



Iowa Department of Human Services

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GENERAL LETTER NO. 8-J-97

ISSUED BY: Bureau of Financial, Health and Work Supports
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title 8, Chapter J, *MEDICALLY NEEDED*, pages 71, 93,
and 94, revised.

Summary

Chapter 8-J is revised to reflect the following:

- ◆ The increase in the Medicare Part A deductible for 2016 to \$1,288.
- ◆ The increase in the Medicare Part B deductible for 2016 to \$166.
- ◆ The increase in the Medicare Part B premium for newly eligible Medicare recipients to \$121.80. Most other Medicare Part B recipients will continue to pay the \$104.90 premium.

Effective Date

January 1, 2016

Material Superseded

This material replaces the following pages from Employees' Manual, Title 8, Chapter J:

<u>Page</u>	<u>Date</u>
71	July 25, 2014
93	May 29, 2015
94	July 25, 2014

Additional Information

Refer questions about this general letter to your area income maintenance administrator.

4. Ms. A is now age 65 and has just enrolled for Medicare. As a new Medicare enrollee her Medicare Part B premium is \$121.80. Ms. A applies for Medically Needy and QMB on April 15. Her social security income is \$880 and she has the Medicare Part B premium deducted from her social security check.

The IM worker processes the application on May 5. Ms. A is QMB eligible effective June 1. The IM worker allows the Medicare Part B premium as a deduction for the April - May certification period. The calculation for spenddown is as follows:

April	+	May	=	Total Period	
\$ 880.00		\$ 880.00		\$ 1,760.00	Gross income
- 20.00		- 20.00		- 40.00	Disregard
\$ 860.00		\$ 860.00		\$ 1,720.00	Net income
- 483.00		- 483.00		- 966.00	MNIL
\$ 377.00		\$ 377.00		\$ 754.00	Spenddown
- 121.80		- 121.80		- 243.60	Medicare premium
\$ 255.20		\$ 255.20		\$ 510.40	Final spenddown

Ms. A sends an application to the IM worker on June 2. The IM worker processes the application for the June - July certification period. Mrs. A is now QMB eligible. The Medicare Part B premium is not allowed as a deduction, as Medicaid is paying for it. Ms. A's spenddown for the June - July certification period is \$754.

5. Mr. M applies for Medically Needy and QMB November 2. On November 20, Mr. M is approved for QMB effective December and for a November-December certification for Medically Needy.

Mr. M is a Medicare enrollee and \$104.90 is deducted from his social security check. The Medicare premium of \$104.90 is allowed for a deduction for November but is not allowed for December, because the client is eligible for QMB for December.

Expenses Paid by Insurance or Third Party

Legal reference: 441 IAC 75.1(35)“f,” 75.1(35)“g”

When the client has other health insurance coverage and either the provider or the IM worker submits a claim to the IME, the claim must reflect the third-party insurance information and payment, when applicable. The IME will deny payment on claims that do not reflect this information.

It is not your responsibility to make sure the claims carry insurance information. Forward the claim to the IME as submitted. The IME will make a determination regarding third-party insurance involvement.

See the following sections for more information on:

- ◆ [Clients who have Medicare and QMB](#)
- ◆ [Estimating Medicare Part A payments](#)
- ◆ [Estimating Medicare Part B payments](#)
- ◆ [Changes or corrections to insurance payments](#)

Clients Who Have Medicare and QMB

Legal reference: 441 IAC 75.1(35)“g,” 75.52(5)

If the client has Medicare and is also eligible for QMB, do not use Medicare claims to meet the spenddown. QMB pays Medicare premiums, deductibles, and coinsurances. The provider will submit the claim to Medicare for payment. Medicare crosses the claim over to Medicaid for payment.

Medicare Part A Payments

Legal reference: 441 IAC 75.1(35)“g,” 75.52(5)

If the client has Medicare coverage and is not eligible for QMB, the client may need to meet the Medicare Part A deductible of \$1,288. If the deductible has not been met, the Medicare Part A deductible is used to meet the spenddown.

The provider submits the claim to Medicare for payment. Medicare sends the claim to Medicaid for payment of the deductible amount. This is called “crossover” from Medicare to Medicaid.

Medicare Part A includes the following services:

- ◆ Inpatient hospital charges (room and board, general nursing, and miscellaneous hospital services and supplies).
- ◆ Care in a skilled nursing facility following a hospital stay.
- ◆ Home health care for a homebound person. If the client does not have Medicare Part A, then home health care can be paid under Medicare Part B.
- ◆ Hospice care for terminally ill persons.

Medicare Part B Payments

Legal reference: 441 IAC 75.1(35)“g,” 75.52(5)

If the client has Medicare Part B and is not eligible for QMB, the client may need to meet the Medicare Part B deductible of \$166. If the Medicare Part B deductible has not been met, the deductible is used to meet spenddown.

Use the following services to meet the Medicare Part B deductible:

- ◆ Physician services.
- ◆ Physician charges for inpatient and outpatient medical and surgical services and supplies.
- ◆ Physical and speech therapy.
- ◆ Ambulance services.
- ◆ Diagnostic tests, such as X-rays.
- ◆ Outpatient hospital treatment.
- ◆ Blood.
- ◆ Durable medical equipment.
- ◆ Home health care for the homebound if the client does not have Medicare Part A.
- ◆ Clinical laboratory services, such as blood tests, urinalyses, biopsies, etc., provided by a Medicare certified laboratory.