



North Carolina
Department of Health and Human Services
Division of Medical Assistance
Recipient Services EIS
1985 Umstead Drive – 2512 Mail Service Center - Raleigh, N.C.
27699-2512
Courier Number 56-20-06

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Nina M. Yeager, Director

October 29, 2002

ATTN: Adult Medicaid Supervisor

Re: Qualifying Individuals
(QI1 and QI2 groups)

Dear County Director of Social Services,

In 1997, Congress created a new Medicaid coverage group called 'Qualifying Individuals' (QI) to help low-income Medicare beneficiaries pay their Part B Medicare premiums. The QI program was funded at 100% federal financial participation and has a sunset date of December 31, 2002. Within the QI group are 2 categories of recipients:

- *QI1 (MQB-E) recipients qualify for full payment of their Part B premium (see MA-2160, 'Qualifying Individuals 1'); and,*
- *QI2 recipients qualify for reimbursement of a portion of their Part B premium (see MA-2165, 'Qualifying Individuals 2').*

The purpose of this letter is to inform you about actions at the federal level affecting benefits for both QI1 and QI2 recipients. To date Congress has not re-authorized these benefits beyond December 31, 2002. On October 25, 2002, CMS notified the states that QI1 is extended through January 2003. The CR does not extend QI2's beyond the original sunset of December 31, 2002. Congress is presently adjourned but set to reconvene in mid-November and there is proposed legislation to re-authorize the QI1 benefits for at least 1 more year. There is no proposed legislation to re-authorize QI2 benefits.

Based on this information, the following actions are being taken by DMA:

QI1 (MQB-E) group

- DMA will not mail re-enrollment forms at the end of October and counties should not distribute re-enrollment forms unless notified to do so.
- MQB-E certification periods will be automatically extended in EIS through 1/31/03 and January Part B premiums will be paid by Medicaid.

- Counties should continue to accept and process applications and transfer eligible recipients into MQB-E as applicable.
- Beginning November 1, 2002, authorize MQB-E with a certification period ending January 31, 2003, rather than December 31, 2002. Modified EIS edits will require January 31, 2003, as the certification period end date for ongoing approvals/transfers.
- Only terminate MQB-E recipients who no longer meet the eligibility requirements.
- An Administrative Letter will be issued within the next 7 – 10 days with specific instructions based on the available information.

QI 2 group

- The state will issue payments as usual in December for 2002 benefits.
- DMA will issue payment instructions, as well as instructions for ending the QI2 program, within the next week.
- Counties should continue to take and process QI 2 applications for the 2002 calendar year.

Please call your Medicaid Program Representative should you have questions or need further information.

Nina M. Yeager