TIME RUNNING OUT ON OPPORTUNITY FOR SOME TO ENROLL IN QMB PROGRAM

Attention advocates for residents of the following states: Alabama, Arizona, California, Colorado, Illinois, Kansas, Kentucky, Louisiana, Missouri, Nebraska, New Jersey, New Mexico, Oregon, South Carolina, Utah and Virginia.

According to the Centers for Medicare and Medicaid Services (CMS), your state does not have a Part A Buy-In Agreement that allows individuals to enroll in Medicare Part A at any time during the year in order to become eligible for Medicare cost-sharing benefits under the Qualified Medicare Beneficiary program (QMB). If your clients don’t currently have Medicare Part A, to be entitled to QMB benefits in 2005, they must enroll in Part A before March 31, 2005. For those who can’t afford the Part A Premium, a conditional application process may be available.

What is QMB?

Under the QMB program, states must pay Medicare premiums, deductibles and co-insurance for aged and disabled people with incomes below 100% of federal poverty levels and with countable resources below $4,000 for an individual and $6,000 for a couple. The current 2005 income eligibility limit for QMBs is $796 per month for an individual and $1061 per month for a couple. This amount includes a universal $20 income disregard. (The monthly eligibility limit will increase after the publication of annual income poverty guidelines in February or March.) QMB benefits for 2005 include over $938 in Part B premiums, a $912 hospital deductible, $114/day co-payment for skilled nursing facility services after the 20th day, the Part B annual deductible of $110, as well as the 20% co-insurance on most Part B services.

Eligibility for the QMB program is dependent upon an individual's entitlement to Part A Medicare benefits. Most Medicare beneficiaries receive Part A benefits without payment of a premium as a result of having participated in Social Security-covered work. People age 65 and over who are not so entitled but who elect to purchase Part B coverage may also purchase Part A, but it is very expensive - $375/month for those with 29 or fewer quarters of Social Security coverage and $206/month for those with 30-39 quarters. The full payment is nearly 50% of the monthly income of one who would be eligible for the QMB program.

Procedure for Purchasing Part A

As a general matter, after the seven month period surrounding their 65th birthday, individuals are entitled to enroll in Part A or Part B only during the Medicare General Enrollment Period which runs from January 1 through March 31 of each year. Eligibility begins July 1 of the same year.
for those so enrolled. A financial penalty is assessed for each month that has elapsed since a beneficiary's initial enrollment opportunity.

**Conditional Application for Part A Medicare for potential QMBs**

A conditional application process has been created to address the dilemma of people who wish to enroll in Part A to become QMBs, but who cannot afford to pay the Part A premium. Under conditional enrollment, the individual is considered to be enrolled in Part A for QMB purposes, but if s/he is found not eligible as a QMB, the Part A enrollment is dropped so that s/he is not personally liable for the premium. While it seems that not all states use the conditional enrollment process and it is not clear there is a legal basis for making them do so, it is worth exploring in your state. You should call both your local Social Security office and your state Medicaid agency and ask if they honor conditional enrollment in Medicare Part A for eligibility for Qualified Medicare Beneficiary benefits, and if so, how the process works.

Even if you are unable to get a clear answer, you might pursue such enrollment as follows: You should secure for your client a Form 795 from the Social Security Administration (SSA) (available online at [www.ssa.gov/online/ssa-795.pdf](http://www.ssa.gov/online/ssa-795.pdf)) and type into the large blank (lined) space the following: "I wish to enroll for Hospital Insurance under Medicare on a monthly premium basis, which is in addition to my current coverage for Medical Insurance. I understand that the State will pay my premium based on my eligibility to Medicaid (Medical Assistance) as a Qualified Medicare Beneficiary. I also understand that if I am terminated under Medicaid (Medical Assistance) as a Qualified Medicare Beneficiary, I will have to pay my premium if I want to keep my Medicare Hospital Insurance." Tell your client to give the form to SSA with her/his application for Part A, but also to make a copy for her/himself to take to the Medicaid agency to apply for QMB benefits.

**Part A Buy-in Agreement for the States**

States are authorized by the Social security act to enter into formal buy-in agreements with CMS to pay Medicare premiums for low-income beneficiaries. One benefit of having such an agreement is that individuals can be enrolled in Part A (and subsequently in the QMB program) at any time during the year and penalties that are otherwise assessed for late enrollment are waived. Most states have such agreements.

Individuals without Part A who are otherwise eligible for QMB benefits and reside in the states named above, are penalized by the fact that these states have no buy-in agreement. Their opportunities for program participation are more circumscribed than those of individuals in other states.

For individuals in these states, enrollment in Part A for the purpose of being eligible for QMB benefits can only be done during the General Enrollment period described above. This period will end on March 31, 2005 for this year. Individuals who do not enroll in Part A by March 31, 2005 will have to wait until January 2006 to do so; their QMB eligibility will be postponed until July 1, 2006 at the absolute earliest.
Consequences of failure to enroll in Part A

The stakes related to lacking Part A coverage will increase in the next year. First, QMB status will entitle the beneficiary to automatic qualification for the Medicare Part D full low-income subsidy to help pay for prescription drugs beginning in 2006. This is a significant subsidy, with minimal copayments, no premium or deductible and no coverage gap. In addition, under the Part D program, coverage is not available for drugs covered by Parts A or B, even if the particular beneficiary needing such drugs does not have Parts A or B.

The conditional enrollment process described above may apply even in states that do have a Part A buy-in agreement, but the process can be used at any time, not just during the General Enrollment period.