

# ARKANSAS REGISTER

## Transmittal Sheet



Sharon Priest  
Secretary of State  
State Capitol Rm. 026  
Little Rock, Arkansas 72201-1094

For Office Use Only: Effective Date 8/10/00 Code Number 016.20.00-018

Name of Agency Department of Human Services  
Department Division of County Operations  
Contact Person Sandra Miller, 501-682-8251

Statutory Authority for Promulgating Rules AR Code Ann. 20-76-201 et Seq.; AR Code Ann. 20-15-201 et Seq.; AR Code Ann. 9-10-120; PL 101-508; PL 105-33, OBRA 1990; BBA of 1997.

Intended Effective Date \_\_\_\_\_ Date \_\_\_\_\_  
☐ Emergency Legal Notice Published . . . . . June 26, 2000  
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☐ Other Reviewed by Legislative Council . . . . . \_\_\_\_\_  
Adopted by State Agency . . . . . August 6, 2000

### CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance with Act 434 of 1967 As Amended.

[Signature]  
Signature

501-682-8375  
Phone Number

Director, Division of County Operations  
Title

5/22/00  
Date

FILED  
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SHARON PRIEST  
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STATE OF ARKANSAS

# MANUAL TRANSMITTAL

## Arkansas Department of Human Services Division of County Operations

☒ Policy ☐ Form ☐ Policy Directive

Issuance Number: MS 00-09

Medical Services Policy Manual

Issuance Date: August 1, 2000

From: Ruth Whitney  
Director

Expiration Date: Until Superseded

Subj: Revised Policy - SMB, QI-1 & QI-2

| <u>Pages to be Deleted</u> | <u>Dated</u> | <u>Pages to be Added</u> | <u>Dated</u> |
|----------------------------|--------------|--------------------------|--------------|
| MS 2051.3 - 2051.4         | 04/01/98     | MS 2051.3 - 2051.4       | 08/01/00     |
| MS 2051.4 - 2051.5         | 01/01/98     | MS 2051.4 - 2051.5       | 08/01/00     |
| MS 2072 - 2073.2           | 01/01/98     | MS 2072 - 2073.2         | 08/01/00     |
| MS 2073.2 - 2073.3         | 04/01/98     | MS 2073.2 - 2073.3       | 08/01/00     |
| MS 2073.3 - 2073.5         | 01/01/98     | MS 2073.3 - 2073.5       | 08/01/00     |
| MS 2073.5 - 2074.1         | 01/01/98     | MS 2073.5 - 2074.1       | 08/01/00     |
| MS 2074.1 - 2074.3         | 04/01/98     | MS 2074.1 - 2074.3       | 08/01/00     |
| MS 2074.3 - 2074.5         | 01/01/98     | MS 2074.3 - 2074.5       | 08/01/00     |

### Summary of Changes

SMB, QI-1 and QI-2 policy has been revised to provide up to three months of retroactive coverage. To be eligible for coverage, the individual must be covered by Medicare A and B in the retro months and be otherwise eligible. Coverage must begin on the first day of the month. Retroactive coverage can be processed for applications approved August 1, 2000 or later. Please note on QI-1s and QI-2s, retroactive coverage cannot begin before January 1 in the current calendar year.

Inquiries to: Jack Tiner, 682-8259  
Diana Teal, 682-1562  
Carmen Brown, 682-8258  
Lisa Mancieri, 682-8254

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BY \_\_\_\_\_

5. Social Security Enumeration Requirement (MS 1390).
6. Resource Requirement - Countable resources may equal but cannot exceed twice the current SSI resource limitations:

|            |         |
|------------|---------|
| Individual | \$4,000 |
| Couple     | \$6,000 |

Countable resources are determined according to Long Term Care guidelines (Re: MS 3330 - 3337). Verification of resources will not be required. Caseworkers will determine resource eligibility by what is self-declared on the applicaiton.

7. Income Requirement - Countable income must be greater than (but not equal to) 100% of the current Federal Poverty Level, and less than (but not equal to) 120% of the current Federal Poverty Level (Re: FPL Chart at Appendix F). (See note below).

The LTC guidelines at MS 3340-3348 will be applied when determining countable income. The Supplemental Security Income Exclusions at MS 3348 will be given. Inkind Support and Maintenance will be considered, if applicable.

For couples, their combined net countable income, after all disregards and exclusions, will be compared to the couple's standard in determining the eligibility of each member of the couple. In determining eligibility for only one member of a couple, the procedures for deeming of income at MS 2111 - 2111.5 will apply.

Note: In determining eligibility each year between January 1st and April 1st for SMB applicants, the Social Security Cost of Living Adjustment (COLA) for the year will be disregarded until April 1st, i.e., an individual's or couple's SSA amount to be considered in the budget will be the amount for the previous year. The current year's SSA amounts will not be considered until April first when the new Federal Poverty Level Income limits become effective (Re. MS 2051.5).

#### 2051.4 Period of Eligibility

##### \* A. Medicaid Begin Date

The beginning date of eligibility for payment of the Medicare Part B Premium will be the first day of the month of application or if eligible for retroactive coverage, the first day of the month in which eligibility begins.

\* B. Retroactive Coverage

SMBs are eligible for retroactive benefits for up to 3 calendar months prior to application if the individual meets all SMB eligibility requirements in the retroactive period. Coverage must begin on the first day of the month.

2051.5 Disposition and System Procedures

A. Approval - If all eligibility requirements are met, the application may be approved for SMB. The case worker will complete the following tasks:

1. Enter approval data on system.
- \* 2. The Medicaid Begin Date entered will be the first day of the month of application; or, if the individual is eligible for retroactive coverage, the Medicaid begin date will be the first day of the month in which eligibility begins.
3. A unit size of one (1) will be entered for an individual applicant. For a couple, whether both members apply or not, a unit size of two (2) will be entered.
4. The current income will be entered in the system. The total SSI exclusions will also be entered and the current 120% FPL amount will be used.
5. Notify client of approval by Form DCO-700 or by system notice, DCO-55.

B. Denial - If the applicant does not meet all the eligibility requirements, the application will be denied. The case worker will complete the following tasks:

1. Record pertinent information in narrative to verify the denial decision.
2. Complete denial data on application.
3. Notify applicant of denial by DCO-700 or DCO-55.

C. Withdrawal - If the applicant wishes to withdraw the application, a signed statement must be obtained from the applicant stating that he wishes to withdraw the application. The Caseworker will then proceed with the steps for denying the application.

2072                    County Office Responsibilities - Inpatient Psychiatric  
Care Referrals

The County Office is responsible for investigation and follow-up on each referral received from the State Hospital. An initial investigation will be made on all referrals to determine whether the patient is already eligible for Medicaid.

When it is determined that the patient is Medicaid eligible, a notice of the patient's eligibility status will be forwarded to the State Hospital by interagency memorandum. The notice will include the following items (if known): the recipient's name, his ten digit Medicaid ID Number, his aid category, date of birth, SSN, and Medicare Claim Number and/or other health insurer information. Correspondence will be mailed to: Director, Social Work Dept., State Hospital, 4313 W. Markham, Little Rock, AR 72201. No other action will be required for known Medicaid eligibles.

If a referred patient is not Medicaid eligible, the County Office will take steps necessary to secure and process an application for assistance in accordance with the requirements specified in MS 2071.

The State Hospital will be responsible for reporting when the patient is discharged. Discharge from the State Hospital by itself may not make the patient ineligible for Medicaid. The County Office will treat reported actions in accordance with the policies applicable to the category.

2073                    Qualifying Individuals-1

Section 4732 of the Balanced Budget Act of 1997 (Public Law 105-33) created the Qualifying Individuals-1 group of Medicaid eligibles. These are individuals who would be QMBs except that their income exceeds the QMB income level, and is at least 120% but less than 135% of the Federal Poverty Level.

2073.1                Scope of Services

QI-1s will not be eligible for the full range of Medicaid benefits. QI-1s will be eligible for payment of their Medicare Part B premium only. No other Medicare cost sharing charges will be covered.

Unlike QMBs and SMBs, a QI-1 may not be certified in another Medicaid category for simultaneous periods. A QI-1 may not be approved for a spend down and as a QI-1 for simultaneous periods. An individual who is eligible for both QI-1 and spend down will have to choose which coverage is wanted for a particular period of time.

Individuals eligible for the QI-1 program will not receive a Medicaid card.

\* 2073.2                Application Process

Application will be made by the individual requesting assistance, his/her authorized representative, or a person acting responsibly on the applicant's behalf.

When both members of a couple apply, one application will be completed and registered for each individual.

Applications will be registered in the system.

The case worker will have a maximum of 45 days to dispose of the application by approval, denial, or withdrawal.

### 2073.3 Eligibility Requirements

To be certified as a QI-1, an individual must meet the same requirements as a Qualified Medicare Beneficiary (with the exception of income). Each eligibility requirement will be verified and documented in the case record.

1. Categorical Relatedness - A QI-1 must be aged, blind, or disabled as specified at MS 3321 - 3323.
2. Medicare Part A Entitlement - The individual must be entitled to and receiving Medicare Part A Hospital Insurance and Medicare Part B Medical Insurance (MS 2047.3).
3. Citizenship or Alien Status - A QI-1 must meet the citizenship/alien status requirements as specified at MS 3324.
4. Residency - A QI-1 must be an Arkansas resident (Re. MS 2200).
5. Social Security Enumeration - A QI-1 must meet the Social Security enumeration requirement as specified at MS 1390.
6. Resources - Countable resources may equal but cannot exceed twice the current SSI resource limitations. The current QI-1 resource limits are:

|            |         |
|------------|---------|
| Individual | \$4,000 |
| Couple     | \$6,000 |

Resources are determined according to Long Term Care guidelines (MS 3330 - 3337). No penalty will be imposed for transfer of resources.

- \* 7. Income - Countable income must be at least 120%, but less than 135% of the current Federal Poverty Level (Re: FPL Chart at Appendix F). (See note below.)

The LTC guidelines at MS 3340 - 3348 will be applied when determining countable income. The Supplemental Security Income exclusions at MS 3348 will be given. Inkind Support and Maintenance will be considered.

For couples, their combined net countable income, after all disregards and exclusions, will be compared to the couple's standard in determining the eligibility of each member of the couple. In determining eligibility for only one member of a couple, the procedures for deeming of income at MS 2111 - 2111.5 will apply.

Note: In determining eligibility each year between January 1 and April 1, the Social Security Cost of Living Adjustment (COLA) for the year will be disregarded until April 1; i.e., the SSA amount to be considered in the QI-1 budget will be the amount for the previous year. The current year's SSA amounts will not be considered until April 1 when the new Federal Poverty Level income limits become effective.

#### 2073.4 Period of Eligibility

\* A. Medicaid Begin Date

The beginning date of eligibility for payment of the Medicare Part B premium will be the first day of the month of application unless eligible for retroactive coverage.

\* B. Retroactive Coverage

QI-1s are eligible for retroactive benefits for up to 3 calendar months prior to application if the individual meets all QI-1 eligibility requirements in the retroactive period. Coverage must begin on the first day of the month. However, retroactive coverage cannot begin before January 1 in the current calendar year.

#### 2073.5 System Procedures for Disposition of Application

A. Approval - If all eligibility requirements are met, the application may be approved for QI-1. The case worker will complete the following tasks:

1. Enter approval data on system.

\* 2. The Medicaid Begin Date will be the first day of the month of application, or the first day of the month in which eligibility begins if eligible for retroactive coverage.

3. A unit size of one (1) will be entered for an individual. For a couple, whether or not both members apply, a unit size of two (2) will be entered.

4. The current income will be entered in the system. The total SSI exclusions will also be entered and the current 135% FPL amount will be used.

5. Notify applicant of approval by Form DCO-700 or DCO-55.

B. Denial - If the applicant does not meet all the eligibility requirements, the application will be denied. The case worker will complete the following tasks:

1. Record pertinent information in narrative to verify the denial decision.

2. Complete denial data on application.
  3. Notify applicant of denial by DCO-700 or DCO-55.
- C. Withdrawal - If the applicant wishes to withdraw the application, the county office worker should obtain a signed statement from the applicant stating that he/she wishes to withdraw the application. The worker will then follow the above procedures for denying an application.

#### 2073.6 Changes

##### A. Disregard of SSA Cost of Living Adjustment (COLA)

The SSA COLA increases which are received in January of each year will be disregarded for QI-1 applicants and recipients until the month after the new Federal Poverty Levels are issued to county offices. The new FPLs are usually issued in March with an effective date of April 1.

When county offices receive the new QI-1 income limits, the individual's income, including the January COLA increase, will be compared to the new income limit to determine if eligibility will continue.

If an individual or couple is ineligible due to the COLA increase, a DCO-700 will be sent as advance notice of closure. The case will be closed when the notice expires.

##### B. Reevaluations

QI-1 reevaluations will be conducted annually. All eligibility factors will be redetermined.

##### C. Closure

If a change occurs that affects eligibility, a ten (10) day advance notice of closure will be issued via DCO-700 or DCO-55, unless advance notice is not required (Re. MS 3633). Closure will be effective the date that the notice expires.

#### 2074 Qualifying Individuals-2

Section 4732 of the Balanced Budget Act of 1997 (Public Law 105-33) created the Qualifying Individuals-2 group of Medicaid eligibles. These are individuals who would be QMBs except that their income exceeds the QMB income level, and is at least 135% but less than 175% of the Federal Poverty Level.

##### 2074.1 Scope of Services

- \* QI-2s will not be eligible for the full range of Medicaid benefits. QI-2s will be eligible for payment of a portion of their Medicare Part B premium only. No other Medicare cost sharing charges will be covered. The amount of the portion to be paid in 1999 is \$2.23 per month, for 2000 it is \$2.87. Payments of QI-2 premiums will be made in a yearly lump sum reimbursement.

Unlike QMBs and SMBs, a QI-2 may not be certified in another Medicaid category for simultaneous periods. A QI-2 may not be approved for a spend down and as a QI-2 for simultaneous periods. An individual who is eligible for both QI-2 and spend down will have to choose which coverage is wanted for a particular period of time.



Individuals eligible for the QI-2 program will not receive a Medicaid card.

#### 2074.2 Application Process

Application will be made by the individual requesting assistance, his/her authorized representative, or a person acting responsibly on the applicant's behalf.

When both members of a couple apply, only one application will be completed. The application will be registered for each individual that is applying for benefits.

Applications will be registered in the system.

The case worker will have a maximum of 45 days to dispose of the application by approval, denial, or withdrawal.

#### 2074.3 Eligibility Requirements

To be certified as a QI-2, an individual must meet the same requirements as a Qualified Medicare Beneficiary (with the exception of income). Each eligibility requirement will be verified and documented in the case record.

1. Categorical Relatedness - A QI-2 must be aged, blind, or disabled as specified at MS 3321 - 3323.
2. Medicare Part A Entitlement - The individual must be entitled to and receiving Medicare Part A Hospital Insurance and Medicare Part B Medical Insurance (MS 2047.3).
3. Citizenship or Alien Status - A QI-2 must meet the citizenship/alien status requirements as specified at MS 3324.
4. Residency - A QI-2 must be an Arkansas resident (Re. MS 2200).
5. Social Security Enumeration - A QI-2 must meet the Social Security enumeration requirement as specified at MS 1390.
6. Resources - Countable resources may equal but cannot exceed twice the current SSI resource limitations. The current QI-2 resource limits are:

|            |         |
|------------|---------|
| Individual | \$4,000 |
| Couple     | \$6,000 |

Resources are determined according to Long Term Care guidelines (MS 3330 - 3337). No penalty will be imposed for transfer of resources.

- \* 7. Income - Countable income must be at least 135%, but less than 175% of the current Federal Poverty Level (Re: FPL Chart at Appendix F). (See note below.)

The LTC guidelines at MS 3340 - 3348 will be applied when determining countable income. The Supplemental Security Income exclusions at MS 3348 will be given. Inkind Support and Maintenance will be considered.

For couples, their combined net countable income, after all disregards and exclusions, will be compared to the couple's standard in determining the eligibility of each member of the couple. In determining eligibility for only one member of a couple, the procedures for deeming of income at MS 2111 - 2111.5 will apply.

Note: In determining eligibility each year between January 1 and April 1, the Social Security Cost of Living Adjustment (COLA) for the year will be disregarded until April 1; i.e., the SSA amount to be considered in the QI-2 budget will be the amount for the previous year. The current year's SSA amounts will not be considered until April 1 when the new Federal Poverty Level income limits become effective.

#### 2074.4 Period of Eligibility

##### \* A. Medicaid Begin Date

The beginning date of eligibility will be the first day of the month of application unless eligible for retroactive coverage.

##### Retroactive Coverage

QI-2's are eligible for retroactive benefits for up to 3 calendar months prior to application if the individual meets all QI-2 eligibility requirements. Coverage must begin on the first day of the month. However, retroactive coverage cannot begin before January 1 in the current calendar year.

#### 2074.5 System Procedures for Disposition of Application

##### A. Approval - If all eligibility requirements are met, the application may be approved for QI-2. The case worker will complete the following tasks:

1. Enter approval data on system.
- \* 2. The Medicaid Begin Date will be the first day of the month of application; or, if the individual is eligible for retroactive coverage, the Medicaid begin date will be the first day of the month that eligibility begins.
3. A unit size of one (1) will be entered for an individual. For a couple, whether or not both members apply, a unit size of two (2) will be entered.
4. The current income will be entered in the system. The total SSI exclusions will be entered and the current 175% FPL amount will be used.

DEPARTMENT of Human Services

DIVISION of County Operations

PERSON COMPLETING THIS STATEMENT Sandra Miller, Assistant Director

Office of Program Planning & Development

TELEPHONE: 682-8251

FAX NO. 682-1597

**FINANCIAL IMPACT STATEMENT**

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

**SHORT TITLE OF THIS RULE** – Retroactive coverage for QMBs and QIs.

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?  
Yes. See attached
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.  
N/A
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

**2000-2001 Fiscal Year**

|                 |             |
|-----------------|-------------|
| General Revenue | \$25,546.52 |
| Federal Funds   | \$68,547.48 |
| Cash Funds      |             |
| Special Revenue |             |
| Other           |             |
| Total           | \$94,094.00 |

**2001-2002 Fiscal Year**

|                 |             |
|-----------------|-------------|
| General Revenue | \$25,546.52 |
| Federal Funds   | \$68,547.48 |
| Cash Funds      |             |
| Special Revenue |             |
| Other           |             |
| Total           | \$94,094.00 |

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

**2000-2001 Fiscal Year**

None

**2001-2002 Fiscal Year**

None

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

**2000-2001 Fiscal Year**

\$25,546.52

**2001-2002 Fiscal Year**

\$25,546.52

**FILED**  
AR. REGISTER DIV.  
00 JUL 31 PM 4:03  
BY RON FRIEST  
SECRETARY OF STATE  
OF ARKANSAS

# ARKANSAS DEMOCRAT-GAZETTE

Monday, June 26

## NOTICE OF RULEMAKING

Pursuant to Arkansas Code Annotated 20-76-201 et Seq., Arkansas Code Annotated 20-15-201 et Seq., and Arkansas Code Annotated 9-10-120, Section 4501 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), and Section 4732 of the Balanced Budget Act of 1997 (Public Law 105-33), Medical Services Policy is being revised to authorize retroactive coverage for the three months prior to application for individuals eligible for benefits under Specified Low Income Medicare Beneficiaries, Qualifying Individuals-1, and Qualifying Individuals-2 programs.

Copies of the proposed change may be obtained by writing the Division of County Operations, P.O. Box 1437, Slot 1220, Little Rock, AR 72203, Attention: Office of Program Planning & Development. All comments must be submitted in writing to the address indicated above no later than 30 days from the date of this notice.

If you need this material in a different format, such as large print, contact our Americans with Disabilities Act Coordinator at 682-8920 (voice) or 682-8933 (TDD).

The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and operates, manages, and delivers services without regard to age, religion, disability, political affiliation, veteran status, sex, race, color or national origin.

Ruth Whitney  
Director, Division of County Operations  
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