

Operations Memorandum - Medicaid OPS101101

November 29, 2010

SUBJECT: Changes to Buy-In Enrollment Due to Garcia v. Johnson
TO: Executive Directors
FROM: Lourdes Padilla, Acting Director, Bureau of Operations

PURPOSE

To provide guidance regarding recent procedural changes when authorizing Buy-In. This Operations Memorandum is effective immediately.

BACKGROUND

In April 2009, a class action lawsuit, Garcia vs. Johnson, was filed in the United States District Court. The purpose of the lawsuit was to have changes made to the way individuals are enrolled in Medicare Buy-In; eligibility determinations for retroactive benefits; the timeliness of enrollment; and the way information is shared between the Department of Public Welfare (DPW), the Centers for Medicare and Medicaid Services (CMS) and the Social Security Administration (SSA).

Buy-In is the process by which DPW pays the Medicare premium for an eligible individual with Medicare. Buy-In is also known as the Medicare Savings Program.

The purpose of the Buy-In program is to transfer medical costs from the Medical Assistance (MA) program to the federally-funded Medicare program and to provide help with Medicare costs for low-income individuals who qualify. Medicare becomes the primary payer for medical bills.

DISCUSSION

In April 2010, a settlement was reached by both parties and, as a result, several changes have been made to the Buy-In process:

- The monthly Buy-In enrollment file sent from DPW to CMS was changed to a daily file in June 2010.
- The monthly Buy-In response file returned from CMS to DPW will become a daily file in November 2010.

- System changes were made to the automatic enrollment process.
- When CMS demographic information does not match DPW demographic information, a disposition is set on IEVS exchange 7. This mismatch is identified as 2163.
 - The mismatch is to be resolved within 30 days. The County Assistance Office (CAO) will do the following to resolve the mismatch:
 1. Review the available information to determine what is causing the mismatch.
 2. When the cause of the mismatch **CAN** be identified, correct the information and resubmit the enrollment request.
 - This may require consultation with the MA Ombudsman.
 3. If the cause of the mismatch **CANNOT** be determined, the CAO is to send an email requesting a review to: PW, Buy-In (ra-buyin@state.pa.us).
- The following information should be included in the email request:
 - County and case record number
 - Name of the individual
 - SSN of the individual
 - Rejection code.
 - At the same time the email request is sent, but no later than 30 days following the date the disposition is set, the CAO will send the individual a PA 1877 Delay In Buy-In Enrollment form informing the individual there may be a delay in Buy-In enrollment.
 - The CAO will receive an email response within 2-3 business days.

- If the discrepancy is not resolved by the 35th day, the CAO will be advised to contact SSA via fax.
- A fax referral form is being developed for this purpose.

NOTE: Information available from IEVS exchange 7 must be reviewed at the time of application or renewal. This information is considered verified upon receipt.

The CAO is to utilize the Workload Dashboard to track the number of days a disposition has been pending. Supervisors monitor the pending dispositions on the Dashboard in order to ensure prompt resolution.

The CAO must act (review and adjust benefits as needed, narrate and clear the hit) on “new” or changed information (identified by the system) within 45 calendar days of posting the information to IEVS.

• Updates and corrections are being made to the current Buy-In e-learning module found on the OIM Staff Development website.

- The CAO is to access the OIM Staff Development website and retake the newly modified e-learning when it is available.
- A **MANDATORY** e-learning module is being developed which incorporates the changes discussed in this Operations Memorandum. It is anticipated to be available in December 2010.

The CAO will be notified when the mandatory e-learning module is available.

- The PA 600 M (Application for Payment of Medicare Premium and/or Health Care Coverage) is being revised to reflect language for retroactive payment of Medicare Part B premiums and to ensure the document captures only that information necessary to determine eligibility or for data reporting purposes.

- If an individual with Medicare applies on an application other than the PA 600 M, the CAO is still responsible to make a determination for retroactive Buy-In eligibility. This was addressed in PMA15111388 (issued 1/27/10).
- If an individual is determined to be ineligible for retroactive Buy-In, the CAO is to send a rejection notice. The notice must specify that the rejection is for ineligibility for retroactive Buy-In and will state the rejection reason as well as how to appeal the rejection.
 - The notice template will be available on Docushare in the future.
 - Use the following notice text; choose the appropriate rejection reason.

You may be eligible for a refund of the Part B premiums that were taken out of your Social Security check for up to three months before you applied for Medical Assistance. If DPW has not approved you for Medicare Buy-In for the three months before you applied, you can appeal.

This notice is being sent in response to your request for retroactive payment of your Medicare premiums.

You do not qualify to have Medicare premiums paid for the month(s) of _____ because:

1. ___ You were not eligible for Medicare until _____.

Citation: 55 Pa. Code §§ 140.221(3) and 55 Pa. Code §§ 140.335

2. ___ Your countable income of \$_____ was too high to qualify for the state to pay your premiums.

Citation: 55 Pa. Code §§ 140.231

3. ___ Your countable resources of \$_____ were too high to

qualify for the state to pay your premiums.

Citation: 55 Pa. Code §§ 140.301

- Medical Assistance Handbook Chapter 388 (Buy-In) is being revised to reflect the correct procedure for Buy-In enrollment and retroactive eligibility.
- The CAO is to review the revisions to ensure the correct policy and procedures are being applied.

NEXT STEPS

1. Share this information with appropriate staff
2. Contact your Area Manager with any questions.

Attachments: [Delay in Enrollment Letter \(PA 1877\)](#)

[SSA Medicare Coordinators Contact List](#)

[Fax Referral Form \(PA 1882\)](#)