



## Prohibition Billing Dually Eligible Individuals Enrolled in the Qualified Medicare Beneficiary (QMB) Program

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Note: This article was revised on June 26, 2018, to clarify the description of the QMB program. It also adds that starting July 2018 the Medicare Summary Notice (MSN) is another way for providers to verify the QMB status of beneficiaries for Medicare Fee-For-Service (FFS) claims. All other information remains the same.

### PROVIDER TYPES AFFECTED

This article pertains to all Medicare providers and suppliers, including pharmacies that serve beneficiaries enrolled in Original Medicare or a Medicare Advantage (MA) plan.

### PROVIDER ACTION NEEDED

This Special Edition MLN Matters® Article from the Centers for Medicare & Medicaid Services (CMS) reminds **all Medicare providers and suppliers, including pharmacies, that they may not bill beneficiaries enrolled in the QMB program for Medicare cost-sharing.** Medicare beneficiaries enrolled in the QMB program have no legal obligation to pay Medicare Part A or Part B deductibles, coinsurance, or copays for any Medicare-covered items and services.

Implement key measures to ensure compliance with QMB billing requirements. Use the Medicare 270/271 HIPAA Eligibility Transaction System (HETS) (effective November 2017), CMS' eligibility-verification system, and the provider Remittance Advice (RA) (July 2018) to identify beneficiaries' QMB status and exemption from cost-sharing prior to billing. Starting July 2018, look for QMB alerts messages in the RA for FFS claims to verify QMB after claims processing. Work with your office staff and vendors to make sure your insurance verification and billing systems are ready to incorporate these QMB updates. Refer to the Background and Additional Information Sections below for further details and important steps to promote compliance.

### BACKGROUND

All Original Medicare and MA providers and suppliers—not only those that accept Medicaid—must not charge individuals enrolled in the QMB program for Medicare cost-sharing. Providers who inappropriately bill individuals enrolled in QMB are subject to sanctions. Providers and suppliers may bill State Medicaid programs for these costs, but States can limit Medicare cost-sharing payments under certain circumstances.

## Billing of QMBs Is Prohibited by Federal Law

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Federal law bars Medicare providers and suppliers from billing an individual enrolled in the QMB program for Medicare Part A and Part B cost-sharing under any circumstances (see Sections 1902(n)(3)(B), 1902(n)(3)(C), 1905(p)(3), 1866(a)(1)(A), and 1848(g)(3)(A) of the Social Security Act [the Act]). The QMB program provides Medicaid coverage of Medicare Part A and Part B premiums and cost sharing to low income Medicare beneficiaries. QMB is an eligibility category under the Medicare Savings Programs. In 2016, 7.5 million individuals (more than one out of eight beneficiaries) were enrolled in the QMB program.

Providers and suppliers may bill State Medicaid agencies for Medicare cost-sharing amounts. However, as permitted by Federal law, States can limit Medicare cost-sharing payments, under certain circumstances. Regardless, persons enrolled in the QMB program have no legal liability to pay Medicare providers for Medicare Part A or Part B cost-sharing. Medicare providers who do not follow these billing prohibitions are violating their Medicare Provider Agreement and may be subject to sanctions (see Sections 1902(n)(3)(C), 1905(p)(3), 1866(a)(1)(A), and 1848(g)(3)(A) of the Act).

Note that certain types of providers may seek reimbursement for unpaid Medicare deductible and coinsurance amounts as a Medicare bad debt. For more information about bad debt, refer to Chapter 3 of the [Provider Reimbursement Manual](#) (Pub.15-1).

Refer to the Important Reminders Concerning QMB Billing Requirements Section below for key policy clarifications.

## Inappropriate Billing of QMB Individuals Persists

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Despite Federal law, providers and suppliers continue to improperly bill individuals enrolled in the QMB program. Many beneficiaries are unaware of the billing restrictions (or concerned about undermining provider relationships) and simply pay the cost-sharing amounts. Others may experience undue distress when unpaid bills are referred to collection agencies. For more information, refer to [Access to Care Issues Among Qualified Medicare Beneficiaries \(QMB\), Centers for Medicare & Medicaid Services July 2015](#).

## Ways to Promote Compliance with QMB Billing Rules

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Take the following steps to ensure compliance with QMB billing prohibitions:

- Establish processes to routinely identify the QMB status of Medicare beneficiaries prior to billing for items and services. Use the Medicare 270/271 HETS data provided to Medicare providers, suppliers, and their authorized billing agents (including clearinghouses and third party vendors) (effective November 2017) to verify a beneficiary's QMB status and exemption from cost-sharing charges. Ask your third party eligibility-verification vendors how their products reflect the new QMB information from HETS. For more information, visit the [HETS](#) website.

- In July 2018, CMS will reintroduce QMB information in the Medicare RA that Original Medicare providers and suppliers can use to identify the QMB status of beneficiaries. Refer to the Additional Information section below for educational materials on recent changes that impact RAs for Medicare FFS QMB claims.
  - MA providers and suppliers should also contact the MA plan to learn the best way to identify the QMB status of plan members both before and after claims submission.
  - Providers and suppliers may also verify beneficiaries' QMB status through automated Medicaid eligibility-verification systems in the State in which the person is a resident or by asking beneficiaries for other proof, such as their Medicaid identification card, MSN (starting July 2018) or other documentation of their QMB status.
- Ensure that billing procedures and third-party vendors exempt individuals enrolled in the QMB program from Medicare charges and that you remedy billing problems should they occur. If you have erroneously billed individuals enrolled in the QMB program, recall the charges (including referrals to collection agencies) and refund the invalid charges they paid.
  - Determine the billing processes that apply to seeking payment for Medicare cost-sharing from the States in which the beneficiaries you serve reside. Different processes may apply to Original Medicare and MA services provided to individuals enrolled in the QMB program. For Original Medicare claims, nearly all States have electronic crossover processes through the Medicare Benefits Coordination & Recovery Center (BCRC) to automatically receive Medicare-adjudicated claims.
    - If a claim is automatically crossed over to another payer, such as Medicaid, it is customarily noted on the Medicare RA.
    - States require all providers, including Medicare providers, to enroll in their Medicaid system for provider claims review, processing, and issuance of the Medicaid RA. Providers should contact the State Medicaid Agency for additional information regarding Medicaid provider enrollment.

## Important Reminders Concerning QMB Billing Requirements

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Be aware of the following policy clarifications on QMB billing requirements:

1. All Original Medicare and MA providers and suppliers—not only those that accept Medicaid—must not charge individuals enrolled in the QMB program for Medicare cost-sharing.
2. Individuals enrolled in the QMB program keep their protection from billing when they cross State lines to receive care. Providers and suppliers cannot charge individuals

enrolled in QMB even if their QMB benefit is from a different State than the State where they get care.

- Note that individuals enrolled in QMB **cannot** elect to pay Medicare deductibles, coinsurance, and copays, but may have a small Medicaid copay.

## ADDITIONAL INFORMATION

For more information on this process, refer to Section HI 00801.140 of the [Social Security Administration Program Operations Manual System](#).

Refer to these educational materials for information on recent changes that impact RAs and MSNs for Medicare FFS QMB claims:

- [MLN Matters Article MM9911](#), discusses the claims processing system modifications implemented on October 2, 2017, to generate QMB information in the RAs and MSNs.
- On December 8, 2017, the claims processing system modifications made on October 2, 2017, were temporarily suspended due to unintended issues that affected processing QMB cost-sharing claims by States and other payers secondary to Medicare. For more information, refer to [QMB Remittance Advice Issue](#).
- [MLN Matters Article 10494](#) describes how Medicare Administrative Contractors (MACs) will issue replacement RAs for QMB claims paid on or after October 2, 2017, through December 31, 2017, that have not been voided or replaced. MACs will issue replacement RAs by December 11, 2018, for Part B claims and by September 12, 2018, for Part A/Durable Medical Equipment C claims.
- [MLN Matters Article MM10433](#) discusses how CMS will reintroduce QMB information in the RA starting July 2018 and modify to CR 9911 to avoid disrupting claims processing by secondary payers.

For more information about dual eligibles under Medicare and Medicaid, please visit <https://www.medicaid.gov/medicaid/eligibility/medicaid-enrollees/index.html> and refer to [Dual Eligible Beneficiaries Under Medicare and Medicaid](#). For general Medicaid information, please visit <http://www.medicaid.gov/index.html>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

## DOCUMENT HISTORY

| Date of Change | Description  |
|----------------|--|
| June 26, 2018  | This article was revised to clarify the description of the QMB program. It also adds that starting July 2018 the Medicare Summary Notice (MSN) is another way for providers to verify the QMB status of beneficiaries for Medicare Fee-For-Service (FFS) claims. All other information remains the same. |

| Date of Change   | Description  |
|------------------|--|
| March 22, 2018   | The article was revised to indicate that CMS will reintroduce QMB information in the Medicare Remittance Advice (RA) and Medicare Summary Notice (MSN) for all claims processed on or after July 2, 2018. CMS initially included QMB information in RAs and MSNs for claims processed on or after October 2, 2017, but suspended those changes on December 8, 2017, to address unforeseen issues preventing the processing of QMB cost-sharing claims by States and other secondary payers outside of the Coordination of Benefits Agreement (COBA) process. All other information remains the same. |
| December 4, 2017 | The article was revised to indicate that on December 8, 2017, CMS will suspend modifications to the Provider Remittance Advice and the Medicare Summary Notice for QMB claims made on October 2, 2017. The article was also revised to show the HETS QMB release was implemented in November 2017. Finally, the article was changed to clarify that QMBs cannot elect to pay Medicare cost-sharing but may need to pay a small Medicaid copay in certain circumstances. All other information remains the same.  |
| November 3, 2017 | Article revised to show the HETS QMB release will be in November 2017. All other information remains the same.   |
| October 18, 2017 | The article was revised to indicate that the Provider Remittance Advice and the Medicare Summary Notice for beneficiaries identifies the QMB status of beneficiaries and exemption from cost-sharing for Part A and B claims processed on or after October 2, 2017, and to recommend how providers can use these and other upcoming system changes to promote compliance with QMB billing requirements. All other information remains the same.  |
| August 23, 2017  | The article was revised to highlight upcoming system changes that identify the QMB status of beneficiaries and exemption from Medicare cost-sharing, recommend key ways to promote compliance with QMB billing rules, and remind certain types of providers that they may seek reimbursement for unpaid deductible and coinsurance amounts as a Medicare bad debt.   |
| May 12, 2017     | This article was revised on May 12, 2017, to modify language pertaining to billing beneficiaries enrolled in the QMB program. All other information is the same.   |
| January 12, 2017 | This article was revised to add a reference to MLN Matters article <a href="#">MM9817</a> , which instructs Medicare Administrative Contractors to issue a compliance letter instructing named providers to refund any erroneous charges and recall any existing billing to QMBs for Medicare cost sharing.  |
| February 4, 2016 | The article was revised on February 4, 2016, to include updated information for 2016 and a correction to the second sentence in paragraph 2 under <i>Important Clarifications Concerning QMB Balance Billing Law</i> on page 3.  |
| February 1, 2016 | The article was revised to include updated information for 2016 and a clarifying note regarding eligibility criteria in the table on page 4.   |
| March 28, 2014   | The article was revised to change the name of the Coordination of Benefits Contractor (COBC) to BCRC.  |

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