DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard Baltimore,
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TO: All Medicare Advantage Organizations, Section 1876 Cost Plans, Section 1833 Cost Plans, Medicare-Medicaid Plans, and PACE Organizations

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SUBJECT: Reminder of Prohibition on Billing Qualified Medicare Beneficiaries (QMBs) and Resources Available to Identify QMB Status

This memorandum reminds plans of their obligation to educate network providers, suppliers, and pharmacies about, and ensure compliance with, QMB billing rules. It also provides information regarding Centers for Medicare & Medicaid Services (CMS) resources that are available to plans to identify Qualified Medicare Beneficiary (QMB) status.

The QMB eligibility group is a Medicaid eligibility group through which states pay Medicare premiums and cost sharing for certain low-income Medicare beneficiaries. Since 1997, federal law has prohibited Medicare providers from collecting Medicare Part A and Part B coinsurance, copayments, and deductibles from QMBs, including those enrolled in Medicare Advantage and other Part C plans.[1] However, we continue to hear of instances in which Medicare providers or suppliers inappropriately bill QMBs for Medicare cost sharing.

[1] Section 1902(n)(3)(B) of the Social Security Act (42 USC 1396a(n)(3)(b)); 42 CFR 422.504(g)(1)(iii).

Identifying QMBs

Timely access to enrollees' QMB status is critical to inform, monitor, and promote provider compliance with these rules. CMS provides the following ways for plans to identify the QMB status of their enrollees:

- *Medicare Advantage Medicaid Status Data File*
    - Provides the monthly dual statuses and corresponding dual status codes to plans for enrollees with full or partial dual eligibility. Each report provides the most recent Medicaid information on the plan's enrollees.[2]
    - QMB status is reflected in data element (Field 6) of the MA Medicaid Status Beneficiary Detail Record –Dual Status Code; Length – 2 bytes; Field Position 24-25; Codes Values for QMBs are 01 and 02.
- *Monthly Membership Detail Data Report (MMR)*
    - The Medicare Advantage Prescription Drug (MARx) System produces the MMR, which contains beneficiary-level demographics and payment/adjustment related information.
    - QMB status can be identified in data element (Field 84) –Dual Status Code; Length – 2 bytes; Field Position 446-447; Code Values for QMBs are 01 and 02. Note that:
        - the MMR is generated early in a given month to communicate beneficiary level prospective payments and retroactive adjustments for the following month. As a result, it would not include individuals who enroll later in the month for the following month (payment for a month for such beneficiaries will be made retroactively the next month).
        - the MMR is for payment, and throughout a given payment year, the Medicaid status is lagged several months.
- *MARx User Interface (MARx UI)*
    - The M257 screen in the MARx UI can be used to identify the dual status code for a specific individual.[3]
    - Medicaid Dual Status Codes for QMBs are 01 and 02.

CMS encourages plans to proactively inform contracted providers about enrollees' QMB status. Potential strategies include providing QMB status information and indicators through member ID cards, online provider portals, Explanation of Benefits statements, pharmacy billing transactions, and provider online and phone query mechanisms.[4] PACE organizations and Financial Alignment Initiative (FAI) demonstration plans (Medicare-Medicaid Plans) should

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[2] See MAPD Plan Communications User Guide (PCUG), https://www.cms.gov/data-research/cms-information-technology/access-cms-data-application/mapd-plan-communication-user-guide, go to Layout 7-30, Item 6, Page 7-161.

[3] See the MAPD State User Guide, https://www.cms.gov/data-research/cms-information-technology/access-cms-data-application/mapd-state-user-guide

[4] For more information on how to leverage pharmacy billing transactions, please see the CY2020 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter at: https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2020.pdf (discussion starting on page 196).

make clear that all enrollees – regardless of whether they have QMB status or not – have zero Medicare A/B coinsurance, copayments, and deductibles.

Plans may be subject to compliance or enforcement actions if they do not ensure that all amounts incorrectly collected from Medicare enrollees either directly or through providers are refunded. This includes amounts incorrectly collected by providers from QMBs as a result of inaccurate information sent to the provider by the plan regarding an enrollee's QMB status. Plans also must take action to ensure that their providers cease improper QMB billing or collection actions brought to the attention of the plan.

Provider Education

CMS encourages plans to educate providers about the prohibition on billing QMBs for Medicare A/B deductibles and cost sharing[5] and on their obligation not to discriminate against QMBs by refusing service because they are protected from paying cost sharing.[6] Potential strategies include holding recurring trainings, conducting targeted education to providers that improperly bill members, and adding language to provider-focused websites, provider newsletters, and/or provider manuals.

Plans may want to leverage the CMS Medicare Learning Matters article that notifies Medicare providers of the prohibition on billing QMBs for Medicare A/B deductibles and cost sharing , available at https://www.cms.gov/Outreach-and-Education/Medicare-Learning-NetworkMLN/MLNMattersArticles/downloads/SE1128.pdf

When appropriate, CMS also encourages plans to review Complaints Tracking Module (CTM) data, which distinguishes QMB complaints from other complaints. Plans should also review grievance and plan call center data to identify further opportunities to strengthen provider education activities, improve internal call center messaging, and reduce future CTM complaints.

For More Information on the MARx UI or MARx Reports

Plans may direct any questions or concerns to the MAPD Help Desk at 1-800-927-8069, or email mapdhelp@cms.hhs.gov.

[5] See 42 CFR 422.504(g)(1)(iii); Calendar Year (CY) 2019 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter, https://www.cms.gov/MEDICARE/HEALTH-PLANS/MEDICAREADVTGSPECRATESTATS/DOWNLOADS/ANNOUNCEMENT2019.PDF, CY 2020 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter, https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2020.pdf.
[6] See Medicare Managed Care Manual, Chapter 4 – Benefits and Beneficiary Protections, Section 10.5.2, https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/mc86c04.pdf.