
QUALIFYING INDIVIDUALS 2

10-01-02

MA-2165: QUALIFYING INDIVIDUALS 2 (QI2)

10/01/02

I. INTRODUCTION TO QUALIFYING INDIVIDUALS 2 (QI2)

Qualifying Individuals 2 (QI2) are individuals who would be eligible for MQB-B except that their income is between 135 - 175% of the federal poverty limit.

Although eligibility regulations for QI2s are the same as for MQB-B, the law mandates differences from the current MQB-B:

- It is a capped entitlement. Funding is based on a fixed allocation at 100% Federal Financial Participation (ffp) through December of the current calendar year.
- Approval is based on a first-come, first-served basis. When the number of QI2s reach the capped allotment, DMA will provide statewide notice to no longer approve applications for QI2s.
- There is no six month or 12 month certification period. The certification period ends on December 31 of the current calendar year. For re-enrollments received in December for the next calendar year, the certification period ends December 31 of the next calendar year.
- QI2s cannot be otherwise eligible or dually eligible for Medicaid in any other aid program/category.
- QI2 benefits are limited to payment of a portion of the Medicare Part B premium. Since QI2 is a reimbursement of a portion of the Medicare Part B premium, the individual must have paid a Part B premium in the month to receive QI2 benefits for that month. The payment is based on the cost shift of some home health benefits from the Part A to Part B premium. These payments are mailed to the recipient in December.

II. QUALIFYING INDIVIDUALS POLICY FUNDAMENTALS

A. Income

Must have countable monthly income between 135% and 175% of the federal poverty limit.

Refer to Income Table located in MA-2260, Financial Eligibility Requirements/PLA, for current QI2 income levels.

B. Aid Program/Category Classification

Currently, QI2s are not entered in EIS.

C. Coverage

QI2 benefits are limited to a payment of a portion of the Medicare Part B premium. See Figure 8 for the benefit amounts. No Medicaid card is issued. (II.)

D. Retroactive Coverage

Like MQB-B, QI2s can be approved for retroactive coverage for up to 3 months prior to the month of application. **However, coverage can never be authorized for a period prior to January of the current year.**

E. No Dual Eligibility

Unlike MQB-Q and MQB-B, a QI2 recipient cannot be dually or otherwise eligible for Medicaid. This means:

1. An individual authorized for Medicaid in any other program (MAABD, SAAD, MAF, etc.) is not eligible for QI2, and
2. An individual whose application is pending to meet a deductible is not eligible for QI2, and
3. An ongoing recipient placed in deductible status is not eligible for QI2 unless he elects to change coverage solely to QI2.

F. Processing Requirements

1. The application processing standard is 45 days. Do not pend QI2 applications beyond the 45 days.
2. QI2 is subject to monitoring.

G. Ongoing Certification Period

1. QI2s do not have a standard six or 12 month c.p.
2. The c.p. ends on 12/31 of the current calendar year. This applies even when the application is completed after December 31. For re-enrollments received in December for the next calendar year, the certification period ends December 31 of the next calendar year.

NOTE: The certification period for QI2 applications dated November 1 through December 31 ends December 31 of the current calendar year. This is different from QI1 applications when the certification period ends December 31 of the next calendar year.

3. If a QI2 recipient becomes eligible for MAABD (or other aid program/category), the c.p. is not based on the ongoing QI2 certification period. The c.p. begins with the month the a/r requests assistance under the new aid program/category.

H. Re-enrollments

Eligibility is redetermined for each calendar year. Refer to VI., below for re-enrollment procedures.

III. PROCEDURES

A. Choice of Application

For all applicants, follow procedures in MA-2301, Conducting a Face to Face Interview, to explain all available Medicaid programs and evaluate in all programs for retroactive and ongoing coverage.

1. If the applicant is eligible for Medicaid in any other program (MAABD, MQB-Q, MQB-B, SAA, SAD, MAF, etc.) for the retro and/or ongoing period, approve the case in the appropriate aid program/category.
2. If the individual/couple's income is in the QI2 range, use the inquiry procedures in MA-2304, Processing The Application, to compute the estimated deductible for the ongoing period and retro period.
3. Evaluate whether the applicant is likely to meet his deductible based on unpaid old bills, ongoing monthly expenses, and anticipated new medical expenses. Do a separate evaluation for the ongoing and retro period and document this evaluation.
4. Explain to the applicant that he must choose between applying for QI2 thus only receiving a portion of his Part B premium paid, or applying for MAABD and pending to meet a deductible for either the retro and ongoing period. Be sure he understands the benefits and effective dates for both programs.
5. Document in the case record the explanation and choice of program. If the applicant applies for QI2, a DMA-5095, Medicaid/WF Notice of Inquiry, is not required.

B. QI2 Application Intake

1. Complete the DSS-8124 and obtain the applicant's signature on the DSS-8124. Complete the DMA-5008. Do not enter the DSS-8124 in EIS. Write on the DSS-8124 in large letters: QI2 Application.
NOTE: If the applicant applies for either retro or ongoing Medicaid in another program in addition to QI2, complete a separate DSS-8124 and register the non-QI2 application in EIS.
2. Record the applicant's name, Medicaid ID number, and date of application on the QI2 log. ([Figure 1](#))
3. Advise the applicant that if eligible for QI2, it will be mid-December of the current calendar year before he is reimbursed for a portion of his Part B premium. (If the application can not be processed by the end of November, reimbursement can not be made until mid February of the coming year.) See V.E. below.

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C. Application Processing for QI2

1. Use the MQB-B/QI1(MQB-E) eligibility criteria and methodology to determine eligibility. Refer to MA-2140, Qualified Medicare Beneficiaries-B, and MA-2160, Qualifying Individuals 1.
2. Compare the income to the QI2 income limits in the Income Table located in MA-2260, Financial Eligibility Requirements/PLA.

D. Denial of Initial Applications

If the a/r is ineligible for QI2 (reserve, income, residency, does not return information, etc.) or he requests his application be withdrawn:

1. Complete the denial information on the DSS-8124 AND on the DMA-5008. Indicate that the denial is for QI2.
2. Send the applicant a manual DSS-8109. File the DSS-8124, DMA-5008, and copy of the denial notice (DSS-8109) in the client's case record. This serves as documentation of the application disposition.
3. Document on the QI2 log that the application was denied/withdrawn and the date of the action.

E. Approval of Initial Applications

1. For initial applications, complete the following sections on page 10 of the DMA-5008:
 - a. **XVI. WORKSPACE/DOCUMENTATION**

Show computation of the QI2 check amount in this space. See 2. below for how to calculate the payment.
 - b. **DISPOSITION OF APPLICATION**

Complete the approval section to show the disposition of the application. Indicate the approval is for QI2. Sign and date the form.
2. Document on the log the date the initial application was approved and the dates of authorization beginning with earliest retroactive or ongoing month. For application processing purposes, the date of approval on the log is considered the date of disposition.
3. Do not enter in EIS. Do not send an approval notice at this time.
4. Mail the applicant a "status notice" on county letterhead. (See [Figure 2.](#))
5. No further action is required unless there is a change in situation. (See F. below.)
5. DMA monitors the number of approvals and will notify counties if and when the federal funds are expected to run out for the current year. At that time DMA will issue instructions to dispose any pending QI2 applications.

(III.)

F. Change in Situation

1. Dies, moves out of state, income exceeds limit, etc.

Take the following actions when a QI2 a/r is no longer eligible for QI2 because he dies, moves out of state, income exceeds the limit, or for any other reason:

- a. Determine whether the individual was eligible for QI2 during any of the retro or ongoing period.
- b. Update the QI2 log to reflect the months, if any, of QI2 eligibility.

2. Pending MAABD application

When an individual with income in the QI2 range who chose to pend to meet a deductible changes his mind and requests QI2:

- a. Follow procedures in MA-2304, Processing the Application, to deny the MAABD application.
- b. The date of application for QI2 is the date the DSS-8124 is signed or the date the a/r requests QI2. This application may be unsigned if the a/r is not in the agency.
- c. If otherwise eligible, the QI2 certification period is based on the QI2 month of application. However, regardless of the QI2 date of application, QI2 authorization can never begin earlier than the calendar month the MAABD application is denied.

3. Denied Medicaid application

When an application is denied for failure to meet the deductible and the individual has income in the QI2 range, take the following actions:

- a. Contact the a/r and evaluate whether the individual is still eligible for QI2.
- b. If so, complete a DSS-8124 for QI2 and record it on the log. If the applicant is not in the agency, the application may be unsigned. The date of application for QI2 is the date the Medicaid application is denied.
- c. If the individual is otherwise eligible and the federal funds have not been exhausted, QI2 authorization can never begin earlier than the calendar month the MAABD application is denied.
- d. The end date of QI2 eligibility is 12/31 of the current calendar year. Record the eligibility information on the QI2 log.

4. Ongoing QI2 recipient becomes eligible for full Medicaid

When a QI2 recipient has a change which makes him eligible for full Medicaid (ex. meets deductible, enters nursing home) take the following actions:

- a. Contact the individual or his representative and evaluate which Medicaid coverage group he needs. Explain the advantages of ongoing and retroactive coverage and reserve eligibility.

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- b. Review the case record to see what the recipient's reserve was when he was approved for QI2. If it was below \$2000/3000 and there is no change in situation affecting reserve, no further verification is required until the next review. If the reserve was greater than \$2000/3000, verify reserve in the same manner that is done at redeterminations.
- c. If the recipient requests Medicaid, follow EIS instructions to register a DSS-8124. This is an administrative application. The date of application is the date the DSS-8124 is signed or the date the a/r requests assistance.
- d. The MAABD retro c.p. is the 3 calendar months prior to the month the a/r requests assistance. The 6 month ongoing certification period begins the month the a/r requests assistance. **The MAABD c.p. is not tied to the original QI2 date of application.**
- e. If the recipient is eligible for retro Medicaid only, approve open/shut in EIS. Change the dates of QI2 eligibility on the QI2 log to delete the month(s) the a/r is authorized for Medicaid.
- f. If the recipient is eligible for ongoing Medicaid or ongoing Medicaid and retro Medicaid, approve the Medicaid application. Change the dates of QI2 eligibility on the QI2 log to delete the month(s) the a/r is authorized for Medicaid. Send a denial notice for QI2 if there are no dates of QI2 eligibility. If the QI2 recipient is ineligible for full Medicaid, document the request and the reason the aid program/category was not changed.

5. Ongoing MAABD, MQB-Q, MQB-B, MQB-E, SAAD recipient loses eligibility

When a recipient is terminated from Medicaid in any aid program/category and he has income in the QI2 range, take the following action:

- a. Review the case record.
- b. If the individual is otherwise eligible and the federal funds have not been exhausted, follow instructions in III.E. above to complete a DSS-8124 for QI2 and record it on the log. If the applicant is not in the agency, the application may be unsigned.
- c. The date of application is the date of the evaluation.
- d. QI2 coverage cannot begin until the month following the month full Medicaid terminates.
- e. The end date is 12/31 of the calendar year of application. This applies even when the QI2 application is completed after 12/31. **NOTE:** The certification period for QI2 applications dated November 1 through December 31 ends December 31 of the current calendar year. This is different from QI1/MQB-E applications when the certification period ends December 31 of the next calendar year.
- f. If a QI2 a/r moves to another county, process the application. Do not transfer the QI2 case to the other county. Your county retains responsibility for the QI2 case. QI2 cases are not transferred between counties.

IV. QI2 LOGS

Mail or fax a copy of the completed QI2 Log ([Figure 1](#)) to DMA by the **10th calendar day of each month** listing QI2 actions that occurred in the previous month.

Medicaid Eligibility Unit
Division of Medical Assistance
Mail Service Center 2512
Raleigh, NC 27699-2512
Fax # (919) 715-8548

V. BENEFIT ISSUANCE

A. Payment Calculation

Using the QI2 monthly logs, determine the amount of the payment each individual is eligible to receive.

1. Calculate the total number of months the individual was eligible for QI2 benefits for the current calendar year.
2. Multiply this total by the current monthly payment amount. (See [Figure 8](#).) **DO NOT ROUND. The check will be in dollars and cents.**

EXAMPLE:

months eligible for retroactive coverage for QI2
+ # months eligible for ongoing
= Total # months eligible for QI2
x \$ QI2 monthly benefit amount (Figure 8)
= Amount of check to be issued (Do not round.)

EXAMPLE:

Mr. Jones was reenrolled for QI2 effective January through December. In October, Mr. Jones' daughter calls and says he was placed in a nursing home in September and he needs Medicaid to help with his cost of care. An application for MAA is approved with coverage effective September. The QI2 check is computed as follows:

8 months QI2 eligibility (January through August)
x \$ QI2 monthly benefit amount (Figure 8)
= \$ amount of check to be issued

B. QI2 Check Register

QI2 is not automated; therefore, the Division of Medical Assistance (DMA) in conjunction with the DHHS Controller's Office, issues the QI2 checks. An administrative letter is issued each year giving instructions on when to send in the QI2 Check Register and to whom to send it.

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1. Submit a QI2 Check Register ([Figure 3](#)) to DMA each year by the date stated in the administrative letter listing individuals the county has approved for QI2 for that year. Either a paper copy of the QI2 Check Register or an Excel spreadsheet of the Check Register may be submitted. If you have the capability, DMA recommends using the Excel Check Register.
 - a. To receive a copy of the Excel Check Register, call or email the contact in the Medicaid Eligibility Unit identified in that year's administrative letter. The telephone number is (919) 857-4019. The email address will be included in the administrative letter.
 - b. Email the completed Excel QI2 Check Register to the contact named in the administrative letter.
 - c. Mail or fax paper QI2 Check Register to:

Medicaid Eligibility Unit
Division of Medical Assistance
2512 Mail Service Center
Raleigh, NC 27699-2512
Fax # (919) 715-8548
 - d. Retain a paper or electronic copy of the QI2 Check Register for your records. Since the checks are not automated, a check register is not generated for either check issuance.

NOTE: Submit a QI2 Check Register even if there are no individuals approved for QI2.

2. On the QI2 Check Register list:
 - a. Name of each eligible QI2 individual,
 - b. His address,
 - c. Check amount due,
 - d. Dates of QI2 eligibility, and
 - e. Social security number.

NOTE: It is very important that this information is accurate and the address is current.

NOTE: Do not confuse the QI2 Check Register with the QI2 Log submitted to DMA on a monthly basis. The logs are used to track the number of potential eligible individuals. They do not give enough information to issue the benefit.

C. Approval Notice

At the time you complete the QI2 Check Register, complete and send a manual DSS-8108 approval notice for each individual eligible for QI2.

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1. Enter the date of the notice as the day you are completing the DSS-8108.
2. On the notice, check the box which says "Your application for QI2 is approved for:"
3. Under "Payment Amount" list the reimbursement per month, the words "per month =", and the total payment.
4. Under "Payment Month" list the beginning through the ending months of eligibility.
5. File a copy of the DSS-8108 for each individual in his case record. For your information, either keep a list of the approval notices sent or make a note on your copy of the check register when each approval notice is sent.

D. PENDING QI2 APPLICATIONS AND QI2 STRAGGLER REGISTER

After submission of the QI2 Check Register to DMA, begin a QI2 Straggler Register ([Figure 4](#)). You will be notified in the administrative letter referenced in V.B. above when the straggler register is to be submitted and to whom it is to be sent.

1. List any applications approved for QI2 after the first Check Register was submitted.
2. Complete all pending QI2 applications by the deadline date set in the administrative letter.
3. Deny the application if information required to determine eligibility has not been received by the end of the deadline day.
 - a. Send a manual denial notice to the applicant.
 - b. State on the notice that the reason for the denial is "You have not returned needed information and funding for this program ends on December 31st each year. You must reapply for assistance in (yr.)."
4. Submit the QI2 Straggler Register by the date specified in the administrative letter by email to the contact named in the administrative letter.

NOTE: Even if there are no straggler approvals, complete a QI2 Straggler Check Register stating "No approvals."
5. Retain a paper or electronic copy of the QI2 Check Register for your records. Since the checks are not automated, a check register is not generated for either check issuance.

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E. ISSUANCE OF QI2 CHECKS

1. Checks for individuals submitted on the QI2 Check Register are mailed around December 15th.
2. Checks for individuals submitted on the QI2 Straggler Register are mailed in mid February.
3. Included in the envelope with the check are:
 - a. Re-enrollment application (DMA-5070) ([Figure 5](#)) or straggler Re-enrollment application (DMA-5070) ([Figure 9](#)),
 - b. Return envelope (DMA-5062) ([Figure 6](#)), and
 - c. Rights and Responsibilities insert (DMA-5061) ([Figure 7](#)).
4. Since the checks are not automated, a check register is not generated for either check issuance. Retain a paper or electronic copy of the QI2 Check Register for your records.

F. RETURNED CHECKS

1. Undelivered checks are returned to the NC Department of Health and Human Services Controller's office. If a QI2 recipient reports he did not receive his check:
 - a. Verify he was on your county QI2 Check Register or QI2 Straggler Check Register.
 - b. If he is on either register report this information to the contact person in the Medicaid Eligibility Unit at (919) 857-4019. She will coordinate with the Controller's Office.
2. If checks are returned to the Controller's Office for insufficient address, the Controller's Office notifies DMA. DMA may ask you to review the record for additional information.
3. If for any reason a recipient or family member returns a QI2 check, write cancel on the check and mail it to the Controller's Office. Examples of reasons a check may be returned are death of the recipient or the recipient does not want the check.

DHHS Controller's Office
2019 Mail Service Center
Raleigh, NC 27699-2019
Att: Linda Garrison

VI. RE-ENROLLMENT

If a QI2 recipient wants to continue to receive a partial reimbursement of his Part B Medicare premium, his eligibility must be redetermined each calendar year. This process is called re-enrollment.

A. Included in the envelope with each recipient's QI2 check are:

1. Re-enrollment application (DMA-5070) ([Figure 5](#)) or **straggler Re-enrollment application (DMA-5070)** ([Figure 9](#)) containing a pre-printed label with the recipient's name and address, and county name and address, and date the DMA-5070 is due at the county dss. You may photocopy the re-enrollment form if needed.
2. **Return envelope (DMA-5062)** ([Figure 6](#)) imprinted with "QI" in large purple letters, and
3. Rights and Responsibilities insert (DMA-5061). ([Figure 7](#)).

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B. Recipient Responsibilities

1. The QI2 recipient or his representative must return the completed, signed DMA-5070 to his county department of social services by the date printed on the re-enrollment application:
 - a. For all DMA-5070s enclosed with the checks mailed in December, the date is January 31.
 - b. For all DMA-5070s enclosed with the straggler checks mailed in February, the date is March 31.
2. The QI2 recipient or his representative must provide information necessary to determine eligibility.

C. Processing Requirements

1. Train your mail room staff to recognize returned QI re-enrollment applications so they can be date-stamped and forwarded to an assigned unit for processing.
2. On receipt in the proper unit, review each returned DMA-5070 to assure it is signed and contains all information necessary to determine eligibility.
 - a. **DMA-5070 is not signed:** Return the DMA-5070 to the client with a cover sheet explaining the form must be signed and returned prior to the appropriate deadline date (January 31/March 31).
 - b. **DMA-5070 is signed:** Record the applicant's name, Medicaid ID number, and date of application on the QI2 log. ([Figure 1.](#)) The date of application is the date the county received the signed DMA-5070.
 - (1) All necessary information to determine eligibility is received, go to D. below.
 - (2) **All information necessary to determine eligibility is NOT received:** Follow procedures in MA-2302 to request the information needed. Document in the case record what information is requested. When the information is received, go to D. below. If the information is not received within 45 days of the date of application, follow procedures in F. below to discontinue eligibility.

D. Verification Requirements

1. An interview is not required to process the DMA-5070. A DSS-8124 is not required for re-enrollments.
2. Compare the information on the DMA-5070 to the information on the initial application or the last re-enrollment.
3. Verify Medicare entitlement, income, reserve, living arrangement, and spousal responsibility in the same manner as a MQB redetermination. Use on-line inquiries when possible.

NOTE: Always use the December Social Security benefit to determine eligibility under QI2. The RSDI COLA is excluded from

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countable income for January, February, and March of each year.

4. It is suggested you use the DMA-5007V, Verification Form for MAABD Mail Redeterminations, to complete and document necessary verifications and eligibility decision. Write "QI2" in large letters on the DMA-5007V.

E. Eligibility Continues

1. Complete the following sections of the DMA-5007V:

a. DEDUCTIBLE COMPUTATION

Show the computation of the QI2 check amount in this space. See V.A. above for how to compute the payment. Change "DEDUCTIBLE COMPUTATION" to "QI2 CHECK COMPUTATION".

b. CERTIFICATION PERIOD

Complete the "FROM" and "TO" dates to show the dates of QI2 eligibility. Enter "QI-2" in the "AID PROGRAM/Class" section.

- c. Complete the bottom of the second page with the disposition date (in place of date keyed), the reason approved/denied (in place of notice code), and the date the status notice is mailed. Sign the form. Do not complete the interviewer information.

2. Document on the log the date the re-enrollment was approved and the authorization period.
3. Do not enter in EIS. Do not send an approval notice at this time.
4. Mail the applicant a "status notice" on county letterhead. (See [Figure 2.](#))
5. No further action is required unless there is a change in situation (See III. F. above.)

F. Individual is Ineligible

If the a/r is ineligible for QI2 (reserve, income, residency, does not return information, etc.) or he requests discontinuance of benefits:

1. Complete the denial information on the DMA-5007V. Indicate that the denial is for QI2.
2. Send the recipient a manual denial or withdrawal notice. File the DMA-5070, DMA-5007V, and copy of the denial notice in the client's case record. This serves as documentation of the re-enrollment disposition.
3. Document on the QI2 log that the re-enrollment was denied/withdrawn and the date of the action.

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G. Information necessary to determine eligibility is received after the case has been terminated

1. Process the DMA-5070 as a new application.
 - a. Do not require the recipient to complete and sign a new application.
 - b. The date of application is the date the DMA-5070 is received.
 - c. Request new verification of income if the base period changes.
2. If the individual is eligible for MQB-Q or MQB-B, MQB-E, MWD, or full Medicaid:
 - a. Document the record, and
 - b. Follow instructions in III.F.4. above to approve in the correct aid program/category.