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306.01 Qualifying Individuals (QI) Introduction

(Eff. 11/01/08)

Effective January 1, 1998, Section 4732 of the Balanced Budget Act of 1997 required states to pay the Medicare Part B premiums for a mandatory group of low-income Medicare beneficiaries called Qualifying Individuals, or QI. States receive an annual allocation to permit Medicaid to pay Medicare Part B premiums for a limited number of Qualifying Individuals with income above 120% and less than 135% of the Federal Poverty Level (FPL.) The amount of the allocation is capped and based on the federal allotment. QI pays the Part B premium only. QI beneficiaries do not get a Healthy Connections Medicaid Card.

306.02 Open Enrollment Period

(Eff. 11/01/08)

Applications for the QI program are only received during an open enrollment period that begins in October of each year and will only be processed by the Division of Central Eligibility Processing on a first come, first served basis. Once the number of individuals enrolled in the program reaches the cap, no new applications will be approved. Eligibility for QI begins no earlier than January and will end in December regardless of when the application is approved. Applications received on or after October 1 of each year are processed for eligibility beginning no earlier than January of the following year. For example, a QI application received in October 2008 will be processed for eligibility beginning in January 2009.

306.03 Eligibility Criteria

(Eff. 11/01/08)

To qualify under the QI category, an individual must meet certain eligibility criteria to include categorical, financial, and non-financial requirements.

306.03.01 Categorical Requirements

(Eff. 11/01/08)

To meet the categorical requirements of the QI program, an individual must:

* Be currently enrolled in Medicare Part A Hospital Insurance; and
* Not be otherwise eligible for full Medicaid benefits.

306.03.02 Financial Requirements

(Eff. 01/01/15)

To meet the financial requirements of the QI program, an individual must have:

* An income greater than 120% and less than 135% of the FPL for an individual or couple (refer to MPPM 103.05); *and*
* No more than $7,280 in countable resources. (A couple may have no more than $10,930 in countable resources.)

306.03.03 Non-Financial Requirements

(Rev. 04/01/11)

To qualify for the QI program, an individual must meet the non-financial requirements listed below. (Refer to MPPM Chapter 102 for specific information on these non-financial requirements.)

* Identity MPPM 102.02
* State Residency MPPM 102.03
* Citizenship/Alienage MPPM 102.04
* Enumeration/Social Security Number MPPM 102.05
* Assignment of Rights to Third Party Medical Payments MPPM 102.07
* Applying for and Accepting other Benefits MPPM 102.08

**Reminder:** Persons receiving either Medicare Part A or B have had citizenship and identity verified by the Social Security Administration and no further documentation is required.

306.04 Individual vs. Couple Cases

(Eff. 11/01/08)

QI income and resource limits differ for “individual” versus “couple” cases. It is important to determine which limits apply. Generally, an individual case is one for a single individual or one who is separated from his spouse. Similarly, a case is considered a couple case if both spouses reside together, even if only one is applying. However, under special circumstances, there are exceptions. See below for guidelines.

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| **Procedures for Determining “Individual” vs. “Couple” Cases:**  **Treat the applicant/beneficiary as an “Individual” if:**   * The applicant/beneficiary has never married, is divorced, or is widowed. * The applicant/beneficiary is separated from his spouse. This would apply to either type of separation:   + Marriage breakup   + Separation due to illness:     - Spouse resides in a Nursing Facility or Residential Care Facility.     - Spouse resides with a child who is providing care for him or both. * The spouse is in the home but is an SSI recipient. * The applicant/beneficiary is a minor child who is not married.   **Note:** A man and woman who are legally divorced from one another, but reside together are considered “individuals” in the QI determination. Following the month of separation, an applicant/beneficiary is treated as an individual.  **Treat the Applicant(s) as a “Couple” Case if:**   * The applicant(s) is/are married and is/are:   + Residing together, and   + Neither is a SSI recipient.   **Note:** If one applicant is applying for QI and the spouse receives Home and Community Based Services, they are still considered a couple for QI purposes. However, only the applicant receives payment of the Medicare Part B premium as a QI. |

306.05 Income

(Rev. 10/01/09)

To be eligible for QI, an individual’s or couple’s income must be greater than 120% and less than 135% of the Federal Poverty Level (FPL) (Refer to MPPM 103.05.)

Income limits for QI increase each year when the FPL increases. Typically, this is effective in March. For applications received prior to March, use the income received in December. For applications received in March and following, use the income received in the current year.

Do not re-budget previously approved cases. Once an applicant has been approved for QI, they remain eligible through December 31 of the current year. An ongoing QI case can be closed for the following reasons: death; move out-of-state; loss of Medicare Part A; eligibility for a full Medicaid category; beneficiary initiative.

Income is the receipt of any assets, payments, or property in a specified period, which the client may use to meet his basic needs for food or shelter. Such use may be through sale or conversion. (Refer to MPPM Chapter 301 for general information regarding the income issues listed below.)

* Cash vs. In-kind (**Note:** In-kind income is not countable in the QI eligibility determination.)
* Earned vs. Unearned
* Countable vs. Exclusions
* Verification and Documentation

306.05.01 Income Considerations

(Eff. 11/01/08)

If the applicant is an adult, consider the income of the following:

* Applicant
* Spouse, if residing in the home and not an SSI recipient
* Minor natural, adopted, or step child(ren) – for allocation purposes only

306.05.02 Income Budgeting

(Eff. 10/01/13)

* See MPPM 301.04.08 for procedures for earned income verification on reported income. The source and gross amount of all earned and unearned income must be verified.
* Certain types and sources of income are not countable or are excluded by Federal Law. Refer to MPPM Chapter 301 for specific information.

**Allocation**

An allocation may be made for natural or adopted minor children in the home.

* The maximum allocation per child is determined as follows:

Couple SSI FBR – Individual SSI FBR = Maximum Allocation

* The child’s allocation is determined as follows:

Maximum Allocation – Child’s Income (Earned and Unearned) = Allocation Amount

* For QI, the child allocation amount changes each year when the new FPL income limits become effective

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| **Procedures – Basic Income Considerations:**  **Adult Applicant – No Dependent Children**   * Unearned Income: * Verify the source and gross amount of all unearned income for the applicant and the spouse, if applicable. * Total the gross income. * Exclude any unearned income as authorized by Federal Laws (Refer to MPPM Chapter 301) * Apply $20 general disregard (given only once in couple cases) * Earned Income: * Verify the source and gross amount of all earned income for the applicant and the spouse, if applicable. * Total the gross earned income. * Exclude any income as authorized by Federal Laws. * Apply other exclusions in the following order: * Earned income tax credit payments * Up to $30 of earned income in a quarter, if it is infrequent or irregular (Refer to MPPM 301.04.09.) * Up to $400 per month, but not more than $1,620 in a calendar year, of the earned income of a blind or disabled child under 22 years of age who is attending school * Any portion of the $20 monthly general income exclusion which has not been excluded from unearned income in that some month * $65 of earned income in a month (given only once in couple cases) * Earned income of disabled individuals used to pay impairment-related work expenses * One-half of total remaining earned income in a month * Earned income of blind individuals used to meet work expenses * Any earned income used to fulfill an approved plan to achieve self-support   Total remaining unearned and earned income and compare to the applicable limit. |
| **Adult Applicant – With Dependent Child**  Adult   * Unearned Income: * Verify the source and gross amount of all unearned income for the applicant and the spouse, if applicable. * Total the gross income. * Exclude any unearned income as authorized by Federal Laws (Refer to MPPM Chapter 301.) * Apply $20 general disregard (given only once in couple cases) * Earned Income: * Verify the source and gross amount of all earned income for the applicant and the spouse, if applicable. * Total the gross earned income. * Exclude any income as authorized by Federal Laws. * Apply other exclusions in the following order: * Earned income tax credit payments * Up to $30 of earned income in a quarter if it is infrequent or irregular (Refer to MPPM 301.04.09.) * Up to $400 per month, but not more than $1,620 in a calendar year, of the earned income of a blind or disabled child under 22 years of age who is attending school * Any portion of the $20 monthly general income exclusion which has not been excluded from unearned income in that some month * $65 of earned income in a month (given only once in couple cases) * Earned income of disabled individuals used to pay impairment-related work expenses * One-half of total remaining earned income in a month * Earned income of blind individuals used to meet work expenses * Any earned income used to fulfill an approved plan to achieve self-support * Total remaining unearned and earned income. * Subtract allocation for any ineligible child/children (See steps below.) * Compare remainder to the appropriate income limit.   Child/Children’s Allocation   * Determine the child’s income. * Subtract from the allocation amount for a child. * The remainder is the total allocation for the child. * If there is more than one child, do the above for each child and total.   Subtract total allocation from the parent’s income as shown above. |

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| **Notes:**   * Any unused portion of a monthly exclusion **cannot be carried over** for use in a subsequent month. * The $20 general and $65 earned income exclusions are **applied only once to a couple**, even when both members have income (whether eligible or ineligible), since the couple’s earned income is combined in determining eligibility. |

306.06 Resources

(Eff. 11/01/08)

To be eligible for QI, an individual’s or couple’s resources must be considered. (Refer to MPPM Chapter 302, Liberal SSI Resource Policy, for general information on what a resource is, liquid vs. non-liquid resources, and resource exclusions.) Verification of countable resources is not required and should not be routinely requested. Accept the applicant’s allegation of resources unless other objective evidence establishes that the allegation is questionable.

306.06.01 Limits

(Eff. 01/01/15)

To qualify for QI, the applicant’s countable resources must be at or below the following established limits:

* $7,280 for an Individual
* $10,930 for a Couple

306.06.02 Resource Considerations

(Eff. 11/01/08)

If the applicant/beneficiary is an adult, consider the resources of the following:

* Applicant/beneficiary
* Spouse, if residing in the home and not a SSI recipient.

306.07 Retroactive Period

(Eff. 11/01/08)

QI Applications approved for the month of application can receive up to three months of retroactive eligibility without a separate eligibility determination provided the beneficiary had Medicare Part A during that period and there is no reason to believe resources or income exceeded the limit. Retroactive eligibility can begin no earlier than January. If the QI application is denied, the applicant is not eligible for any retroactive coverage.

306.08 Eligibility for other Medicaid Categories

(Eff. 11/01/08)

If an individual is eligible for full Medicaid benefits, they cannot be eligible for QI.

* Beneficiaries cannot be exparted into payment category 48 from another Medicaid category. Individuals can only be approved for QI during an open enrollment period.
* Beneficiaries cannot be exparted from payment category 48 into another Medicaid category. A new application must be filed to approve the individual in a different category.

306.09 Application Process for Qualifying Individuals (QI)

(Eff. 11/01/11)

Applications for Qualifying Individuals will be processed by Central Eligibility Processing (CEP) in State Office during the open enrollment period that begins in October each year. Applicants approved for QI will be eligible no earlier than January of the current year. There are a limited number of slots available to help applicants with their Medicare Part B premium payment before reaching the CAP. Therefore, applicants are determined eligible on a first come, first serve basis. Applications received after the cap has been reached must be denied. CEP will maintain a database to count the number of beneficiaries receiving QI to determine when the limit has been reached.

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| **MEDS Procedure**  Once the enrollment cap has been reached, deny new applications with the MEDS reason code 113, “We have reached out annual enrollment limit.” |

306.09.01 Standard of Promptness

(Eff. 11/01/08)

Federal rules require that applications be approved or denied within 45 days from the date the application was filed. For allowable exceptions to the Federally-mandated Standard of Promptness and applicable procedures, refer to MPPM 101.08.02.

306.09.02 Application Form and Intake of Applications

(Rev. 10/01/15)

* The following applications can be used to apply for QI:
  + The DHHS Form 3400, Healthy Connections Application, and the DHHS Form 3400-A, Additional Information for Select Medicaid Programs;
  + Electronic applications for Medicare Savings Programs (MSP) received from the Social Security Administration; and
  + The [DHHS Form 914](http://medsweb.scdhhs.gov/EligibilityForms/FM%20914.pdf), Application for Medicare Part B Premium Assistance for Qualifying Individuals (QI)
* Applications may be filed in person at a local eligibility office or by mail.
* Applications received at the local eligibility office must be sent to Central Eligibility Processing (Refer to 306.09.03.) The local eligibility office must not pend the application in MEDS.
* The application date is the date a signed application form is received at a DHHS office. (**Note:** An unsigned application cannot be processed; it MUST be returned to the applicant/authorized representative for a signature. The date the returned application form is received by a DHHS office with the required signature is the application date.)
* When pended in MEDS, the Application Effective Date (AED) must be entered on HMS04 and AED must match the date the application was received by CEP.
* If an interview is needed it may be conducted either in person or by telephone.
* Any necessary verification is requested using the [DHHS Form 1233 ME](http://medsweb.scdhhs.gov/EligibilityForms/FM%201233%20ME.pdf), Medicaid Eligibility Checklist, giving reasonable time for it to be returned.
* Applications for QI cannot be processed at the local eligibility office. If a local eligibility worker receives a QI application, it, along with any verification must be sent to CEP immediately.

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| **Procedures for Applications:**  **Mail-In Applications:**   * Review for completeness. * Contact the applicant/authorized representative if: * All questions are not answered * Clarification is needed * If needed, conduct a telephone interview.   **All Applications:**   * Conduct an interview if needed. * Whether there is an interview or not, make sure the applicant/authorized representative is advised of: * Eligibility requirements * Standard of Promptness * Right to a Fair Hearing and how to request one * The applicant’s Civil Rights * The applicant’s responsibilities: * Give complete and accurate information, * Report changes in circumstances within 10 days of the change * The requirement to repay funds received ineligibly * Verification process * The computer matching process (IEVS) * The type and scope of Medicaid services, including the availability of retroactive coverage * All appropriate pamphlets and brochures * Evaluate the information provided by the applicant/authorized representative. * Verification: * Obtain verification of:   + - Any questionable non-financial information       * **Reminder:** For individuals receiving either Medicare Part A or B, Citizenship and Identity have been verified by Social Security     - All alleged income     - Verification can be requested from:     - The applicant/authorized representative using DHHS Form 1233 ME giving:       * A list of necessary verifications       * A reasonable length of time to provide needed information * Resources are not verified. Eligibility is based on the applicant’s allegation.   + All information/verification must be     - Documented in the case record, and     - Evaluated using the program requirements.   + Budget all income and resources and apply appropriate limits.   + Disposition:   + Approval     - Approve, if all eligibility criteria is met.     - MEDS will generate a notice giving the effective date of eligibility.     - Notify any other agencies or departments as needed, such as Third Party Liability regarding other insurance coverage.   + Denial     - Deny, if any one eligibility factor is not met.     - MEDS will generate a denial notice which includes:       * Reason for denial (make sure correct code is entered into MEDS).       * Supporting Medicaid MPPM Section reference. |

306.09.03 Application Received by Local Eligibility

(Rev. 04/01/11)

If a DHHS Form 914, Application for Medicare Part B Premium Assistance for Qualifying Individuals (QI), is received by the local eligibility office, the application and all verification must immediately be sent to Central Eligibility Processing (CEP). Because enrollment is capped for this program, CEP will be maintaining a database to determine when the cap is reached. Applications will be logged into the system in the order received since eligibility is determined on a first come first served basis.

**Reminder:** The DHHS Form 3400, Healthy Connections Application, and the DHHS Form 3400-A, Additional Information for Select Medicaid Programs; Electronic applications for Medicare Savings Programs (MSP) received from the Social Security Administration; and the DHHS Form 914 are used to process eligibility for QI.

SC DHHS – Central Mail

P O Box 100101

Columbia, SC 29202-3101

Fax# (803) 255-8223

306.09.04 Annual Reapplication

(Eff. 11/01/11)

Benefits for QI are redetermined in October of each year. A review form will be mailed to the applicant/beneficiary 60 days prior to the Next Review Date (NRD). The review form must be completed and returned within the specified time frame in order for the beneficiary to be considered for continued benefits.