

# Operations Memorandum - Medicaid

## OPS100203

February 23, 2010

**SUBJECT: Using Data from the Social Security Administration (SSA) to Determine Eligibility for Medicare Savings Programs (MSP)**

**TO: Executive Directors**

**FROM: Joanne Glover, Director, Bureau of Operations**

### **Purpose**

To explain the procedure the County Assistance Offices (CAOs) will use to process applications for Medicare Savings Programs based on information provided by SSA, effective March 1, 2010.

### **Background**

On December 8, 2003, former President George W. Bush signed into law the Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 (P. L. 108-173). The legislation provides Medicare-covered seniors and Medicare-covered individuals living with disabilities with a prescription drug benefit.

The Medicare Part D program provides some individuals with help paying for prescription drugs. The drug benefit, added to Medicare by MMA, began in January 2006. Unlike coverage in Medicare Parts A and B, Part D coverage is not provided within the traditional Medicare program. Instead, beneficiaries must affirmatively enroll in one of many hundreds of Part D plans offered by private companies.

The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) made changes to some of the rules about who is eligible for the Low Income Subsidy (LIS), effective January 1, 2010.

### **Discussion**

Some Medicare beneficiaries are eligible for Extra Help, which is also called the LIS, to pay for the costs - monthly premiums, annual deductibles, and prescription co-payments - related to a Medicare prescription drug plan. The LIS is estimated to be worth an average of \$3,900 per year. To qualify for the LIS, an individual must have Medicare Part A and/or Part B, have limited income and resources, and reside in one of the 50 states or the District of Columbia.

SSA has the primary role in determining eligibility for the LIS. If someone is found eligible for the LIS, they must enroll in a Medicare Part D Plan (if not already enrolled) to get the help that LIS provides with prescription drug costs.

The MIPPA made changes to some of the rules about who is eligible for the LIS. Additionally, beginning January 1, 2010, states started receiving information from SSA about LIS applicants and must use this information to determine eligibility for one of the Medicare Savings Programs.

Medicare Savings Programs are also referred to as Buy In. Buy-In is the process by which states pay Medicare premiums for eligible individuals. The purpose of the Buy-In program is to transfer medical costs from the MA program to the federally-funded Medicare program and to provide help with Medicare costs for low-income individuals who are above the eligibility limits for MA.

Until system changes are made to automate the eligibility process, CAOs are to use the procedures outlined below, to process the data supplied by SSA.

Beginning March 1, 2010, CAOs will receive a weekly file on the OIM server with information sent by SSA on individuals who have applied for Extra Help with Medicare Prescription Drug Plan Costs. The information contained within the files is considered verified upon receipt. The CAO is not to request any additional information from the individual to process the authorization.

## **Procedure**

### **Data Elements:**

The file will be run weekly on Fridays after 6:00 P.M. and will be available on Monday for review on the OIM server <http://oimweb/SecureCAO/> contained in a folder named MSP. When it is received, the CAO must register the individual file data as an application in Application Processing (AP) using an existing record number, if known to CIS, or assigning a new record number if unknown to CIS.

The file will contain three lists of individuals. Depending upon the list, some or all of the following data elements will be included.

- Last Name
- First Name
- Middle Initial
- Social Security Number (SSN)
- HIC Number
- Date of Birth (DOB)
- Address

- Spouse Last Name
- Spouse First Name
- Spouse SSN
- Spouse DOB
- Category of eligibility
- Date of application (use as date of eligibility)
- County/District
- Record Number

The category will be established centrally based on the information sent from SSA and will be included in the data file to the CAOs for processing.

Group A: (MSP CASH/MA)

Individuals active for CASH/MA regardless of eligibility status.

- The list will provide the appropriate category to authorize based on the information from SSA. The information in CIS should be reviewed for accuracy and, if appropriate, Buy-In authorized.

Group B: (MSP ELIGIBLE)

Individuals inactive, unknown to CIS or receiving only Supplemental Nutrition Assistance Program (SNAP) benefits.

- These individuals will be identified as one of the following categories to be authorized by the CAO:
  1. PG 00
  2. TA/TJ 65
  3. TA/TJ 67

**NOTE:** If the individual(s) is/are active in a SNAP household, the CAO will be advised which of the three categories to enter, but will allow the system to determine eligibility using the existing income/resource information in CIS and allow the system to generate the appropriate notice.

## Group C: (MSP REJECTIONS)

### Rejections

- The CAO will reject for one of the reasons provided by SSA; **or**
- The CAO will reject due to excess income/resources.
  - If there is a “Y” in the Subsidy (SUB) column and a reason of MSP Resources, use the notice text “For individuals who do not meet the eligibility criteria for any of the categories and were not rejected by SSA.”

### **Data Entry Guidelines**

Due to limited information available from SSA, the CAO must make the following entries in CIS:

#### Application Processing:

**NOTE:** If the individual is in the rejection file, the rejection must be done from AP using Reason Code 047. The system notice must be suppressed and a preprinted manual notice found on Docushare sent to the individuals.

#### 1. CAPINE:

- Applying for - MA
- Language - English
- Name
- Address

#### 2. CAPIND: Enter information for individual and spouse (if spouse information is available)

- Name
- Applying - Y for the individual
- Date of Birth (DOB)
- Sex - M/F

- Citizen - Code 1 (US Citizen)
- SSN
- Race - Code 8 (unknown)
- Ethnicity - Code 1 (non-Hispanic)

#### Case Initiation (CI):

CI must occur after the registration of the application in the AP subsystem.

The initiation program moves information from the AP database into the transaction staging area (TSA).

All information is refreshed and displayed in the various screens even if the information cannot be updated in CI.

#### Client Information System (CIS):

##### 1. CACASE:

- Payment name and address should refresh.
  - Verification code (W).
- Housing Assistance.
  - Code 3.
- School District and Civil Subdivision
  - Entry must be appropriate for the address.

##### 2. CABSEL:

- Process budget- Select Y
- Recurring- Select R Action Code
- Begin Date- Use the Application Date found in the file

##### 3. CAIREQ:

- Select Field- Select Y

- MA Field- Select Y

4. CARMRQ:

- Indicate a “Special Request” field
  - Data file will specify the category and program status code

5. CAINDL:

- Verification code D for the following:
  - DOB
  - Citizenship
  - Social Security number
  - Identity
- Vote: Code (3)
- Marital Status
  - Single on the file- Code 1; Verification (W)
  - Couple on the file- Code 2; Verification (W)
- Education - 99

6. CAINDA:

- Disability/Blind – Y if under age 65
- Remove “Y” from Employment field if under age 65

7. CAMAIN:

- Enter “Y” in each Medicare field

8. CARESD:

- “Y” in PA Resident field
- “Y” in intention to remain in PA field

9. CADISB: (screen prompted if individual is under 65)

- MA Code 51
- Begin Date 1/1/10
- Verification Code-D

10. CASFGR: (CIS Medical budget composition)

- Confirm category
- Confirm dates

11. CARESQ:

- "N" to Resource question

12. CAINCQ:

- "N" to Income question

13. CAMBCO:

- Transmit

14. CAPVER:

- Transmit

15. CAISEL:

- Transmit

16. CABUDG:

- "None or Unknown" for Provider

17. CACMCP:

- Entry HIB # (HIC Number from the file)

18. CACNAN:

- Cancel Notice

19. CABSUM:

- Completed

Narrative Text:

The CAO will use the following narrative text after authorization:

For individual(s) **eligible** to have their Medicare Part A and/or Part B premium paid by the Commonwealth:

“Data provided by SSA indicates individual(s) is/are eligible for Medicare Savings Plan in category...”

The CAO will use the following narrative text after rejection:

For individual(s) **not eligible** to have their Medicare Part A and/or Part B premium paid by the Commonwealth:

“Data provided by SSA indicates individual(s) is/are not eligible for Medicare Savings Plan due to excess income and/or resources.”

**Next Steps**

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

[Attachment - Notice Text Document](#)