

DHB ADMINISTRATIVE LETTER NO: 09-23, RETROACTIVE AND ONGOING DUALY ELIGIBLE APPLICANTS/BENEFICIARIES – MEDICAL EXPENSES

DATE: June 13, 2023

SUBJECT: Retroactive and Ongoing Dually Eligible
Applicants/Beneficiaries – Medical Expenses

DISTRIBUTION: County Departments of Social Services
Medicaid Supervisors
Medicaid Eligibility Staff

I. BACKGROUND

The Centers for Medicare and Medicaid Services (CMS) and North Carolina Department of Health and Human Services (DHHS) is providing updated guidance and requirements regarding individuals who apply for Medicaid and are eligible for Medicare Part B but have declined Medicare Part B coverage. The Division of Health Benefits (DHB) is working to update Medicaid policy found in [MA-2410/MA-3525](#), Medicare Enrollment and Buy-In, and [MA-2360/MA-3315](#), Medicaid Deductible, to reflect these changes.

The purpose of this DHB Administrative Letter is to provide important guidance and policy updates to county departments of social services (DSS) in advance of the completion of updates noted above.

Medicaid applicants, who are eligible for Medicare Part B but who declined to enroll in Part B, **cannot** be penalized retroactively for not enrolling in Medicare Part B.

The following policy and procedures provide counties with necessary guidance to ensure that Medicare Buy-In and Medically Needy Medicaid with a deductible cases are processed according to current federal and state requirements.

II. CONTENT OF CHANGE

A. Medicare Buy-In

1. Individuals who are eligible for Medicare and apply for Medicaid will be evaluated for all Medicaid programs including full Medicaid and Medicaid for Qualified Medicare Beneficiaries (MQB).

2. Medicaid will pay the monthly Medicare Part B premium when the individual is determined eligible for a full Medicaid program or an MQB program.
3. Full Medicaid and some MQB programs may provide Medicare premium coverage for the retroactive months as well as the ongoing months.

Refer to the following Medicaid Policy sections for MQB requirements and coverage:

- [MA-2130, Qualified Medicare Beneficiaries – Q](#)
 - [MA-2140, Qualified Medicare Beneficiaries – B](#)
 - [MA-2160, Qualified Individual – MQB-E](#)
4. Individuals who declined Medicare Part B due to the expense of the premium and who are determined to be eligible for a Medicaid program that covers the premium cost of Medicare Part B will be automatically enrolled in Medicare Part B as part of the state buy-in process.

B. Applying Medical Expenses to a Medically Needy Deductible

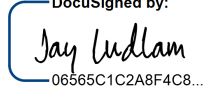
1. Individuals applying for Medicaid have the option to apply for ongoing Medicaid and/or retroactive Medicaid for up to three months prior to the month of application.
2. When an individual is determined to be eligible for medically needy Medicaid with a deductible, for the retroactive period or the ongoing period, medical bills for which they are responsible for and were incurred within the allowable period may be applied to either the retroactive deductible or the ongoing deductible. Refer to [MA-2360/MA-3315](#), Medicaid Deductible for specific policy regarding allowable expenses and the allowable time frame.
3. If the individual applying for Medicaid was not enrolled in Medicare Part B coverage, during the retroactive or ongoing period, **DO NOT calculate the percentage Medicare would have covered.** Allow **100%** of eligible medical bills incurred in both the retroactive and ongoing certification period that would have been covered by Medicare Part B if the individual was enrolled.
4. Until Medicaid is approved, the individual is legally and financially responsible for **100%** of the **medical bills incurred while not enrolled in Medicare Part B**, therefore **100%** of the expenses incurred are allowable for the medically needy deductible.
5. Medicaid applicants who are already enrolled in Medicare Part A coverage may be financially responsible for a Medicare Part A deductible for **inpatient hospital** medical expenses. Refer to [MA-2360/MA-3315](#), Medicaid

Deductible, to determine the amount of inpatient hospital medical expenses to be applied to the individual's Medicaid deductible.

III. IMPLEMENTATION

The policy in this Administrative Letter is effective upon receipt for all applications received, pending, or in process.

If you have any questions regarding this information, please contact your [Medicaid Operational Support Team](#) representative.

DocuSigned by:

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Jay Ludlam
Deputy Secretary, NC Medicaid