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GENERAL INFORMATION SYSTEM
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TO: Commissioners and Medicaid Supervisors

FROM: Ann Clemency Kohler
Deputy Commissioner, Office of Medicaid Management

SUBJECT: Qualified Individuals 1 (QI-1's) and Qualified Individuals 2
(QI-2's)

EFFECTIVE DATE: March 18, 1998

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The purpose of this GIS is to advise local departments of social services to immediately initiate taking applications on the Medicaid application form for the programs described below.

As a result of Section 4732 of the Balanced Budget Act of 1997, two new mandatory eligibility groups of low-income Medicare beneficiaries have been established. The first group of individuals will have their full Medicare Part B premium paid for, as is currently done for individuals eligible for the Specified Low-Income Medicare Beneficiary Program, except that the income for this group must be at least 120% of the federal poverty level but less than 135% of the federal poverty level. These individuals are referred to as Qualifying Individuals 1 (QI-1's). The second group of individuals will have a portion of the Medicare Part B premium (\$1.07) reimbursed. The income for these individuals must be at least 135% of the federal poverty level but less than 175% of the federal poverty level. These individuals are referred to as Qualified Individuals 2 (QI-2's).

Resources for both of the above described groups will be twice the SSI resource level, the same level currently used for Qualified Medicare Beneficiaries and Specified Low-Income Medicare Beneficiaries.

New York State will receive full federal funding in the form of a capped allocation for the premiums reimbursed for these two new groups of individuals. The allocation will be paid to New York State for each of five years beginning in January of 1998.

You will not be able to calculate budgets for these individuals until the MBL system has been updated to allow them. The State is currently drafting amendments to Social Services Law to permit payment for these premiums. In addition, a Title XIX State Plan amendment will be submitted to cover QI-1's and QI-2's retroactively to January 1, 1998. You will not be able to immediately pay for the premiums for these two new groups of individuals, but by taking their applications now, when the State legislation is passed, you will be able to retroactively pay for the premiums for the applicants for these programs.

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The applicants must be informed that payment or part payment of the Medicare Part B premium is based upon a first come first serve basis. Consequently, applications should be stored in a separate file by date of application. Once the federal allotment for the year has been reached, no more applications for these programs will be accepted.

More information will follow as soon as it is available.