



Date: December 13, 2019

To: State Medicaid Agencies and Interested Stakeholders

From: Sharon Donovan, Director, Program Alignment Group, Medicare-Medicaid Coordination Office (MMCO)

Subject: Opportunity to Review and Comment on the Updated Manual for State Payment of Medicare Premiums (formerly “State Buy-in Manual”) **by February 29, 2020**

We are writing to share a draft updated Manual for State Payment of Medicare Premiums (formerly called “State Buy-in Manual”) for your review and comment. The draft manual updates information and instructions to states on federal policy, operations, and systems concerning the payment of Parts A and B premiums (or buy-in) for individuals dually eligible for Medicare and Medicaid. The manual update is part of CMS’ Better Care for Dual Eligible Individuals Strategic Initiative aimed at improving quality, reducing costs and improving customer experiences.

States pay Medicare Part B premiums each month for over 10 million individuals and Part A premiums for over 700,000 individuals. This process promotes access to Medicare coverage for low-income older adults and people with disabilities, and it helps states ensure that Medicare pays primary to Medicaid for its dually eligible residents. Despite the importance of this process, federal guidance on buy-in is out-of-date. We believe that updating this guidance will improve experiences and reduce burden for beneficiaries, states, and the federal government.

We are proposing to significantly revise all chapters of the manual, some of which have not been updated since the 1990s and are not yet available online. The draft manual reflects current statute, regulation, operations, and systems changes that have evolved over time. The draft manual also re-organizes content to make it easier for states to discern federal requirements and find information.

Chapter 1, *Buy-in Overview and Policy*, consolidates Parts A and B buy-in background and policy (including definitions for key buy-in terms) and reflects the following statutory and regulatory changes since the last manual updates:

- Clarification that state buy-in agreement is reflected in the Medicaid State Plan pre-print form, in addition to the stand-alone buy-in agreement.

- Expanded explanation of Medicare eligibility and enrollment information.
- Clarifications regarding federal policy requirements on Medicaid redeterminations, terminations, retroactive Part A awards, and buy-in start dates for people who qualify for buy-in on multiple bases.
- Clarifications regarding the options for Part B buy-in groups.
- New descriptions of streamlined enrollment procedures and CMS expectations regarding when a state should enroll an individual in buy-in directly without referring them to the Social Security Administration (SSA).
- Updates regarding the SSA conditional Medicare Part A enrollment process for Qualified Medicare Beneficiary (QMB)-eligible persons who lack Premium-free Part A.

Chapter 2, *State Data Exchange with Medicare*, is an overview of the CMS buy-in system and describes data sharing with states and SSA systems for buy-in transactions, including:

- A high-level overview and diagram of the buy-in data exchange involving states, CMS, and SSA.
- New systems tips regarding state buy-in submissions to CMS.
- Expanded descriptions of processes to initiate buy-in for cash-related recipients and other individuals.
- Important processing steps for QMBs.
- Expanded explanation of CMS processes when a state indicates a beneficiary is no longer eligible for Part B buy-in.
- Clarifications regarding state procedures to establish past periods of buy-in coverage.

Chapters 3-4 include updates to file layouts and codes; Chapter 5 includes updates to premium billing; and Chapter 6 includes updates to resources for states. At a later date, we plan to include a chapter addressing issues specific to the unique structure of territory program operations.

We welcome your input! To submit comments or questions on the draft manual:

- You must use the excel document posted at <https://www.cms.gov/medicare-medicaid-coordination/medicare-medicaid-coordination-office/state-payment-medicare-premiums>.
- Note the organization name, contact name, contact email and telephone number.
- Submit comment/question submission in the following format:
 - Use one line per comment/question
 - Note section name and number, page number, and description of issue/question in the designated columns
 - Describe specific revision/comment in the “comment” column

- Save the Excel document using your organization's name and the date, e.g.
"State_Payment_Medicare_Premium_ORGANIZATION_02.28.2020"

Submit excel document by 5:00 p.m. EST on February 29, 2020 to CMS

ModernizetheMSPs@cms.hhs.gov.

Contact Susan Hill by email at Susan.hill@cms.hhs.gov if you have questions or concerns.