

40.2- Eligibility through Deeming
(Rev. 7, Issued: 11-21-08; Effective/Implementation: 11-21-08)

This section describes how individuals are deemed automatically eligible for the full subsidy. Individuals are never deemed eligible for the partial subsidy.

40.2.1 – Source Data

(Rev. 14, Issued: 10-01-18, Effective Date: 10-01-18; Implementation Date: 10-01-18)

CMS deems individuals automatically eligible for the full subsidy, based on data from State Medicaid Agencies and the Social Security Administration.

SSA sends a monthly file of SSI-eligible beneficiaries to CMS.

Similarly, the State Medicaid agencies submit MMA files to CMS that identify beneficiaries who are:

- Eligible for full Medicaid benefits (full benefit dual eligible), or
- Eligible for a Medicare Savings Program (QMB, SLMB, or QI).

Data from States are also submitted to CMS in two additional ways:

1. From CMS' Contractor for the Limited Income NET Program (LI NET) the contractor provides immediate coverage at point of sale for subsidy eligible individuals who are not enrolled in a Part D plan. The eligibility verification contractor checks State eligibility data to confirm the individuals are full benefit or partial dual eligible individuals, and submits those data to CMS for the purpose of subsidy deeming).
2. From Part D sponsor-submitted data indicating best available evidence (BAE), which documents the individual's LIS eligibility (see section 70.5).

An individual needs to be reported eligible by SSA or the State for only 1 month in a calendar year to be deemed eligible from that month through the end of the year.

Example: An individual is reported by her State as Medicaid-eligible in March, 2017. She will be deemed eligible from March 1, 2017 through December 31, 2017.

40.2.2 - Effective Date of Initial Deemed Status

(Rev. 15, Issued: 10-01-18, Effective Date: 10-01-18; Implementation Date: 10-01-18)

CMS deems individuals automatically eligible for LIS effective as of the first day of the month that the individual attains the qualifying status (i.e., when a Medicare beneficiary becomes eligible for Medicaid, QMB, SLMB, QI, or SSI). The end date is, at a minimum, through the end of the calendar year. Individuals who are deemed LIS eligible for any month during the period of July through December of a year are deemed eligible through the end of the following calendar year.

A beneficiary deemed eligible through the end of a given calendar year remains deemed even if no longer reported by his or her Medicaid agency as a full benefit dual eligible individual or partial dual eligible individual, or by SSA as an SSI recipient, due to loss of eligibility.

In most cases, LIS deemed status is effective retroactively. The majority of newly deemed individuals are already entitled to Medicare and apply for Medicaid/QMB/SLMB/QI/SSI. When eligibility for these programs is retroactive, eligibility for LIS deemed status is also retroactive. If a beneficiary is already enrolled in a Part D plan, Part D sponsors must take steps to ensure that the beneficiary is made whole with respect to any premiums and cost-sharing the member has paid that should have been covered by the subsidy (see section 70 of this chapter for details on Part D sponsor obligations). This applies to current and former members.

Example 1: An individual becomes a full-benefit dual eligible individual March 1, 2017. The effective date of deemed status is March 1, 2017 through December 31, 2017.

Example 2: A Medicare individual becomes SSI eligible effective October 1, 2017. The effective date of deemed status is October 1, 2017 through December 31, 2018.

For individuals who are initially entitled to Medicaid or SSI-only, and are about to become entitled to Medicare, States and SSA will attempt to submit the data for these individuals prior to the start of their Medicare eligibility to help ensure that LIS deemed status is established the first day of their Medicare entitlement.

40.2.3 - Changes to Subsidy Status within the Established Deemed Span
(Rev. 13, Issued: 07-29-11, Effective Date: 01-01-11; Implementation Date: