

## 22.1 INTRODUCTION

### A. DEFINITION OF BUY-IN

The Department pays the Medicare, Part A and/or Part B premium for certain individuals who are eligible for Medicare. This procedure is referred to as the buy-in process.

### B. MEDICARE BUY-IN UNIT

The Medicare Buy-In Unit of BMS is responsible for the buy-in process which is a joint effort of SSA and BMS. SSA initiates the process for SSI eligibles by identifying those who qualify and billing the Department monthly for the total premium. DHHR initiates the process for all other Medicaid coverage groups with individuals eligible for Medicare.

The Buy-In Unit is responsible for making sure buy-in is accomplished for all clients who qualify and that the agency is not being charged for premiums of those who are not eligible or those who are not residents of the State.

### C. MEDICARE PROGRAM

#### 1. Definition

Medicare is a federal insurance program that helps pay health care costs for people age 65 or older, regardless of income, and certain individuals receiving RSDI benefits based on disability.

Medicare is the same in all states and is administered by the Social Security Administration (SSA). SSA makes all decisions regarding eligibility for Medicare.

#### 2. Medicare, Parts A , B And D

The following benefits are available to Medicare enrollees.

- Medicare, Part A - Hospitalization Insurance Benefits (HIB)

The Buy-In Unit controls the purchasing and payment of Part A premiums for all uninsured eligibles. The State is billed for the Part A premiums for all Medicare eligibles who are not eligible for premium-free Medicare, Part A, because they lack the necessary quarters of coverage, have enrolled voluntarily and pay a premium.

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**Medicare Buy-In Procedures**

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- Medicare, Part B - Supplementary Medical Insurance Benefits (SMIB)

An individual enrolled in Part B pays a monthly premium. If he is receiving RSDI or Railroad Retirement Benefits, the premium is deducted from his benefit; otherwise, he must pay the premium from his income.

See Section 22.2 below for a list of those for whom the Department buys-in.

- Medicare – Part D – Medicare Prescription Drug Benefit

Effective January 1, 2006, an individual who is already enrolled in Medicare, Part A or Part B, may receive the Medicare Prescription Drug Benefit. Enrollment for those who already have a Medicare benefit begins November 15, 2005. The Part D Prescription Drug Benefit is not administered by the Social Security Administration. The benefit is obtained by enrolling in a Prescription Drug Plan (PDP). Enrollees must pay a monthly premium, unless financially qualified for extra help, also known as the Low Income Subsidy or LIS. The extra help pays all or part of the drug benefit premium, co-pays and deductibles which may be required. Applications for the extra help began in June 2005. Workers must assist individuals who request it to complete an application for the Low Income Subsidy. The application must be submitted on an original Social Security form, the SSA-1020-OCR-SM or submitted on the internet at [www.ssa.gov/prescriptionhelp/](http://www.ssa.gov/prescriptionhelp/).

Medicaid recipients enrolled in Medicare automatically qualify for the extra help and are automatically enrolled in a Prescription Drug Plan. With a few exceptions, Medicaid will not pay for prescription drugs after December 31, 2005, for individuals age 65 or over who are eligible for and do not enroll in a Prescription Drug Plan. This also applies to Medicare enrolled individuals under age 65 who are identified by DHHR.

Additional information about the Prescription Drug Benefit and extra help are available at [www.ssa.gov](http://www.ssa.gov) and [www.medicare.gov](http://www.medicare.gov).