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TO: **Income Maintenance Supervisors**
Income Maintenance Lead Workers
Income Maintenance Staff
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators

FROM: Amy Mendel-Clemens, Chief
Technical Assistance and Training Section
Bureau of Enrollment Policy and Systems
Division of Health Care Access and Accountability

BEM/DFS OPERATIONS MEMO

No: 10-06 **Amended**

DATE: 01/08/2010

FS	<input type="checkbox"/>	MA	<input checked="" type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	FSET	<input type="checkbox"/>
CC	<input type="checkbox"/>	W-2	<input type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>
RAP	<input type="checkbox"/>	WIA	<input type="checkbox"/>	Other	<input type="checkbox"/>
				EP	

PRIORITY: HIGH

SUBJECT: Ending Medicaid Payment of Medicare Costs for Certain Individuals

CROSS REFERENCE: MEH 32 Medicare Beneficiaries

EFFECTIVE DATE: January 15, 2010

PURPOSE:

The purpose of this memorandum is to inform local agencies of special action that will be taken by the Department of Health Services (DHS) to end Medicare Savings Plan (MSP) benefits for certain individuals. These individuals have been identified as being ineligible to have their Medicare costs paid by the State of Wisconsin under the Medicaid program.

BACKGROUND:

DHS discovered a system problem that caused some MSP members to incorrectly lose that benefit. The problem was corrected in time to avoid any reduction in these individuals' Social Security benefits; however, accomplishing that objective required that the MSP benefit be restored for some individuals who were, in fact, ineligible to receive it. The corrective action was taken deliberately to prevent significant Social Security benefit reductions for several thousand people who remained eligible for MSP, but for whom MSP eligibility had been terminated incorrectly.

SPECIAL ACTION:

DHS has identified approximately 3,000 individuals incorrectly receiving the MSP benefits. There is no record of current eligibility in the interChange or CARES system for these individuals. In order to terminate the MSP benefits for this population with proper notice, the following process will be implemented:

1. Special Review Notice (Attachment 1). DHS will mail this notice to these individuals on January 15, 2010. The notice explains that Medicaid is currently paying for certain Medicare costs and that this coverage will end effective 2/28/10 unless the information necessary to determine current eligibility is provided to the local agency. This notice encourages the individual to apply using access.wi.gov; however, applications must also be accepted by telephone, in person, or on the paper application form. Individuals with questions are instructed to contact Member Services.
2. Local Agency Processing. Applications submitted timely to the local agencies should be processed in CARES for QMB/SLMB under existing Medicaid policies and procedures or for SLMB+ following the manual certification process outlined in Process Help 61.6. The standard CARES notice of decision will be issued to applicants informing them of an approval or denial of benefits.
3. Termination of Benefits. At adverse action in February 2010, DHS will identify individuals within the affected population for whom an application has not been entered into CARES and send them a Special Termination Notice ([Attachment 2](#)). Their MSP eligibility will be terminated February 28, 2010.
4. DHS Buy-In Processing. The MSP termination information for the individuals who are no longer eligible for the benefit will be transmitted to the Social Security Administration (SSA) according to the current Buy-in processing timeline. The individuals losing the benefit from February 2010 will be responsible for their Part B premium beginning with April. They may not see the April, May and June premium reductions in their Social Security benefit until their June 2010 benefit is issued. They will be notified in advance of the reduction by the Social Security Administration.
5. Fair Hearing. Any fair hearing requests filed to appeal the termination notice sent February 16th, will be directed to the local agency. The local agency should follow the Fair Hearing process outlined in the Income Maintenance Manual, Chapter 3 and attempt to resolve the issue or prepare the response and attend the scheduled Fair Hearing. We estimate a handful of individuals may file for a fair hearing prior to submitting an application for the MSP re-determination. Local agencies should attempt to contact the potential MSP applicant and explain the application process to the individual. If the individual applies and is found eligible, the worker should have the individual submit the voluntary withdrawal DHA-17 form (<http://dha.state.wi.us/home/WFS/WFSVW.pdf>) to DHA.

CARES:

There are no CARES changes associated with the special action described above.

ATTACHMENTS:

[Special Review Notice \(Attachment 1\)](#)

[Termination Notice \(Attachment 2\)](#)

CONTACTS:

BEPS CARES Information & Problem Resolution Center

*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DHS/DHCAA/BEM/SR;PH