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Center for Medicaid and CHIP Services

MMCO - CMCS Informational Bulletin

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SUBJECT: Billing for Services Provided to Qualified Medicare Beneficiaries (QMBs)

This Informational Bulletin provides information for State Medicaid Agencies and other interested parties regarding the prohibition on “balance-billing” Qualified Medicare Beneficiaries (QMB) for Medicare cost-sharing, including deductible, coinsurance, and copayments. This Bulletin is provided as a companion to a communication on this topic to Medicare providers in the form of a recently published Medicare Learning Network Matters article which is available at: <http://www.cms.gov/MLN MattersArticles/Downloads/SE1128.pdf>

Background on QMBs and Benefits

QMBs are persons who are entitled to Medicare Part A and are eligible for Medicare Part B; have incomes below 100 percent of the Federal Poverty Level; and have been determined to be eligible for QMB status by their State Medicaid Agency. Medicaid pays the Medicare Part A and B premiums, deductibles, co-insurance and co-payments for QMBs. At the State’s discretion, Medicaid may also pay Part C Medicare Advantage premiums for those who join a Medicare Advantage plan that covers Medicare Part A and B benefits and Mandatory Supplemental Benefits. Regardless of whether the State Medicaid Agency opts to pay the Part C premium, the QMB is not liable for any co-insurance or deductibles for Part C benefits. States also have the authority to pay cost-sharing for QMBs for either the Medicare cost-sharing amount, the Medicaid State plan rate for the same service, or a rate between those amounts that is established by the State and approved by CMS.

Balance-billing Is Prohibited by Federal Law

Section 1902(n)(3)(B) of the Social Security Act (the Act), as modified by section 4714 of the Balanced Budget Act of 1997, prohibits Medicare providers from balance-billing QMBs for Medicare cost-sharing. All Medicare physicians, providers, and suppliers who offer services and supplies to QMBs are prohibited from billing QMBs for Medicare cost-sharing, including deductible, coinsurance, and copayments. This section of the Act is available at:

http://www.ssa.gov/OP_Home/ssact/title19/1902.htm. QMBs have no legal obligation to make further payment to a provider or Medicare managed care plan for Part A or Part B cost sharing. Providers who inappropriately bill QMBs for Medicare cost-sharing are subject to sanctions. Please note that the statute referenced above supersedes Section 3490.14 of the State Medicaid Manual, which is no longer in effect, but may be causing confusion about QMB billing.

How State Medicaid Agencies Process QMB Claims

Providers who serve QMBs are responsible for billing the State Medicaid Agency for any Medicare cost-sharing amounts the State is responsible for covering. When the State receives the claim, the Medicaid processing system determines whether the QMB is eligible and to which services they are entitled. Next, the system determines whether the provider is registered as a Medicaid-participating provider for the service. Particularly for QMB claims, the provider might only be a participating Medicare provider, and not a Medicaid-enrolled provider. The process for a Medicare provider to become enrolled as a Medicaid provider varies by State, and providers must follow each State's specific rules for provider enrollment to receive payment. Once the provider's registration is confirmed, the system uses the State's Medicaid payment policy to determine the State's cost-sharing contribution.

Ways to Improve the Claims Process

Effective communications between State Medicaid Agencies and QMB providers can improve the claims process for beneficiaries, States, and providers.

Below are strategies State Medicaid Agencies can consider to both improve communication with QMB providers and reinforce the provider prohibition on QMB balance-billing:

1. Offer separate enrollment forms for QMB-only providers, or allow providers to identify as "QMB-only" on provider enrollment applications.
2. Include guidance in all communications with QMB providers to emphasize that balance-billing of QMBs is a violation of the provider's Medicare agreement.
3. Provide clear guidelines for QMB providers on Medicaid provider enrollment and billing processes.

Additionally, CMS suggests the following for providers to improve communications with State Medicaid Agencies and better understand the billing process for services provided to QMBs:

1. Recognize that you must complete the State's provider enrollment process to be entered into the State payment system.
2. Contact the State Medicaid Agency directly to determine the process you need to follow to begin submitting claims and receiving payment.

Additional Information

More information about QMBs and other people dually eligible for Medicare and Medicaid is available through the Medicare Learning Network:

http://www.cms.gov/mlnproducts/downloads/medicare_beneficiaries_dual_eligibles_at_a_glance.pdf

For more information about Medicare cost-sharing, see the “Get Help with Your Medicare Costs” publication:

<http://www.medicare.gov/Publications/Pubs/pdf/10126.pdf>

We hope this information is helpful. Please address any questions to Nancy Dieter at nancy.dieter@cms.hhs.gov or Edo Banach at edo.banach@cms.hhs.gov.