The purpose of this memo is to provide the second phase of implementation instructions to eligibility staff concerning the processing of Medicare Savings Program (MSP) applications received from the Social Security Administration (SSA). These additional special processes are effective with the issuance of this memo.

A. Background

Initial implementation instructions for processing MIPPA (Medicare Improvements for Patients and Providers Act) applications for the Medicare Savings Programs (MSP – QMB, LMB, and Expanded LMB) were issued via KHPA Policy Memo No. 2010-10-01. That memo and accompanying attachments may be found at https://www.khpa.ks.gov/kfmam/elderdisabledmed.asp. Those guidelines are still in effect and shall be followed unless specifically contradicted in this memo.

This memo addresses two additional application processing issues not covered in the initial memo: 1) delayed applications received between January 1, 2010 and September 30, 2010, and 2) the development of additional guidelines since the issuance of the initial implementation memo.

B. Delayed Applications

The agency has been receiving the Social Security Administration (SSA) data file containing the MIPPA applications since January 1, 2010. The extensive coordination and development of the initial processing guidelines delayed issuance of implementation instructions and distribution of applications by several months. As a result, the agency accumulated a group of unassigned applications received between January 1, 2010 and September 30, 2010.

Of the 4,058 pending applications received, approximately 1,000 have been identified as potential approval and will be distributed to SRS for immediate processing (generally following the guidelines established in the initial implementation memo). The remaining 3,000 applications will be distributed to KHPA staff for processing.
(1) **Distribution** – All of the pending applications assigned to SRS for processing will be distributed to the designated regional contacts. Applications assigned to KHPA will be distributed to the appropriate eligibility staff.

(a) **Date** – The pending applications will be distributed sometime during the fourth week of January 2011. This one-time distribution of applications (received 1/1/2010 through 9/30/2010) will be sent separately from the regular bi-monthly application distribution.

(b) **Processing Timeframe** – All of these applications will have been pending in excess of 45 days due to the delay in assignment. Even though these applications are already untimely, due diligence should be taken to process within a reasonable time from the date distributed. The applications should be processed in the order received, from the oldest to the newest.

(c) **Good Cause Code** – As indicated above, all of the pending applications are untimely and therefore will require entry of an untimely good cause code. A special KAECSES code of MB (MIPPA Application Processing) has been created for this purpose. Since the use of this code will help track these special MIPPA applications for reporting purposes, it shall not be used in the processing of any other applications. The AG (Agency) untimely code shall be used for regular MIPPA applications not processed within 45 days.

(2) **Eligibility Start Date** – Due to the length of time these applications have been pending, it is very likely that medical eligibility may already have been determined under an application or applications received before or after the date of the MIPPA application. To accommodate what essentially equates to processing applications out of sequence, the eligibility start date for the pending MSP applications identified in this memo shall be based on the guidelines described below.

(a) **Application Received Prior to Coverage Period** – Applications with an SSA received date (the MSP proration date) prior to the start date of a currently open medical program will have eligibility determined based on the type of coverage the applicant is already receiving.

(i) **Medically Needy (MN)** – If the applicant is only receiving Medically Needy (MN) Spenddown coverage, then the MSP application must be processed commencing with the SSA receipt date.

Example: A MIPPA application with an SSA receipt date of 3/11/2010 is filed for an individual with an open Medically Needy (MN) Spenddown only case. The MN case was approved for spenddown coverage with a base period of 7/1/2010 through 12/31/2010. Since the MIPPA application date is prior to the first period of MN eligibility, the MIPPA application would be processed using the SSA receipt date of 3/11/2010.

(ii) **Medicare Savings Program (MSP)** – If the applicant is already receiving MSP coverage of any level (QMB, LMB, or Expanded LMB), that same level of MSP coverage shall be approved (assuming otherwise eligible) for all months back to the SSA receipt date (LMB and Expanded LMB), or the month after the month the application was received by the state from SSA (QMB).

Example 1: A MIPPA application with an SSA receipt date of 5/19/2010 is filed for an individual with existing LMB coverage which began 9/1/2010. LMB coverage under the MIPPA application would be approved for 5/2010 through 8/2010 – the months prior to the existing LMB beginning month.
Example 2: A MIPPA application received by the state from SSA on 3/9/2010 is filed for an individual with existing QMB coverage which began 8/1/2010. QMB coverage under the MIPPA application would be approved beginning with the month after the month of application, 4/2010 through 7/2010. See B.(2)(d) below concerning the start date for QMB coverage.

(b) **Application Received After Coverage Period** – Applications with an SSA received date (the MSP proration date) after the start date of medical coverage will have eligibility determined based on the current status of the existing coverage.

(i) **During Coverage Period** – A MIPPA application with an SSA receipt date during a period of medical eligibility shall be treated like a request for additional coverage.

Example: A MIPPA application with an SSA receipt date of 7/17/2010 is filed for an individual with Medically Needy (MN) Spenddown coverage under a base period of 6/1/2010 through 11/30/2010. The MSP application shall be processed like any other MIPPA application with open medical program(s) as described in the initial implementation memo.

(ii) **After Coverage Period Ends** – A MIPPA application with an SSA receipt date after a coverage period ends shall be treated like a new application.

Example: A MIPPA application with an SSA receipt date of 8/5/2010 is filed for an individual with Medically Needy (MN) Spenddown and LMB coverage that ended 6/30/2010. The MSP application shall be processed like any other MIPPA application with no open medical program(s) as described in the initial implementation memo.

(c) **Pending Application** – If the applicant already has a pending application, the earliest possible start date between the two applications shall be used to determine MSP eligibility.

Example 1: A MIPPA application with an SSA receipt date of 7/27/2010 is filed for an individual with a pending medical application submitted at the local office on 9/29/2010. The 7/27/2010 date shall be used to process the request for MSP coverage since that is the earlier of the two dates.

Example 2: A MIPPA application with an SSA receipt date of 10/29/2010 is filed for an individual with a pending medical application received on 9/20/2010. The 9/20/2010 date shall be used to process the request for MSP coverage since that is the earlier of the two dates.

(d) **QMB Coverage** – Normally (with exceptions), QMB coverage does not begin until the month after the month the application is actually approved. However, for purposes of these special pending applications only, QMB coverage shall be approved (if otherwise eligible) beginning with the month after the month the application was received by the state.

Example: A MIPPA application received by the state on 4/11/2010 is filed for an individual who meets the QMB eligibility criteria. QMB coverage shall be approved (if otherwise eligible) beginning 5/1/2010, regardless of when the application is actually processed.

(3) **Review Periods** – As indicated above, due to the extended length of time these special applications have been pending, the following review periods shall be established based on the first month of MSP eligibility.
(a) **First Eligible Month Prior to 5/2010** – An extended 15 month review period shall be used for approvals with an eligibility start date prior to 5/2010.


The following chart may be used to help determine the appropriate 15 month review period:

<table>
<thead>
<tr>
<th>Eligibility Start Month</th>
<th>First Eligible MSP Month</th>
<th>Review Through Month</th>
</tr>
</thead>
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(b) **First Eligible Month After 4/2010** – A normal 12 month review period shall be used for approvals with an eligibility start date after 4/2010.

Example: A MIPPA application received by the state on 5/10/2010 is approved for QMB coverage effective 6/2010. The review period shall be set for 12 months through 5/2011.

(c) **Current Medical Coverage** – The existing review period shall be used for MSP approvals where there is already an open medical program.

Example: A MIPPA application with an SSA receipt date of 8/4/2010 is approved for LMB coverage effective 8/2010 on an existing Medically Needy (MN) Spenddown case with a review period through 4/2011. The LMB coverage would also use the existing 4/2011 review date.

(d) **Automated Review Process** – If the application is not approved before the 16th of the second month prior to the last month of the review period, the case will not be captured by the automated review process. In that instance, eligibility staff shall be responsible for mailing a review form to the individual at the time of approval.

Example 1: A MIPPA application with an SSA receipt date of 1/11/10 is approved on 1/27/2011 for LMB coverage for 15 months effective 1/2010 through 3/2011. Since the application was not approved by the 15th of the second month prior to the last month of the review period (1/15/2011), eligibility staff must mail a review form to the individual.

Example 2: A MIPPA application received by the state on 1/22/2010 is approved on 2/12/2011 for QMB coverage for 15 months effective 2/2010 through 4/2011. Since the application was approved by the 15th of the second month prior to the last month of the review period (2/15/2011), the case will be captured by the automated review process. A review form would not be mailed to the individual at the time of approval.

(4) **Medicare Buy-In** – In most instances, Medicare buy-in for an individual with MSP coverage will occur automatically upon approval. However, there are instances where buy-in must be manually processed.

(a) **Manual Processing** – Buy-in will not occur automatically and will need to be processed manually in the following situations:
(i) Where MSP coverage has been approved for a period prior to an existing period of buy-in coverage. That situation is described in the examples in section B.(2)(a)(ii) above. Since the request for buy-in is for months prior to a previously established buy-in start date, the request must be manually processed to occur.

(ii) Where MSP coverage is being approved effective more than 6 months prior to the current month. A buy-in request for a period within 6 months of the current month will process automatically, but for months past that time period, manual processing is required.

Example 1: A MIPPA application is approved for LMB coverage on 1/27/2011 with an effective date of 8/1/2010. Since the first month of buy-in is less than 6 months prior to the month of approval (1/2011), buy-in will occur automatically.

Example 2: A MIPPA application is approved for QMB coverage on 2/4/2011 with an effective date of 5/2010. Since some of the coverage months extend beyond 6 months from the month the application is approved (5/2010 thru 7/2010), a manual buy-in request must be sent for those months.

(b) Request to Coordinator – An e-mail request shall be sent to the Buy-In Coordinator at LOC-KSXIX-BuyIn@external.groups.hp.com to ensure that Medicare buy-in for the individual is properly established. The request shall include the individual’s name, case number and beneficiary ID number, along with the start date for the buy-in coverage. If the request is being sent the same day the case is processed, that information should also be noted in the request since eligibility data has not yet transmitted into iCMMIS.

If there is any uncertainty as to whether or not a buy-in request should be completed, eligibility staff should error on the side of caution and complete a request for manual buy-in.

(c) Timing Issues – There are two other issues which eligibility staff should be aware.

(i) To ensure that automatic buy-in occurs properly, the case must be rolled into the current month and authorized. If iCMMIS does not reflect current eligibility for the individual, automatic buy-in will not occur.

Example: A MIPPA application is approved for LMB coverage beginning 9/1/2010 on 1/25/2011. However, the worker rolls the case into the current month of 2/2011, but fails to authorize that month. Since iCMMIS will not reflect coverage in the current month, automatic buy-in will not occur for any of the coverage months.

(ii) For caseload management purposes, eligibility staff are reminded that MSP coverage transmitted to iCMMIS by the 16th of the month will result in a buy-in request being sent to CMS (Centers for Medicare & Medicaid Services) on the 21st of the month. Coverage transmitted after the 16th delays the buy-in request to CMS until the 21st of the next month.

C. Current Applications

The following additional guidelines have been developed to supplement the processes issued in the initial MIPPA application instructional memo concerning current applications.
(1) **Distribution** – The preliminary eligibility determination described in the initial implementation memo shall continue to be used to distribute applications for processing, with the following additional guidelines.

(a) **Denials** – Applications identified as potential denial shall continue to be distributed to KHPA staff for processing with the following exceptions being the responsibility of SRS eligibility staff:

   (i) Applications identified as denial with current medical assistance;

   (ii) Applications where each spouse has filed separately with one spouse identified as a denial and the other spouse as an approval, and;

   (iii) Other applications as identified on a case-by-case basis.

(b) **Committee Process** – Applications identified in subsection (iii) above shall be submitted to a joint KHPA/SRS central office committee for review. The committee shall promptly determine the appropriate distribution of the application for processing. Applications deemed appropriate for processing by SRS shall be forwarded to the existing regional contact for distribution to eligibility staff.

(2) **Notices** – The new notices created for the current MIPPA applications shall also be used for the delayed applications identified in this memo. It is very important that eligibility staff use these dedicated notices. These notices were specifically designed to allow the applications to be tracked in the system for reporting purposes. Please do not use any other notices.

   N160 – MS – QMB Approval – MIPPA

   N161 – MS – LMB Approval – MIPPA

   N162 – MS – ELMB Approval – MIPPA

   N266 – MS – MSP Denial – MIPPA

**D. Fair Hearings**

Each agency shall be responsible for processing and administering any fair hearing request associated with an application processed or decision made by that agency. In rare instances, coordination and cooperation between the agencies may be required on a specific appeal, but it is generally understood that each agency shall be responsible for administering their own fair hearings.

If you have any questions or concerns about the information in this memo, please contact the KHPA Elderly & Disabled Medical Eligibility Policy Manager, Tim T. Schroeder, at (785) 296-1144 or Tim.Schroeder@khpa.ks.gov.