

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



Medicaid Coverage of Medicare Beneficiaries (Dual Eligibles) At a Glance

Medicare beneficiaries who have limited income and resources may get help paying for their Medicare premiums and out-of-pocket medical expenses from Medicaid. Medicaid may also cover additional services beyond those provided under Medicare. Individuals entitled to Medicare Part A and/or Part B and eligible for some form of Medicaid benefit are often referred to as “**dual eligibles**.” These benefits are sometimes referred to as Medicare Savings Programs (MSPs). Dual eligibles are eligible for some form of Medicaid benefit, whether that Medicaid coverage is limited to certain costs, such as Medicare premiums, or the full benefits covered under the State Medicaid plan. This fact sheet provides education about coverage for dual eligible beneficiaries.



OVERVIEW OF MEDICARE COVERAGE AND COST-SHARING

The Medicare Program provides hospital insurance (Medicare Part A) and supplementary medical insurance (Medicare Part B), collectively known as Original Medicare. Medicare Part A is automatic for individuals aged 65 years or older (and certain disabled individuals) who have insured status under Social Security or Railroad Retirement. Most individuals **do not** pay a monthly premium for Medicare Part A coverage if they or their spouse paid Medicare taxes while working. Individuals who are not eligible for premium-free Medicare Part A may purchase coverage by paying monthly premiums.

Medicare Part B is voluntary and individuals must enroll during specified enrollment periods. **All** individuals will pay a monthly premium for Medicare Part B coverage.

For more information on Medicare eligibility and enrollment, refer to Chapter 2 of the “Medicare General Information, Eligibility and Entitlement Manual” (Publication 100-01) at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/ge101c02.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

Beneficiaries with Original Medicare generally pay the following out-of-pocket expenses:

- Annual deductible (fixed dollar amount for health care costs before Medicare pays); and
- Coinsurance (a percentage of the cost of covered services and/or supplies).

Additionally, beneficiaries with Original Medicare **may** pay a copayment (fixed dollar amount when using a particular service).

Original Medicare does not include coverage for prescription drugs. If beneficiaries with Original Medicare want drug coverage, they must enroll in a Medicare Prescription Drug Plan (Medicare Part D).

Medicare Advantage (MA) plans, known as Medicare Part C, are also available for beneficiaries with Medicare Part A and B. These health plan options provide all Medicare Part A and Part B benefits, but are offered by private companies. MA plans may also include Medicare Part D. Medicare sets rules for and approves MA plans, plan benefits, and cost-sharing for enrollees.

ORIGINAL MEDICARE COST-SHARING FOR DUAL ELIGIBLES

Medicaid is a joint Federal and State program that helps pay medical costs for individuals with limited income and resources. Medicare beneficiaries with Part A and/or Part B, who have limited income and resources, may get help paying their out-of-pocket medical expenses from their State Medicaid Program. For beneficiaries with Original Medicare, cost-sharing may include:

- Coinsurance and/or copayment;
- Deductibles; and
- Premiums.

The Social Security Act (the Act) provides that Medicare pay first for all services provided to dual eligible beneficiaries. Additionally, the State may limit Medicaid payment, including nominal cost-sharing amounts as permitted under the Act and specified in the State Medicaid plan. These payment limitations may result in a Medicaid payment of zero.

DUAL ELIGIBLE MEDICARE BENEFICIARY GROUPS

Dual eligibles whose **benefits are limited** include:

- Qualified Medicare Beneficiaries (QMB);
- Specified Low-Income Medicare Beneficiaries (SLMB);
- Qualifying Individuals (QI); and
- Qualified Disabled Working Individuals (QDWI).

Those eligible for full Medicaid benefits are called **Full Benefit Dual Eligibles (FBDE)**. At times, individuals may qualify for both limited coverage of Medicare cost-sharing as well as full Medicaid benefits.

MEDICARE BENEFICIARIES MAY GET EXTRA HELP FOR PRESCRIPTION DRUGS

Medicare beneficiaries who meet certain income and resource limits may qualify for Extra Help from Medicare to pay the costs of their Medicare Prescription Drug Plan. For more information on the Extra Help program, visit <http://www.ssa.gov/prescriptionhelp> on the Internet.

Table 1 provides further explanation of these dual eligible Medicare beneficiary groups.

Table 1. Dual Eligible Medicare Beneficiary Groups

Dual Eligible Beneficiary Group	Income Criteria	Resources Criteria	Medicare Part A Criteria	Other Criteria	Benefits
QMB Only*	≤ 100% of the Federal Poverty Line (FPL)	≤ 3 times the Supplemental Security Income (SSI) limit, adjusted for inflation	Entitled to	Not Applicable (N/A)	Eligible for Medicaid payment of Medicare premium, deductible, coinsurance and copayment amounts (except for Medicare Part D).
QMB Plus**	≤ 100% of the FPL	≤ 3 times the SSI limit, adjusted for inflation	Entitled to	Meets the financial criteria for full Medicaid coverage	Entitled to all benefits available to a QMB, as well as all benefits available under the State Medicaid plan.
SLMB Only*	> 100% of the FPL but < 120% of the FPL	≤ 3 times the SSI limit, adjusted for inflation	Entitled to	N/A	Eligible for payment of Medicare Part B premiums only.
SLMB Plus**	> 100% of the FPL but < 120% of the FPL	≤ 3 times the SSI limit, adjusted for inflation	Entitled to	Meets the financial criteria for full Medicaid coverage	Entitled to all benefits available to an SLMB, as well as all benefits available under the State Medicaid plan.
QI	≥ 120% of the FPL but < 135% of the FPL	≤ 3 times the SSI limit, adjusted for inflation	Entitled to	N/A	Eligible for payment of Medicare Part B premiums only; however, expenditures are 100% federally funded and total expenditures are limited by statute.
QDWI	≤ 200% of the FPL	≤ 3 times the SSI limit, adjusted for inflation	Lost benefits due to returning to work, but is eligible to enroll in and purchase	N/A	Eligible for Medicaid payment of Medicare Part A premiums only.
FBDE	N/A	N/A	N/A	Does not meet the income or resources criteria for a QMB or an SLMB	Eligible for Medicaid either categorically or through optional coverage groups, such as Medically Needy or special income levels for institutionalized or home and community-based waivers.

* These beneficiaries do not qualify for any additional Medicaid benefits.

**These individuals often qualify for full Medicaid benefits by meeting the Medically Necessary standards, or through spending down excess income to the Medically Needy level.

MEDICARE PART C COST-SHARING FOR DUAL ELIGIBLES

To determine the proper Medicaid liability for Medicare Part C cost-sharing for a dual eligible, first determine the dual eligible’s Medicaid coverage group and the type of Medicare Part C cost-sharing. Additional factors also determine whether Medicaid is liable for coverage of cost-sharing in MA plans. These factors include the dual eligible coverage category, the type of cost-sharing, the options elected by the State, and payment limitations specified in the State Medicaid plan.

For beneficiaries with an MA plan, cost-sharing may include:

- Coinsurance and/or copayment;
- Deductible; and
- Premiums.

Table 2 identifies the Medicaid liability by coverage group and type of Part C cost-sharing.

Table 2. Medicare Part C Cost-Sharing Chart

Dual Eligible Beneficiary Group	Part C Premium for Basic Medicare Part A and Part B Benefits and Mandatory Supplemental Benefits	Part C Premium for Optional Supplemental Benefits	Medicare Deductible, Coinsurance, and Copayment (except Part D)*
QMB Only	Optional	Not allowed	Required
QMB Plus	Optional	Optional	Required
SLMB Only	Not allowed	Not allowed	Not allowed
SLMB Plus	Not allowed	Optional	Conditional
QI	Not allowed	Not allowed	Not allowed
QDWI	Not allowed	Not allowed	Not allowed
Other FBDE	Not allowed	Optional	Conditional

* The Act specifies that Federal Financial Protection is not available for the coverage of Medicare Part D drugs for Medicare Part D eligible individuals.

CAPITATION FOR MEDICARE COST-SHARING IN MA PLANS

When States choose to capitate payments to MA plans for their Medicare cost-sharing obligations, the capitation rate must take into account the limitations on the States’ payments as specified in the Act. This means that the State’s capitation rate for Medicare cost-sharing must be consistent with the payment levels specified in the State Medicaid plan and the methodology for the computation of the capitation rate must be part of the approved State Medicaid plan. An MA plan that does not wish to accept the capitation payment is not obligated to do so, but since MA claims do not automatically “crossover” to Medicaid, plan providers must be able to submit valid claims to the State Medicaid Program in order to obtain the payment for the Medicaid cost-sharing obligation.

BALANCE BILLING A QMB

For a QMB, Medicaid is responsible for deductible, coinsurance, and copayment amounts for Medicare Part A and Part B covered services. Providers may not bill a QMB for either the balance of the Medicare rate or the provider’s customary charges for Medicare Part A or Part B services. The QMB beneficiary is protected from liability for Medicare Part A and Part B charges, even when the amounts the provider gets from Medicare and Medicaid are less than the Medicare rate or less than the provider’s customary charges, as specified in the Balanced Budget Act of 1997. Providers who bill a QMB for amounts above the Medicare and Medicaid payments (even when Medicaid pays nothing) are subject to sanctions. Providers may not accept QMB patients as “private pay” in order to bill the patient directly. Providers must accept Medicare assignment for **all** Medicaid patients, including QMBs. For more information, visit <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE1128.pdf> on the CMS website.

RESOURCES

For additional resources for dual eligibles, refer to Table 3 below and visit <http://www.cms.gov/Center/Special-Topic/People-With-Medicare-and-Medicaid-Center.html> on the CMS website, or scan the Quick Response (QR) code on the right with your mobile device.



Table 3. Resources

Resource	Website and Description
Insurance and Coverage Finder	http://finder.healthcare.gov Individuals can use the Insurance and Coverage finder to learn if they qualify for Medicare Savings Programs through Medicaid.
Medicaid	http://www.medicaid.gov http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Population/Medicare-Medicaid-Enrollees-Dual-Eligibles/Seniors-and-Medicare-and-Medicaid-Enrollees.html The Medicaid website provides resources about Medicaid eligibility and coverage.
Medicare	http://www.medicare.gov The Medicare website provides resources for Medicare beneficiaries, including coverage, finding a provider, and help with costs.
Medicare-Medicaid Coordination Office	http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office The Medicare-Medicaid Coordination Office serves people who get both Medicare and Medicaid.
Medicare Learning Network® (MLN)	http://go.cms.gov/MLNProducts The MLN web page provides a complete listing of all products.
MLN Guided Pathways to Medicare Resources	The MLN Educational Web Guides MLN Guided Pathways to Medicare Resources helps providers gain knowledge on resources and products related to Medicare and the CMS website. For more information applicable to you, refer to the section about your provider type in the “MLN Guided Pathways to Medicare Resources Provider Specific” booklet at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Downloads/Guided_Pathways_Provider_Specific_Booklet.pdf on the CMS website. For all other “Guided Pathways” resources, visit http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Guided_Pathways.html on the CMS website.
Social Security Administration (SSA) Extra Help	http://www.ssa.gov/prescriptionhelp The SSA Extra Help web page provides information on qualifying and applying for Extra Help with Medicare Part D costs.



This fact sheet was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

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