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**QUALIFIED INDIVIDUAL 1 (MQB-E)**  
**REVISED 12/03/2018 – [CHANGE NO. 06-18](#)**

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**Current Change Notice: 06-18**

- The Qualified Medicare Beneficiaries policies have been revised in the online Adult Medicaid Manual in the following sections: MA-2160, Qualified Individual 1 (MQB-E)

**I. INTRODUCTION TO QUALIFYING INDIVIDUALS**

Qualifying Individuals (QIIs/MQB-E) are beneficiaries who would be eligible for MQB-B except that their income is between 120 - 135% of the federal poverty limit. QIIs are also referred to as MQB-E.

Although eligibility regulations and benefits for QII/MQB-E are the same as for MQB-B, the law mandates differences from the current MQB-B:

- A. 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.**
- B. Approval is based on a first-come, first-served basis. When the number of QII/MQB-E cases reach the capped allotment, Division of Health Benefits (DHB) will provide state wide notice to no longer approve applications for QII/MQB-E.**
- C. There is no six month or 12 month certification period. Depending on the date the QII/MQB-E application is taken, the certification period ends on December 31 of the current calendar year or December 31 of the next calendar year.**
- D. QII/MQB-Es cannot be otherwise eligible or dually eligible for other Medicaid program.**

**II. QUALIFYING INDIVIDUALS POLICY FUNDAMENTALS**

**A. Eligibility**

Except as noted below, the eligibility requirements and methodology for QII/MQB-Es are the same as for MQB-B.

Inmates of public institutions are not eligible for Medicare

**B. Income**

Must have countable monthly income between 120% and 135% of the federal poverty limit.

Refer to [MA-2260, Financial Eligibility Requirements/PLA](#), for current QI1/MQB-E income levels.

### **C. Medicaid Program Classification**

The Medicaid program classification code is MQB-E.

### **D. Coverage**

Coverage for QI1/MQB-E is the same as for MQB-B. The only benefit is payment of the Part B Medicare premium. No Medicaid card is issued.

### **E. Retroactive Coverage**

Like MQB-B, QI1/MQB-Es can be authorized 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.**

### **F. No Dual Eligibility**

Unlike MQB-Q and MQB-B, a QI1/MQB-E cannot be dually or otherwise eligible for Medicaid. This means an:

1. Applicant/beneficiary (a/b) authorized for Medicaid in any other program (MAABD, SAAD, MAF, etc.) is not eligible for QI1/MQB-E, and
2. A/b whose application is pending to meet a deductible is not eligible for QI1/MQB-E, and
3. Ongoing beneficiary placed in deductible status is not eligible for QI1/MQB-E unless the a/b elects to change coverage solely to QI1/MQB-E.

### **G. Processing Requirements**

1. The application processing standard is 45 days.
2. QI1/MQB-E is subject to monitoring. Refer to [MA-2305, Evaluating County/DDS Performance](#).

### **H. Ongoing Certification Period**

1. QI1/MQB-Es do not have a standard six or 12 month certification period (C.P.). The ongoing C.P. begins with the month of application for QI1/MQB-E.
2. If a QI1/MQB-E a/b subsequently becomes eligible under MAABD (or other Medicaid program), the C.P. is **not** based on the ongoing QI1/MQB-E C.P. The C.P. begins with the month the a/b requests assistance under the new Medicaid program.

### **I. Recertification**

Eligibility is re-evaluated for each calendar year. Refer to IV., below for recertification procedures.

## **III. PROCEDURES**

### **A. Application**

1. Refer to [MA-2300, Application](#). If an a/b/couple's income is in the QI1/MQB-E range, compute the estimated deductible for the ongoing and retro period.
2. Evaluate whether the applicant is likely to meet their 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.
3. Explain to the applicant that they must choose between applying for QI1/MQB-E and only receiving payment of their Part B premium or applying for MAABD and pending to meet a deductible for either the retro and ongoing period. Be sure the applicant understands the benefits and effective dates for both programs.
4. Document in the case the explanation and choice of program. If the applicant applies for QI1/MQB-E, a DMA-5095, Medicaid/WF Notice of Inquiry, is not required.

### **B. Application Disposition**

1. Refer to [MA-2300, Application](#) to disposition the QI1/MQB-E case.
2. QI1/MQB-E applications dated **before** November of each year and not approved until on or after November, the C.P. end on 12/31 of the current year.

3. QI1/MQB-E applications dated **after** November 1<sup>st</sup> or later, the C.P. end on 12/31 of the next year.
3. DHB monitors the number of approvals and will notify counties when the federal funds for QI1/MQB-E will be exhausted for the current year. At that time DHB will issue instructions to dispose any pending QI1/MQB-E applications.

### **C. Change in Situation/Program Transfers**

#### **1. Pending QI1/MQB-E Application**

If you learn a QI1/MQB-E applicant has a change in situation and is eligible for MAABD (or under another Medicaid program):

- a. Disposition the QI1/MQB-E application:
  - (1) Approve the case if the a/b was eligible for QI1/MQB-E during any of the retro or ongoing period not covered by full Medicaid, or
  - (2) Process an administrative application if the a/b is eligible for full Medicaid for the entire period covered by the QI1/MQB-E application.
- b. If the a/b is not in the agency, the application may be unsigned. However, **the new application is subject to all application processing requirements.**
- c. The date of application is the date the application is signed or the date the applicant (representative, nursing facility, hospital, etc.) requested assistance.
- d. If otherwise eligible, the MAABD 6 month ongoing C.P. or 3 month retro C.P. is based on the MAABD date of application, not the QI1/MQB-E date of application.
- e. If you learn a pending QI1/MQB-E application should be a MQB-Q or MQB-B application due to the income or a pending MQB-Q or MQB-B should be a QI1/MQB-E application, process an administrative denial application. Evaluate for all other Medicaid programs. Do not change the date of application.

#### **2. Pending MAABD application**

When an a/b with income in the QI1/MQB-E range who chose to pend to meet a deductible changes their mind and requests QI1/MQB-E:

- a. Process an administrative application, to deny the MAABD application.
- b. Evaluate for all other Medicaid programs. This is a QI1/MQB-E application. This application may be unsigned if the a/b is not in the agency.
- c. The date of application is the date the application is signed or the date the a/b requests assistance.
- d. If otherwise eligible, the QI1/MQB-E certification period is based on the QI1/MQB-E month of application. However, regardless of the QI1/MQB-E date of application, QI1/MQB-E authorization can never begin earlier than the calendar month the MAABD application is denied.

3. Denied MAABD application

When an application is denied for failure to meet the deductible and the individual has income in the QI1/MQB-E range, take the following actions:

- a. Evaluate the a/b is still eligible for QI1/MQB-E.
- b. If so, follow instructions in 1., above.
- c. If the a/b is otherwise eligible and the federal funds have not been exhausted, begin QI1/MQB-E coverage the calendar month the MAABD application is denied.

4. Ongoing QI1/MQB-E beneficiary becomes eligible for full Medicaid

When a QI1/MQB-E beneficiary has a change, which makes them eligible for full Medicaid take the following actions:

- a. Evaluate for other Medicaid programs.
- b. Review the case to see what the beneficiaries reserve was when it was approved for QI1/MQB-E. If it was below \$2,000/3,000 and there is no change in situation affecting reserve, no further verification is required until the next review. If the reserve was greater than \$2,000/3,000, verify reserve in the same manner that is done at recertification.

- c. If the beneficiary requests retro Medicaid only, process the application. This is an administrative application. The date of application is the date the application is signed or the date the a/b requests assistance. If otherwise eligible, approve case. This will allow the QI1/MQB-E to continue for the remainder of the QI1/MQB-E certification period.
  - d. If the beneficiary requests retro and ongoing full Medicaid or ongoing Medicaid only, an application is not necessary. This is an administrative application.
  - e. The MAABD retro C.P. is the 3 calendar months prior to the month the a/b requests assistance. The 6-month or 12-month ongoing certification period begins the month the A/B requests assistance. The MAABD C.P. is not tied to the original QI1/MQB-E date of application.
  - f. If the QI1/MQB-E beneficiary is ineligible for full Medicaid, document the request and the reason the Medicaid program was not changed.
5. MAABD, MQB-Q, MQB-B, SAAD beneficiary loses eligibility.

When a beneficiary is terminated from a Medicaid program and their income is in the QI1/MQB-E range, take the following action:

- a. Review the case.
- b. If the a/b is otherwise eligible and the federal funds have not been exhausted, the beneficiary is not required to make an application. Process an administrative application.
- c. QI1/MQB-E coverage cannot begin until the month following the month full Medicaid terminates.
- d. The end date depends on the QI1/MQB-E date of application. If the QI1/MQB-E date of application is January 1 through October 31, the end date is 12/31 of the current calendar year. If the QI1/MQB-E date of application is 11/01 or later, the end date is 12/31 of the next calendar year.

#### **IV. RECERTIFICATION**

##### **A. Ex-parte process**

- 1. Complete an ex-parte and evaluate for all other Medicaid programs by the 2<sup>nd</sup> to last business day of December.
- 2. The caseworker is required to:

- a. Conduct all electronic matches, including OVS
- b. Check other available records
- c. Contact beneficiary only if continuing eligibility cannot be determined by available information
- d. Issue a [DMA-5097, Request for Information](#), allowing the beneficiary 12 calendar days to return the information.

**B. Cost of living Allowance (COLA)**

1. Always use the December Social Security benefit to determine eligibility under MQB-E. The RSDI COLA is excluded from countable income for January, February, and March of each year.
2. When the COLA increase is greater than the Federal Poverty Level, some Medicaid beneficiaries may lose eligibility or move to deductible status. In this situation, the most recent COLA must be disregarded in determining continued eligibility. If the beneficiary remains eligible when the SSA COLA is disregarded, the disregard continues until the beneficiary loses Medicaid eligibility or becomes eligible without the disregard.

**C. MQB-E certification period is January through December of the next calendar year.**

**D. Information Not Received**

If the information needed is not returned, send a timely notice to terminate the case.

**E. If the information necessary to determine eligibility is received after the case has been terminated, process an application.**

1. Do not require the beneficiary to complete and sign a new application.
2. Enter a reapplication in NC FAST. Application processing standards apply.
3. The date of application is the date the necessary information was received.