

Aged, Blind and Disabled Manual	Section: Medicare Savings Programs
Policy Manual Number: 120.020	Chapter: Qualifying Individuals 1

QUALIFYING INDIVIDUALS 1

Legal Authority: Security Act § 1902(a)(10)(E), §1933; 42 USC 1396a(a)(10)(E)(iv); 42 CFR 435.406; Tenn. Comp. R. & Regs. 1200-13-20

1. Overview

The Balanced Budget Act (BBA) of 1997 created the Qualifying Individuals 1 (QI1) program for states to assist eligible individuals with payment of the Medicare Part B premium. The Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 permanently extended the QI1 program.

2. Policy Statement

To be eligible in the QI1 category an individual must be entitled to Medicare Part A, have income at least at 120%, but less than 135%, of the Federal Poverty Level (FPL) and not have resources over \$7,730 for an individual or \$11,600 for a couple. To be eligible in the QI1 category, individuals must not be enrolled in TennCare Medicaid or TennCare Standard.

3. QI1 Effective Date

Eligibility begins the date a TennCare application or Low-Income Subsidy (LIS) application is filed or the date all eligibility requirements are met, whichever is later.

4. QI1 Benefits

The QI1 program only pays the current Medicare Part B premium. If an applicant is approved for QI1 and previously refused Part B coverage, the QI1 approval will automatically establish Part B coverage.

5. Non-Financial Eligibility Requirements

a. Medicare Part A (Hospital Insurance)

Individuals must be enrolled in Medicare Part A. Individuals may either be 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 her entitlement to and receipt of Medicare Part A benefits with the Social Security Administration (SSA).

Applicants who are enrolled in Part B only, but are otherwise eligible for QI1, will be denied eligibility.

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.

Aged, Blind and Disabled Manual	Section: Medicare Savings Programs
Policy Manual Number: 120.020	Chapter: Qualifying Individuals 1

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.

b. Income Limit

The income limit for receiving benefits in this category is at least 120%, but less than 135% FPL for an individual or couple.

c. Resource Limit

The resource limit for receiving benefits in this category is:

- i.** \$7,730 for an individual; or
- ii.** \$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 QI1 eligible to become income-ineligible due to their increased Social Security income in the period between the COLA adjustment and the FPL increase.

Aged, Blind and Disabled Manual	Section: Medicare Savings Programs
Policy Manual Number: 120.020	Chapter: Qualifying Individuals 1

To address the discrepancy caused by the timing of the COLA and FPL adjustments, QI1 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

Mrs. Harrison is applying for medical assistance. She is entitled to and enrolled in Medicare Parts A and B, and meets all non-financial eligibility requirements. Mrs. Harrison receives \$850 in OASDI payments per month, \$430 in additional unearned income per month, and \$0 in earned income. Mrs. Harrison is not married.

Mrs. Harrison's total countable income, \$1,260, is greater than 120% FPL but less than 135%, so she is eligible for the QI1 category.

Income Budget Calculation		
Unearned Income		\$1,280.00
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
Child Support Disregard	-	\$ 0.00
Widow/Widower Entitlement Disregard	-	N/A
DAC Entitlement Disregard	-	N/A
COLA Disregard	-	N/A
Total Net Unearned Income	=	\$1,260.00
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)	=	\$1,260.00
Qualified Income Trust	-	N/A
Net Countable Income		\$1,260.00

Aged, Blind and Disabled Manual	Section: Medicare Savings Programs
Policy Manual Number: 120.020	Chapter: Qualifying Individuals 1

Income Test Limit	\$1357.00
Income Test Result	PASS
Patient Liability	N/A

The above budget is current as of April 2017.

7. QI1 and TennCare Medicaid Eligibility

QI1 enrollees may not also enroll in TennCare Medicaid or TennCare Standard. If an applicant is eligible for a TennCare Medicaid category and QI1, she should be determined eligible in the TennCare Medicaid category.

Applicants/enrollees may not receive benefits in more than one Medicare Savings Program.

Aged, Blind and Disabled Manual	Section: Medicare Savings Programs
Policy Manual Number: 120.020	Chapter: Qualifying Individuals 1

Document Title	Qualified Individuals 1				
First Published	03.18.2015				
Revision History					
Revision Date	Section	Section Title	Page Number(s)	Reason for Revision	Reviser
06.02.2017	1.; 6.c.	Policy Statement; Resource Limit	1-2	Policy Clarification	RH
01.03.2018	2.; 5.a.; 6.c	Policy Statement; Medicare Part A (Hospital Insurance); Resource Limit	1-2	Policy Clarification	AJ
03.18.2019	2.; 6.a.; 6.c.; 6.e.	Legal Authority; Policy Statement; Eligibility Determination Group; Resource Limit; Budget	1-2	Policy Clarification	ME