

EES POLICY NO. 99-10-04 (Originally 86-02-2)	RE: Application of Medicare Premiums to Spenddown
POLICY MEMO	KEESM: 2911 and 7532.1
FROM: Dennis Priest	OTHER:
DATE: October 1, 1999 (Originally 2-21-86)	
Program(s): MS	

This memo addresses the issue of applying Medicare premiums which are not subject to Buy-In in situations involving spenddowns.

The Buy-In effective date is based on the date of appropriate medical eligibility. That means Buy-In coverage will begin as of the first day of the second month following the month of full medical eligibility (including any prior medical period) unless the person is an SSI recipient, has been on Buy-In previously, or is QMB or LMB eligible. In those instances, Buy-In coverage would begin as of the first day of the month of such medical eligibility. For example, if a person's eligibility date was 3-5-99 and he or she had not previously been on Buy-In, the effective date of Buy-In coverage would be 5-1-99. The Medicare premiums for 3/99 and 4/99 could then be applied to spenddown.

As only those Medicare premiums not subject to Buy-In can be deducted in determining spenddown, the amount of deductible premiums cannot be totally determined on a spenddown case at the time of initial processing unless the first date of full eligibility can be established. Thus, some premiums will have to be deducted retroactively once the spenddown has been met.

For example, an MS application is approved in spenddown status for the period 1-1-99 to 6-30-99. The client is not eligible for QMB or LMB. Medicare premiums for the first 2 months (January and February) can be initially deducted as the earliest Buy-In effective date would be 3-1. The client later meets spenddown on April 10. Using this date, full Medicaid eligibility would be authorized effective 4-01-99. Buy-In would take affect on 6-1-99 and three additional Medicare premiums for March-May could now be applied. The effect of this retroactive calculation will be reduce the spenddown amount originally determined. If earlier eligibility results, a further determination will be required. In this example, the client might possibly be eligible in March by applying only 2 months of additional Medicare premiums (March and April) along with other medical expenses. The Buy-In effective date would then be 5-1-99.

In certain situations involving prior medical requests, additional adjustments in the amount of premiums allowed may also need to be made. In these instances

the effective date of Buy-in will be based on both the current eligibility period as well as any previous coverage periods.

For example, a case is approved with a prior base period of 05/ 99 - 07/99 and a current base of 08/99-01/00. Medicare premiums for the months of May and June have been allowed in the prior base at the time of approval. The prior base is met on 05/10/99, so full medical eligibility for the months of 05/99, 06/99 and 07/99 exists. However, the current base period is still in spenddown status. Even though there are 3 consecutive months of Medicaid eligibility, because no current coverage exists buy-in will not occur at this time. The current spenddown must be met before Buy-in will occur. In addition, no additional Medicare premiums may be allowed at this time until the current spenddown period has been met or closed, as the month the spenddown is met will effect the month of Buy-in. For instance, if the current spenddown is met in 08/99, coverage will be continuous and buy-in would occur as initially budgeted (effective 07/99). However, if the spenddown is met in 10/99, the first month of buy-in is 12/99, and the premiums for the months of July - November can be allowed against the spenddown, These premiums must be allowed as previously stated.

Coverage must also be in effect continuously from the current month through any prior period(s). Using the above example, if the individual met the prior spenddown for 05/99- 07/99 and was eligible for QMB effective 09-99, Buy-In is effective 09/99. The break in coverage for 08-99 prevents buy-in from occurring earlier. In contrast, if she were approved for LMB effective 08/99, appropriate continuous coverage would exist and Buy-in is then effective 07-99.

It is realized that in some instances when the spenddown is decreased, the client will have already paid for medical services which could now be covered. There is no mechanism for reimbursing the client in these instances unless the provider would reimburse and bill the agency. Therefore, it may be more beneficial to the client not to apply the additional Medicare premiums where reimbursement is not a possibility.

In no instance should months of any spenddown period, prior to the month in which the spenddown was met, be authorized with full Medicaid eligibility in order to provide for expanded Buy-in coverage.

DP:jmm

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