

**County of San Diego, Health and Human Services Agency (HHSA)
Medi-Cal Program Guide**

Medicare

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Revision Date:

8/1/2021

Background:

Medicare is a federally administered health insurance program for qualified individuals. Medicare benefits are divided into three parts:

1. Part A – Hospital Insurance
2. Part B – Supplementary Medical Insurance
3. Part D – Prescription Drug Coverage

Purpose:

This section provides staff with information about Medicare and Medicare Buy-In, the process in which the Department of Health Care Services (DHCS) pays Medicare Part B premiums for some qualified Medi-Cal beneficiaries. The section has been reformatted and information on Buy-In problems was updated to reflect the current online process.

Policy:

A. Medicare Eligibility

Requirement for Medi-Cal Beneficiaries to Apply for Medicare

As a condition of Medi-Cal eligibility, customers must apply for Medicare if they qualify. If a customer is eligible prior to turning age 65, inform the customer they must apply for Medicare. If a customer is over 65, and it is past their initial enrollment period (generally the three months after their 65th birthday), inform the customer they must apply during the next Medicare open enrollment period which occurs annually from January 1 through March 31. Do not delay granting Medi-Cal awaiting verification that the customer applied for Medicare if the customer is otherwise eligible.

Eligibility for Part A, Part B and Part D

The following customers are eligible to Part A, Part B and Part D Medicare benefits:

- Customers or their spouses eligible to Railroad Retirement (RR)/Social Security Administration (SSA) based Medicare with the required quarters of employment
- Customers who are 65 years of age or over
- Customers who are disabled or blind for at least 24 consecutive months under SSA Title II
- Customers with chronic renal disease meeting requirements for the receipt of Medicare

Eligibility for Part B Only

Customers who are eligible to Medicare Part B only include:

- Those who are not eligible to Part A
- Those who are 65 years of age or older
- United States (US) citizens or non-citizens legally present in the US for at least five years

B. Medicare Part B Benefits

Coverage

After the customer pays the required deductible amount, Medicare Part B pays 80 percent of charges for most non-institutional medical services such as physician services, home health agency services

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and drugs which cannot be self-administered. Zero share of cost (SOC) Medi-Cal may pay both the deductible and charges over 80 percent for Medicare beneficiaries.

Payment of Premiums

Part B is a voluntary health insurance program that is financed by premiums from qualified enrollees and supplementary federal funds. DHCS pays these premiums for eligible Medi-Cal and Supplemental Security Income/State Supplemental Program (SSI/SSP) customers with zero SOC or those who have met their monthly SOC.

Customers eligible for Medicare Savings Programs (MSP) [Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiaries (SLMB), and Qualifying Individual (QI)] are eligible for payment of Part B premiums regardless of whether they are eligible for Medi-Cal under another program, with or without a SOC.

C. Medicare Part B Buy-In

Buy-In Eligibility

Buy-In refers to the arrangement through which DHCS pays the monthly premiums of Medicare Part B for Medi-Cal customers who are 65 years or older, blind, disabled or who have chronic renal disease.

Buy-In Process at Application

At Intake, identify applicants who are potentially eligible for Buy-In and provide the following information required for processing by DHCS.

If the Applicant ...	Then ...
Is not a current Medicare recipient,	<ul style="list-style-type: none"> - Verbally inform the applicant of their responsibility to apply for Medicare - Send the MC 355 to inform the applicant of the requirement to apply for Medicare during open enrollment (Jan - Mar) - Allow the applicant 60 days, during open enrollment, to apply for Medicare and allow for good cause if the SSA does not adjudicate the application within 60 days. <p>Note: Individuals with a SOC are not required to apply for Part B unless they are MSP eligible.</p>
Is currently receiving Medicare,	Enter Medicare information in CalWIN.
Refuses to apply for Medicare or after 60 days has not provided or been notified of an SSA caused delay,	Discontinue individual with timely notice.

Buy-In Process for Continuing Cases

The Medi-Cal Eligibility Data System (MEDS) generates a message for every Medi-Cal customer when they reach age 64 and 9 months. Initiate collection of Buy-In information for a Medi-Cal customer by:

- Sending the MC 355 to inform the beneficiary of the requirement to apply for Medicare
- Following up 60 days later to verify the beneficiary has applied

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- Entering Medicare information in CalWIN

Buy-In Problems

Medicare Buy-In problems must be reported electronically to the Buy-In Cost Avoidance Unit (BICAU) using the State Medicare Buy-In Problem report form located on the DHCS website at dhcs.ca.gov/buyin.

Refer to **Medi-Cal Processing Guide 38** for instructions on completing the online fillable form.

D. Medicare Part D

Coverage

Medicare Part D provides prescription drug coverage to eligible Medicare customers through private Prescription Drug Plans (PDPs). The PDP may be one of the following:

- Fee-for-service PDP operated by a private prescription drug provider
- Medicare Advantage-Prescription Drug Plan (MA-PDP) operated by a Managed Care Medicare provider

Dual eligible customers, who are eligible to both Medi-Cal and Medicare, must use a Medicare Part D PDP to obtain most of their prescription drugs. A Treatment Authorization Request (TAR) may be required when requesting Medi-Cal coverage for prescription drugs that are not covered by Medicare Part D.

Enrollment

Enrollment in Medicare Part D is voluntary for most Medicare beneficiaries. Dual eligibles and MSP eligibles will be automatically enrolled into a PDP if they do not voluntarily choose one. These include Medicare beneficiaries that are:

Dual Eligible	MSP Eligible
Zero SOC Medi-Cal	QMB
SOC Medi-Cal and the SOC has been paid	SLMB
SSI	QI

Dual eligibles that belong to a Medicare Advantage (MA) plan will be automatically enrolled into the MA-PDP if a different plan is not selected. Refer customers with questions regarding the PDP to which they have been enrolled to Medicare at 1-800-633-4227. Refer customers who need help determining which plan best meets their prescription needs to the Health Insurance Counseling and Advocacy program (HICAP) at 1-800-434-0222.

Costs

Medicare Part D includes the following costs which Medicare customers **may** have to pay depending on their income and resources:

- A monthly premium
- An annual deductible
- Prescription drug co-payments
- Other prescription drug costs not covered by Medicare Part D

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Deductions

The monthly premium payment, if paid out-of-pocket by a Medi-Cal customer, is treated as an “other health care deduction.” The premium may vary depending on the PDP. All other Medicare Part D costs that are paid out of pocket, can be applied to the SOC for Medi-Cal customers who have one.

Low Income Subsidy (LIS)

LIS provides a subsidy for costs of premiums, deductibles, and copays otherwise owed by Part D customers. Eligibility to LIS is determined by DHCS or the SSA.

The Daily LIS Application Report contains LIS customers, identified in the MEDS, who must be evaluated for Medi-Cal and/or MSP. Review and process the report daily. Complete instructions for processing cases on the DAILY LIS Application Report are available in **Medi-Cal Processing Guide 9**.

Procedure:

CaWIN How To 442

Medi-Cal Processing Guide 38

Medi-Cal Processing Guide 09

References:

ACWDLs 11-15, 17-08, 20-26, and 19-13

Sunset Date:

This policy will be reviewed for continuance on or by 8/31/2024

Approval for Release:



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Self-Sufficiency Services