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| Colorado Department of Health Care Policy and Financing 1570 Grant St., Denver, CO 80203-1818 | NUMBER: HCPF 10-005 |
| | SUPRECEDES NUMBER: |
| DIVISION OR OFFICE: Client and Community Relations Office | DATE: April 1, 2010 |
| SUBJECT AREA: Low Income Subsidy (LIS) and Medicare Savings Program (MSP) | |
| SUBJECT: MEDICARE IMPROVEMENTS FOR PATIENTS AND PROVIDERS ACT (MIPPA) | APPROVED BY:  Sue Williamson |
| TYPE: I & P | |

HCPF Agency Letters can be accessed online at:

www.colorado.gov/hcpf >> Partners & Researchers >> County and Medical Assistance Site >> Agency Letters

Purpose:

This agency letter provides eligibility sites with updates for the Low Income Subsidy (LIS) program and Medicare Savings Program (MSP) due to the Medicare Improvements for Patients and Providers Act (MIPPA).

Background:

MIPPA was signed into law on July 15, 2008. This act includes significant changes for low-income Medicare Beneficiaries, effective January 1, 2010.

Procedure or Information:

The following MIPPA changes are effective January 1, 2010:

- Resource limits for all **MSP** clients increased to **\$8,100** for an individual and **\$12,910** for a couple.
- The Estate Recovery Program is no longer applicable to **MSP** clients for MSP premiums, deductibles, co-insurance, and co-payments.
- All in-kind income is exempt for **LIS** clients.
- All life insurance policies are exempt for **LIS** clients.
- When a client submits an application for LIS with the Social Security Administration (SSA), they will also have the option to apply for **MSP**. The SSA will transmit LIS application data to the Colorado Department of Health Care Policy and Financing (The Department) for consideration of MSP eligibility.

The Centers for Medicare and Medicaid Services (CMS) is requiring that all states initiate an MSP application based on the LIS application data received from SSA. CMS determined that the application information received from SSA does not contain enough data to make a full MSP determination. To be considered for MSP, all potential clients must submit an application to their local eligibility site along with all applicable verifications.

The LIS application data will be received on a daily basis from the SSA. The Department will exclude LIS applicants that:

- Have an active MSP case;
- Were denied for LIS because they are not a Medicare beneficiary, or have excess income and/or resources.

The Department will send a letter to all remaining LIS applicants after the 15th of each month.

The attached **MSP Application Letter** is an example of the letter that will be sent to all potential MSP clients. This letter will include the potential MSP client's LIS application date. The LIS application date **is** the potential MSP client's MSP application date. In order to honor this application date for MSP, the MSP Application Letter must be presented to the eligibility site at the time of application.

The following CBMS procedure shall be followed for all applications submitted for MSP:

- If a copy of the MSP Application Letter **is not** included with an application for MSP:
 - The application date listed on the Application for Assistance must be used as the Application Initiation (AI) date for MSP.
 - Eligibility sites shall process the MSP application within CBMS as they normally would and include case comments.
- If a copy of the MSP Application Letter **is** included with an application for MSP:
 - The LIS application date listed on the MSP Application Letter must be used as the AI date for MSP.
 - Eligibility sites shall process the MSP application within CBMS as they normally would and include case comments.
 - Eligibility sites shall keep a copy of the MSP Application Letter in the case file.

Effective Date:

January 1, 2010

Attachments:

MSP Application Letter

Contact:

Medicaid.Eligibility@hcpf.state.co.us



COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

1570 Grant Street, Denver, CO 80203-1818 • (303) 866-2993 • (303) 866-4411 Fax • (303) 866-3883 TTY

Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

[Date]

[First Name] [Last Name]

[Address1]

[Address2]

[City], [State] [Zip]

Dear [First Name] [Last Name],

On [LIS Application date] you submitted an 'Application for Extra Help with Medicare Prescription Drug Plan Costs' to the Social Security Administration (SSA). On that application, you indicated that you requested assistance from the Medicare Savings Program.

Please contact your county department of human/social services listed below and ask for an 'Application for Assistance' or go to the website at Colorado.gov/hcpf and click on Medicaid. Complete the 'Application for Assistance' only. You do not need to complete any other forms. Please submit your application along with copies of:

- This letter,
- Verification of income,
- Verification of resources, and
- Medicare card

Please submit your application and copies of the above documents to:

[County Site Name]

[County Site Address]

[County Site Phone #]

In some areas your local Senior Health Insurance Assistance Program (SHIP) Medicare counseling office may assist with this process. That number is 1-888-696-7213 or in Spanish 1-866-665-9668

Once your application has been processed, you will receive a letter informing you of your approval or denial for the Medicare Savings Program.

Sincerely,

Department of Health Care Policy and Financing

