



Prohibition on Billing Qualified Medicare Beneficiaries

All Medicare providers and suppliers, including pharmacies, must not bill Medicare beneficiaries in the Qualified Medicare Beneficiary (QMB) eligibility group for Medicare Part A or Part B cost-sharing. This includes Medicare Part A and Part B [deductibles, coinsurance, and copayments](#).

The QMB eligibility group is a Medicaid eligibility group through which states pay Medicare premiums and cost-sharing for certain low-income Medicare beneficiaries (QMBs). The QMB eligibility group is one of the [Medicare Savings Programs](#).

All Original Medicare (also called Fee-for-Service Medicare) and Medicare Advantage (MA) providers and suppliers must:

- Make sure that QMBs are not billed for Medicare cost-sharing
- Take action to remedy any QMB billing or collections

To do this, Medicare providers and suppliers should:

- Implement processes to ensure compliance with QMB billing prohibitions
- Make sure their office staff and vendors are using systems to identify the QMB status of Medicare beneficiaries

Billing of QMBs is Prohibited by Federal Law

Federal law prohibits all Original Medicare and MA providers and suppliers (not only those that accept Medicaid) from billing QMBs for Medicare Part A and Part B cost-sharing. Even if you don't receive full payment from Medicaid, you can't bill a QMB. These billing protections apply to all dates of service on which an individual is a QMB. You're violating your Medicare provider agreement or obligations under Medicare Part C and may be subject to sanctions if you don't follow QMB billing prohibitions (even when Medicaid pays nothing). Sections 1902(n)(3)(B), 1902(n)(3)(C), 1905(p)(3), 1866(a)(1)(A), and 1848(g)(3)(A) of the [Social Security Act](#) have more information.

Medicare providers and suppliers may bill state Medicaid programs for Medicare cost-sharing, but states can limit Medicare cost-sharing payments under certain circumstances. States must have a means by which Medicare providers can enroll in the Medicaid program for the purposes of processing QMB claims for state payment of Medicare cost-sharing even if a service or provider category is not currently recognized in the Medicaid State Plan (see [42 CFR 455.410\(d\)](#)) and the [CMCS Informational Bulletin on Payment of Medicare Cost Sharing for Qualified Medicare Beneficiaries \(QMBs\)](#).

Certain Medicare provider types and supplier types may seek payment for unpaid Medicare deductible and coinsurance or copayment amounts as a Medicare bad debt. You must bill the state to determine the state's Medicare cost-sharing liability and receive a Medicaid remittance advice (RA) before claiming bad debt on the Medicare cost report. See [42 CFR 413.89](#) and chapter 3 of the [Provider Reimbursement Manual - Part 1](#) for more information on bad debts.

The Impact of Improper Billing

Despite the law, some providers and suppliers, including pharmacies, continue to improperly bill QMBs for Medicare cost-sharing. Many QMBs are unaware of the billing restrictions (or concerned about damaging relationships with providers) and sometimes pay the cost-sharing amounts. Others may experience undue distress when unpaid bills are referred to collection agencies. [Access to Care Issues Among Qualified Medicare Beneficiaries \(QMB\)](#) has more information.

How to Ensure Compliance

- Identify whether a beneficiary is a QMB and owes no Medicare cost-sharing by:
 - Using the [HETS 270/271](#) system. Ask your third party eligibility-verification vendors how their products reflect the QMB information from HETS.
 - Accessing the Medicare Administrative Contractor (MAC) Online Provider Portal and MAC Interactive Voice Response (IVR) System. Each MAC offers its own online provider portal and IVR. [Find your MAC's website](#) to register for their portal or for more information on using their IVR.
 - Reviewing the provider Medicare RA notices and beneficiary Medicare Summary Notices (MSNs).
 - Using automated Medicaid eligibility-verification systems in the state where the person lives.
 - Using the Medicare Eligibility Verification transaction (E1 transaction) for pharmacies. Pharmacy providers may submit request E1 transactions and receive a real-time response that includes Medicare Part A, B and D enrollment information.
 - Asking individuals for other proof, like their Medicaid identification card, MSN, or other QMB status documentation.
 - Contacting the MA Plan, if you're an MA provider or supplier, to learn the best way to identify the QMB status of plan members both before and after claims submission.

- Recall any bills for QMB Medicare cost-sharing or bills you turned over to collections. Refund any collected QMB cost-sharing money to the QMB.
- Determine how to bill the appropriate state for Medicaid payment of Medicare cost-sharing. Nearly all states and many Medicaid managed care plans participate in an electronic crossover process to automatically get Medicare-adjudicated claims for Medicaid payment of Medicare cost-sharing for QMBs enrolled in Original Medicare.
 - If a Medicare-adjudicated claim is automatically transmitted from Original Medicare to the state or Medicaid managed care plan under this crossover process, it's noted on the Medicare RA.
 - States must allow enrollment of all Medicare-enrolled providers and suppliers for the purpose of submitting claims for state payment of Medicare cost-sharing (even if a provider or supplier isn't eligible to enroll with the state). Contact the State Medicaid Agency for additional information regarding Medicaid provider enrollment.

Important Reminders

- You must not charge a beneficiary enrolled as a QMB for Medicare cost sharing amounts even if their QMB benefit is from a different state than the state where they get care
- QMBs **can't** elect to pay Medicare deductibles, coinsurance and copayments

Resources

- [Beneficiaries Dually Eligible for Medicare & Medicaid](#)
- [Checking Medicare Eligibility](#)
- [Change Request 9817: Issuing Compliance Letters to Specific Providers and Suppliers Regarding Inappropriate Billing of QMBs for Medicare Cost-Sharing](#)
- [MM10433: Reinstating the Qualified Medicare Beneficiary Indicator in the Medicare Fee-For-Service Claims Processing System from CR9911](#)
- [MM11230: Medicare Summary Notice Changes to Assist Beneficiaries Enrolled in the Qualified Medicare Beneficiary Program](#)
- [Medicaid](#)

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