

Enclosure 2

LIST AND DEFINITION OF DUAL ELIGIBLES

Dual Eligibles - Individuals entitled to Medicare (at least hospital insurance under Part A) and eligible for some category of Medicaid benefits. The following information describes the various categories of individuals who, collectively, are known as dual eligibles.

1. Qualified Medicare Beneficiaries (QMBs) - Individuals entitled to Part A of Medicare, with income not exceeding 100% of the Federal poverty level, and resources not exceeding twice the SSI limit. QMBs may be eligible for full Medicaid or may have Medicaid eligibility limited to payment of Medicare Part A and Part B (supplementary medical insurance) premiums and Medicare cost-sharing (deductibles and coinsurance) for Medicare services provided by Medicare providers. Federal financial participation (FFP) equals the Federal medical assistance percentage (FMAP).

A. QMBs without other Medicaid (QMB Only) - Individuals entitled to Part A of Medicare, with income not exceeding 100% of the Federal poverty level, and resources not exceeding twice the SSI limit. Eligibility for Medicaid is limited to payment of Medicare Part A and Part B premiums and Medicare deductibles and coinsurance for Medicare services provided by Medicare providers. FFP equals FMAP.

B. QMBs with Medicaid (QMB Plus) - Individuals entitled to Part A of Medicare, with income not exceeding 100% of the Federal poverty level, and resources not exceeding twice the SSI limit. Eligibility for Medicaid includes payment of Medicare Part A and Part B premiums and Medicare deductibles and coinsurance for Medicare services provided by Medicare providers and full Medicaid benefits for Medicaid services provided by Medicaid providers. FFP equals FMAP.

2. Non-QMBs

-Individuals entitled to Medicare and eligible for full Medicaid benefits, but not as a QMB (typically, medically needy individuals who have to spend down income to qualify). Medicaid benefits are for Medicaid services provided by Medicaid providers, but only to the extent that the Medicaid rate exceeds any Medicare payment for the service covered by both Medicare and Medicaid. Payment of Medicare

Part B premiums is optional. FFP equals FMAP.

1 **Specified Low-Income Medicare Beneficiaries (SLMBs)** - Individuals entitled to Part A of Medicare, with income above 100%, but not exceeding 120% of the Federal poverty level, and resources not exceeding twice the SSI limit. Eligibility for Medicaid benefits is limited to payment of Medicare Part B premiums. FFP equals FMAP.

2 **Qualified Disabled and Working Individuals (QDWIs)** - Individuals entitled to purchase Part A of Medicare (Medicare benefits lost because of return to work), with income below 200% of the Federal poverty level, and resources not exceeding twice the SSI limit, and not otherwise eligible for Medicaid. Eligibility for Medicaid benefits is limited to payment of Medicare Part A premiums. FFP equals FMAP.

3 **Qualifying Individuals-1 (QI-1s)** - Effective 1/1/98 12/31/02. Individuals entitled to Part A of Medicare, with income above 120%, but less than 135% of the Federal poverty level, resources not exceeding twice the SSI limit, and not otherwise eligible for Medicaid. Eligibility for Medicaid benefits is limited to full payment of Medicare Part B premiums. FFP equals FMAP at 100%, but is annually capped. The number of eligible individuals is limited by the availability of the capped allocation.

4 **Qualifying Individuals-2 (QI-2s)** - Effective 1/1/98 12/31/02. Individuals entitled to Part A of Medicare, with income at least 135%, but not exceeding 175% of the Federal poverty level, resources not exceeding twice the SSI limit, and not otherwise eligible for Medicaid. Eligibility for Medicaid benefits is limited to partial payment of Medicare Part B premiums. FFP equals FMAP at 100%, but is annually capped. The number of eligible individuals is limited by the availability of the capped allocation.