

Aged, Blind and Disabled Manual	Section: Medicare Savings Programs
Policy Manual Number: 120.010	Chapter: Qualified Medicare Beneficiary

QUALIFIED MEDICARE BENEFICIARIES

Legal Authority: Social Security Act § 1905(p)(1); 42 CFR 400.200; 42 CFR 435.406

1. Overview

The Medicare Catastrophic Coverage Act (MCCA) of 1988 established the Qualified Medicare Beneficiary (QMB) program. The QMB program provides Medicaid benefits to individuals who are entitled to Medicare Part A, have monthly income and resources under the specific limits and who meet the non-financial eligibility requirements of the Medicaid program. Individuals enrolled in QMB receive Medicaid payment of Medicare premiums, coinsurance and deductibles for Medicare-covered services.

2. Policy Statement

To be eligible in the QMB category an individual must be entitled to Medicare Part A, have income that does not exceed 100% of the Federal Poverty Level (FPL) and not have resources over \$7,730 for an individual or \$11,600 for a couple.

3. QMB Benefits

QMB benefits include payment of:

- Medicare Part A premiums (for individuals who do not receive premium free Part A coverage);
- Medicare Part B premiums;
- Medicare deductibles; and
- Medicare coinsurance (the cost share amount the enrollee is responsible pay).

NOTE: QMB recipients are not subject to Medicare co-pay provisions.

QMB eligibility will establish Medicare Part B effective the month after approval, even if the individual had previously refused Part B coverage. QMB eligibility will also establish Medicare Part A, if the applicant has already established Part B coverage. TennCare will automatically establish Part A or B coverage with the Social Security Administration (SSA), therefore it is not necessary to refer these individuals to the SSA.

4. QMB Effective Date

The eligibility start date is the first day of the month after the application is approved.

NOTE: QMB is the only MSP in which the coverage effective date is first day of the month after the application is approved.

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5. Non-Financial

a. Medicare Part A (Hospital Insurance)

Individuals must be entitled to Medicare Part A benefits. Individuals may be either entitled to receive premium-free Medicare Part A, or eligible to purchase Medicare Part A. See *Medicare Savings Program Overview* policy.

TennCare will use an individual's Social Security Number (SSN) to verify his or her entitlement to and receipt of Medicare Part A benefits with the SSA.

Applicants who are enrolled in Part B only, but are otherwise eligible for QMB, will be determined eligible for QMB and the state will automatically enroll them into Medicare Part A.

b. Age

If an applicant is eligible on the basis of age, he or she must be age 65 or older. There is no age limit for individuals who are eligible on the basis of disability.

c. Citizenship

Individuals must be U.S. citizens, U.S. nationals or eligible non-citizens. Individuals are not required to provide documentary evidence of citizenship or national status if they are entitled to or enrolled in any part of Medicare.

d. Enumeration

Individuals must possess and provide a valid SSN or proof of application for an SSN, unless they meet an exception.

e. State Residence

Individuals in this category must be residents of Tennessee.

6. Financial

a. Household Composition

Household composition is governed by the principle of Financially Responsible Relatives (FRR) and the applicant/enrollee's living arrangements. See *ABD Household Composition* policy.

b. Income Limit

The income limit for receiving benefits in this category is up to 100% FPL.

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c. Resource Limit

The resource limit for receiving benefits in this category is:

- \$7,730 for an individual; or
- \$11,600 for a couple.

d. Cost of Living Adjustment (COLA) Disregard

The SSA is responsible for applying COLA to its benefit programs, including Old-Age, Survivors, and Disability Insurance (OASDI), Railroad Retirement Benefits (RRB), and Supplemental Security Income (SSI). If the SSA applies a COLA for a given year, it is applied on January 1st of that year. However, the annual update for FPLs is not typically released until March or April. This can cause individuals who were previously QMB eligible to become income-ineligible due to their increased Social Security income in the period between the COLA adjustment and the FPL increase.

To address the discrepancy caused by the timing of the COLA and FPL adjustments, QMB enrollees who become income-ineligible in January are provided with a COLA disregard for the months of January, February, March, and if needed, April. The COLA disregard is equal to the amount of the monthly COLA increase.

e. Budget Overview

1. Child Support Calculation

- Gross Child Support
- 1/3 Reduction if all reduction requirements are met (see ABD Unearned Income policy)
- = Total Countable Child Support

2. Total Gross Unearned Income Computation

- Deemed Income from Parent(s)
- + Deemed Unearned Income from Spouse
- + Unearned Income (other than child support)
- + Total Countable Child Support
- = Gross Unearned Income

3. Total Gross Earned Income Computation

- Total Countable Earned Income
- + Self-Employment Income
- + Deemed Earned Income from a Spouse or Parent
- Disabled Student Under Age 22 Earned Income Exclusion
- = Gross Earned Income

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4. Total Net Unearned Income Computation

- Gross Unearned Income
- General Unearned Income Disregard (\$20)
- Child Support Disregard (\$50)
- = Net Unearned Income

5. Total Net Earned Income Computation

- Gross Earned Income
- General Income Disregard Remainder
- Earned Income Disregard (\$65)
- Disabled Work Expense
- ½ Disregard
- Blind Work Expense
- = Net Earned Income

6. Countable Income Computation

- Net Unearned Income
- + Net Earned Income
- = Total Countable Income

If the applicant's total countable income is equal to or less than 100% FPL, based on household size, then he or she is income eligible for QMB.

f. Example Budget

Mr. Johnson is applying for a Medicare Savings Program (MSP). He is entitled to and enrolled in Medicare Parts A and B, and meets all non-financial eligibility requirements. Mr. Johnson has \$600 in OASDI payments per month, \$150 in unearned income per month, and \$0 in earned income. Mr. Johnson is not married.

1. Total Gross Unearned Income Computation

- = \$750 Total Gross Unearned Income

2. Total Gross Earned Income Computation

- = \$0 Total Gross Earned Income

3. Total Net Unearned Income Computation

- \$750 Gross Unearned Income
- \$20 General Income Disregard
- = \$730 Total Net Unearned Income

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4. Total Net Earned Income Computation

= \$0 Total Net Earned Income

5. Total Countable Income

\$730 Net Unearned Income
+ \$0 Net Earned Income
= \$730 Countable Income

Mr. Johnson’s total countable income, \$730, is less than 100% FPL, \$981, for a household of one so he is income eligible in the QMB category.

The above budget is current as of March 2015.

7. QMB and TennCare Medicaid Eligibility

Individuals may be eligible for both TennCare Medicaid and QMB, with the exception of TennCare Standard. Only individuals with “grandfathered status” in TennCare Standard may be eligible for both TennCare Standard and QMB because TennCare Standard enrollees, other than those with grandfathered status, are not allowed to have access to third party insurance.

Applicants/enrollees may not receive benefits in more than one MSP.

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Revision History					
Revision Date	Section	Section Title	Page Number(s)	Reason for Revision	Reviser
6.2.2017	2	Policy Statement	1	Policy Change	RH
6.2.2017	6-c	Financial	2-3	Policy Change	RH
1.3.2018	1	Overview	1	Policy Clarification	AJ
1.3.2018	2	Policy Statement	1	Policy Change	AJ
1.3.2018	6-c	Financial – Resource Limit	2-3	Policy Change	AJ
01.02.2019	2.; 6.c.	Policy Statement; Resource Limit	1-3	Policy Clarification	TN