STATE OF NEW YORK
DEPARTMENT OF HEALTH

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Richard F. Daines, M.D.
Commissioner

James W. Clyne, Jr.
Executive Deputy Commissioner

ADMINISTRATIVE DIRECTIVE

TRANSMITTAL: 10 OHIP/ADM-3

TO: Commissioners of Social Services

DIVISION: Office of Health Insurance Programs

DATE: March 15, 2010

SUBJECT: Medicare Savings Program Enrollment under the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)

SUGGESTED DISTRIBUTION:
Local District Commissioners
Medicaid Staff
Temporary Assistance Staff
Staff Development Coordinators
Fair Hearing Staff

CONTACT PERSON:
Local District Liaison:
Upstate: (518)474-8887
New York City: (212)417-4500

ATTACHMENTS:
Attachment I. Medicare Savings Program Request for Information (DOH-4496)
Attachment II. Request for Information Cover Letter (OHIP-0035)
Attachment III. Notice of Denial for Medicare Savings Program (Application Received From SSA) (OHIP-0036)
Attachment IV. Option to Receive MSP Benefit (OHIP-0037)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
05 OMM/ADM-5			P.L. 110-275, Section 113 of MIPPA		GIS 04 MA/013

I. PURPOSE

The purpose of this Administrative Directive (ADM) is to advise local departments of social services (LDSS) of the implementation of Section 113 of the Medicare Improvement for Patients and Providers Act of 2008 (MIPPA), which requires an application for the federal Low Income Subsidy (LIS) program to be considered an application for the Medicare Savings Program (MSP).

II. BACKGROUND

The LIS program, also known as "Extra Help", is administered by the Social Security Administration (SSA) to help low income Medicare beneficiaries pay for prescription drug costs associated with their Medicare Part D benefits. The MSP is a Medicaid benefit that helps eligible Medicare beneficiaries pay for costs associated with Medicare Part A and Part B. In an effort to decrease barriers to enrollment, Section 113 of the MIPPA states that an application to SSA for the LIS program for Medicare Part D benefits will also be used to initiate an application for benefits under the MSP. This statutory requirement is intended to improve enrollment in both the Medicare Part D LIS program, administered by SSA, and the MSP, administered by the states.

III. PROGRAM IMPLICATIONS

Beginning January 1, 2010, SSA must, with the consent of the applicant, transmit data received from the LIS "Extra Help" application to the State for consideration of the applicant's eligibility for the MSP. The State will receive this information via an electronic file from SSA each day that SSA makes LIS eligibility determinations. The State must act on this data as if the individual had applied for the MSP directly to the Medicaid program. The State requires further review of the file received from SSA before the planned automated procedure to process these applications can be implemented. Until further notice, however, districts must follow the procedures outlined in this ADM.

Upon receipt of the file from SSA, the Department will create two lists for each county containing names and addresses of individuals who have applied for the LIS through SSA. One list will contain information about applicants that do not have an active or pending Medicaid case in WMS. The second list will contain information about applicants with active or pending Medicaid cases.

Each upstate district's list will be placed in a folder on the Human Services Enterprise Network (HSEN). Each district has identified two individuals who will have access to these folders and must access the folders daily. The list for NYC will be provided to the Human Resources Administration (HRA) by the Downstate Division of Information Technology (DOIT) staff.

IV. REQUIRED ACTION

A. APPLICANTS WITHOUT AN ACTIVE OR PENDING MEDICAID CASE

For applicants who do not have an active or pending case in WMS, the State will create an electronic copy of DOH-4496, "Medicare Savings Program Request for Information," (Attachment I). This form will be pre-populated with the name, address, phone number, date of birth, and the last four digits of the social security number of the applicant. Information for a spouse will also be included if available. For upstate districts, the LDSS must register these applications in WMS and mail the "Medicare Savings Program Request for Information" to the applicant with OHIP-0035, "Request for Information Cover Letter", provided in this directive as Attachment II. For New York City residents, DOIT staff will register the application and mail the "Medicare Savings Program Request for Information" form to the applicant.

If the form is returned to the district, the application must be processed in the same manner as any other MSP application, including sending the appropriate acceptance or denial notice, and entry of MSP data, if applicable, in eMedNY.

For individuals who are determined eligible for the Specified Low Income Medicare Beneficiary (SLIMB) program or the Qualified Individual (QI) program, eligibility may begin three months prior to the date of application. However, for the QI program, the retroactive coverage cannot precede the current calendar year. For the Qualified Medicare Beneficiary program (QMB), eligibility begins the month following the month of application. Eligibility for MSP can never begin earlier than the first month of Medicare eligibility, regardless of the date of application for MSP benefits.

Applicants may indicate on the "Medicare Savings Program Request for Information" that they would like to apply for full Medicaid benefits. In such cases, the applicants must be sent and must complete the Access NY Health Care application and comply with all current procedures for applying for Medicaid benefits.

If an applicant does not return the "Medicare Savings Program Request for Information" by the requested date, OHIP-0036, "Notice of Denial for the Medicare Savings Program (Application Received by SSA)" provided as Attachment III must be sent.

The only address information provided by SSA is the mailing address of the individual, which is not necessarily the home address. If after receiving a completed "Medicare Savings Program Request for Information" form it becomes apparent that the applicant lives in another district, the individual's information should be transferred to the appropriate LDSS following current protocols.

B. APPLICANTS WITH AN ACTIVE OR PENDING MEDICAID

Districts will also receive a list of individuals who currently have an active or pending Medicaid or MSP case. Active cases will be annotated with "AC", and pending cases will be annotated with "AP". Active recipients will have their Client Identification Number (CIN) entered on their record. The list will include the information received from SSA for each of these individuals.

No action is required to be taken on the case, if the individual currently has an active MSP case.

An eligibility determination must be made for cases where the individual is not on MSP, but has an active Medicaid case and is participating in the Excess Income Program, or is only eligible for Medicaid with no spenddown by using the Medicare premium as a deduction. If the applicant is eligible for MSP, the LDSS must send OHIP-0037, "Option to Receive Medicare Savings Program (MSP) Benefit," (Attachment IV) and allow the individual to indicate his/her choice between spenddown and MSP eligibility. This form should be sent with the LDSS-4038, "Explanation of the Excess Income Program". This choice must be offered to the individual even if the individual previously stated his/her selection. If the individual fails to return the "Option to Receive Medicare Savings Program (MSP) Benefit", the case is to remain open and benefits continued unchanged. It is not necessary to send an MSP denial notice for failure to return this form since the form already includes this information.

An MSP denial notice must be sent to the individual if, after reviewing the case record, it is determined the applicant is not eligible for MSP.

Some individuals may be fully eligible for Medicaid without using the Medicare premium as a deduction from income. If the person is also eligible for MSP, the individual must be enrolled in the correct MSP category and the Buy-In information must be entered in eMedNY. The appropriate Client Notice System (CNS) acceptance notice must be sent to the individual. If it is determined that the applicant is not eligible for MSP, a MSP denial notice must be sent.

If the individual is currently enrolled in the Family Health Plus program and the district finds that the individual is enrolled in Medicare, the district should follow current protocol for disenrolling the individual from Family Health Plus, and determining eligibility for other programs such as MSP and/or Medicaid.

For individuals appearing on the district's LIS list that also have a pending application for MSP with the LDSS, the application date for MSP eligibility purposes shall be the earlier of the two application dates, if individual is otherwise eligible during that time.

C. ADDITIONAL INFORMATION

1. Application Date for MSP Eligibility

The application date for MSP eligibility for records sent to the LDSS from the LIS file is the date the individual applied for LIS at SSA. For records with no active or pending Medicaid or MSP case, the LIS application date will be pre-populated on the "Medicare Savings Program Request for Information" form in the upper right hand corner of the form. If the record has an active or pending Medicaid or MSP case, the LIS application date can be obtained from the LIS list in the field labeled, "APP DATE". If determined eligible, benefits under the MSP may begin on the date the person applied for LIS, or three months prior to that date if otherwise eligible. As stated above, benefits under the QMB category can only be provided the month following the month of application.

2. Application Date for Case Processing

The LDSS must determine eligibility for all applications promptly, generally within 45 days of the date of application. Under certain circumstances, additional time for an eligibility determination may be required, for example, due to a delay on the part of the applicant to provide information, or due to an administrative or other emergency beyond the district's control. The reason for the delay shall be noted in the case record. The 45-day time limit for processing applications sent to the State from SSA begins the date the State receives the file from SSA.

3. Exceptions

Individuals may apply for Medicare and LIS three months prior to their 65th birthday. If the individual indicates on the "Medicare Savings Program Request for Information" form that their Medicare effective date is within the next three months and an award letter from SSA is provided, districts may register the application and determine eligibility. Prospective Medicare information may be entered in eMedNY. However, Medicare Buy-In information may not be entered more than one month prior to the Buy-In effective date. The Buy-In effective date may never precede the Medicare coverage effective date.

If the individual has lost Medicare eligibility or will not become Medicare eligible within the next three months, a denial notice must be sent.

Most individuals who are eligible for Medicare Part B are also eligible for premium free Part A coverage. However, there are some individuals who are eligible for Medicare Part B who do not have credit for sufficient work quarters to qualify for free Medicare Part A. An "M" suffix on the

Health Insurance Claim Number (HICN) indicates an individual does not have sufficient work credit for premium free Medicare Part A. Some individuals are eligible for Medicaid payment of their Medicare Part A premium through the Part A Buy-In program. Refer to GIS 04 MA/013 for more information on Medicare Part A Buy-In procedures. If an applicant on the LIS file qualifies for payment of their Medicare Part A premium through the Part A Buy-In program, a QMB case should be opened and an acceptance notice sent. If the applicant is not eligible for payment of their Part A premium, the case should be denied for MSP and a denial notice sent.

The LDSS must print the "Request for Information Cover Letter" (Attachment II) and the "Option to Receive Medicare Savings Program (MSP) Benefit" (Attachment IV), on its own letterhead and must indicate the date by which the information must be returned by the individual.

English and Spanish versions of the attached forms are available on the Department of Health's Intranet website.

VII. EFFECTIVE DATE

The provisions of this directive are effective January 1, 2010.

Donna Frescatore
Deputy Commissioner
Office of Health Insurance Programs