

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

QUALIFIED MEDICARE BENEFICIARY

Legal Authority: Social Security Act §1905(p)(1); 42 CFR 400.200; 42 CFR 435.406; Tenn. Comp. R. & Regs. 1200-13-20-.08(7)(a)

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 \$9,430 for an individual or \$14,130 for a couple.

3. QMB Benefits

QMB benefits include payment of:

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

Note: QMB recipients are not subject to Medicare copay 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 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 Eligibility Requirements

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 the *Medicare Savings Program Overview* policy.

TennCare will use an individual's Social Security Number (SSN) to verify his 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 enroll them into Medicare Part A once the Medicare Buy-in Unit is notified by the eligibility worker. See the *Medicare Savings Program Overview* policy for additional information on when to notify TennCare's Medicare Buy-in Unit.

b. Age

If an applicant is eligible on the basis of age, he 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 Eligibility Requirements

a. Eligibility Determination Group

The Eligibility Determination Group (EDG) is governed by the principle of Financially Responsible Relatives (FRR) and the applicant/enrollee's living arrangements. See the *ABD Eligibility Determination Group* policy.

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b. Income Limit

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

c. Resource Limit

The resource limit for receiving benefits in this category is:

- i. \$9,430 for an individual; or
- ii. \$14,130 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

Mr. Johnson is applying for medical assistance. He is entitled to and enrolled in Medicare Parts A and B and meets all non-financial eligibility requirements. Mr. Johnson has \$750 in OASDI payments per month, \$150 in unearned income per month, and \$0 in earned income. Mr. Johnson is not married.

Mr. Johnson’s net countable monthly income of \$880 is less than 100% FPL, \$1,005 for an EDG size of 1, so he is income eligible in the QMB category.

Income Budget Calculation		
Unearned Income		\$ 900.00
Irregular Unearned Income Disregard		\$ 0.00
In-Kind Support and Maintenance	+	\$ 0.00
Ineligible Spouse’s Deemed Unearned Income	+	\$ 0.00
Ineligible Parent’s Deemed Income	+	\$ 0.00
General Deduction (\$20)	-	\$ 20.00

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Child Support Disregard	-	\$ 0.00
Widow/Widower Entitlement Disregard	-	\$ 0.00
DAC Entitlement Disregard	-	\$ 0.00
COLA Disregard	-	\$ 0.00
Total Net Unearned Income	=	\$ 880.00
Self-Employment Income		\$ 0.00
Earned Income	+	\$ 0.00
Irregular Earned Income Disregard	-	\$ 0.00
Student Earned Income Exclusion	-	\$ 0.00
Ineligible Spouse's Deemed Earned Income	+	\$ 0.00
Remaining General Deduction	-	\$ 0.00
Earned Income Deduction	-	\$ 0.00
Impairment Related Work Expense	-	\$ 0.00
½ Deduction	-	\$ 0.00
Blind Work Expense	-	\$ 0.00
Total Net Earned Income	=	\$ 0.00
Total Countable Income (Total Net Unearned Income + Total Net Earned Income)	=	\$ 880.00
Qualified Income Trust	-	\$ 0.00
Net Countable Income		\$ 880.00
Income Test Limit		\$ 1,005.00
Income Test Result		PASS
Patient Liability		N/A

The above budget is current as of April 2017.

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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