No substantive content updates.

Medicare providers and suppliers, including pharmacies, must not bill Medicare patients in the Qualified Medicare Beneficiary (QMB) group for Medicare Part A or Medicare Part B cost sharing. This includes Part A and Part B [deductibles, coinsurance, and copayments](#).

The QMB group is a Medicaid eligibility group through which states pay Medicare premiums and cost sharing for certain low-income Medicare patients. The QMB group is one of the [Medicare Savings Programs](#).

All Original Medicare (also called Fee-for-Service Medicare) and Medicare Advantage (MA) providers and suppliers must:

- Make sure you don't bill QMBs for Medicare cost sharing
- Remedy any QMB billing or collections

To do this, Medicare providers and suppliers should:

- Implement processes to ensure compliance with QMB billing prohibitions
- Make sure their office staff and vendors are using systems to identify the QMB status of Medicare patients

Federal Law Prohibits Billing QMBs

Federal law prohibits all Original Medicare and MA providers and suppliers (not only those that accept [Medicaid](#)) from billing QMBs for Part A and Part B cost sharing. Even if you don't receive full payment from Medicaid, you must not bill a QMB. These billing protections apply to all dates of service on which a patient is a QMB. You're violating your Medicare provider agreement or obligations under Medicare Part C and may be subject to sanctions if you don't follow QMB billing prohibitions (even when Medicaid pays nothing). Sections 1902(n)(3)(B), 1902(n)(3)(C), 1905(p)(3), 1866(a)(1)(A), and 1848(g)(3)(A) of the [Social Security Act](#) have more information.

Medicare providers and suppliers may bill state Medicaid programs for Medicare cost sharing. States must have a way for Medicare providers to enroll in the Medicaid program for processing QMB claims for state payment of Medicare cost sharing even if a service or provider category isn't currently recognized in the Medicaid State Plan. States can limit Medicare cost-sharing payments under certain circumstances. See the informational bulletin [Payment of Medicare Cost Sharing for Qualified Medicare Beneficiaries \(QMBs\)](#) and [42 CFR 455.410\(d\)](#).

Certain Medicare provider and supplier types may seek payment for unpaid Medicare deductible, coinsurance, or copayment amounts as a Medicare bad debt. You must:

- Bill the state to determine the state's Medicare cost-sharing liability
- Receive a Medicaid remittance advice (RA) before claiming a bad debt on the Medicare cost report

See [42 CFR 413.89](#) and the [Provider Reimbursement Manual, Part 1](#), Chapter 3 for more information on bad debts.

The Impact of Improper Billing

Despite the law, some providers and suppliers, including pharmacies, continue to improperly bill QMBs for Medicare cost sharing. Many QMBs don't know the billing restrictions (or they're concerned about damaging relationships with providers) and sometimes pay the cost-sharing amounts. Providers and suppliers referring unpaid bills to collection agencies may cause undue stress to QMBs. [Access to Care Issues Among Qualified Medicare Beneficiaries \(QMB\)](#) has more information.

How to Ensure Compliance

- Identify whether a patient is a QMB and doesn't owe Medicare cost sharing by [checking the patient's eligibility](#):
 - Access your Medicare Administrative Contractor's (MAC's) online provider portal. Each MAC offers its own provider portal. Find your [MAC's website](#) to register.
 - Request eligibility verification from your third-party vendor, billing agency, or clearinghouse. Ask how their products reflect the QMB information from the [HIPAA Eligibility Transaction System \(HETS\)](#).
 - Review the provider Medicare RA notices and patient Medicare Summary Notices (MSNs).
 - Use an automated Medicaid eligibility verification system in the state where the patient lives.
 - Ask your patient for other proof, like their Medicaid identification card, MSN, or other QMB status documentation.
 - Use the Medicare Eligibility Verification transaction (E1 transaction) for pharmacies. Pharmacy providers may submit E1 transactions and receive a real-time response that includes Part A, Part B, and Medicare Part D enrollment information.
 - If you're an MA provider or supplier, contact the MA Plan to learn the best way to identify the QMB status of plan members both before and after claims submission.
- Recall any bills for QMB Medicare cost sharing or bills you turned over to collections. Refund any collected QMB cost-sharing money to the QMB.
- Determine how to bill the appropriate state for Medicaid payment of Medicare cost sharing. Nearly all states and many Medicaid managed care plans participate in an electronic crossover system to automatically process Medicare-adjudicated QMB claims for Medicaid payment of Medicare cost sharing.
 - If a Medicare-adjudicated claim is automatically transmitted from Original Medicare to the state or Medicaid managed care plan under this crossover process, it's noted on the Medicare RA.
 - States must allow enrollment of all Medicare-enrolled providers and suppliers for submitting claims for state payment of Medicare cost sharing even if a provider or supplier isn't eligible to enroll with the state. Contact the state Medicaid Agency for additional information regarding Medicaid provider enrollment.

Important Reminders

- You **must not** charge a patient enrolled as a QMB for Medicare cost-sharing amounts even if their QMB benefit is from a different state than the state where they get care
- QMBs **may not** elect to pay Medicare deductibles, coinsurance, and copayments

Resources

- [Beneficiaries Dually Eligible for Medicare & Medicaid](#)
- [Qualified Medicare Beneficiary \(QMB\) Group](#)
- [Change Request 9817: Issuing Compliance Letters to Specific Providers and Suppliers Regarding Inappropriate Billing of Qualified Medicare Beneficiaries \(QMBs\) for Medicare Cost-Sharing](#)
- [Provider Enrollment and Third Party Liability for Items and Services Rendered to Dually Eligible Individuals](#)
- [Medicare Claims Processing Manual, Chapter 1](#), section 200

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