
CMCS Informational Bulletin

DATE: April 1, 2015

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SUBJECT: Sunset of Transitional Medical Assistance (TMA) and the Qualifying Individuals (QI) Programs

The purpose of this CMCS Informational Bulletin is to provide information to state Medicaid agencies on the impact of the sunset of Transitional Medical Assistance (TMA) and the Qualifying Individuals (QI) programs, effective on April 1, 2015.

Transitional Medical Assistance

Some low-income families are eligible for Medicaid under section 1931 of the Social Security Act (the Act). When these families become ineligible for Medicaid due to earnings, extended Medicaid coverage is required by two separate statutory provisions for low-income families in order to provide continuity of health coverage:

- **6 to 12-month TMA under section 1925 and section 1902(e)(1)(B)** of the Act requires states to provide certain families with continued Medicaid coverage for at least 6, and up to 12, months after the family becomes income ineligible under section 1931 due to earnings. States also have the option to offer wraparound assistance to supplement coverage available through an employer. Originally authorized under the Family Support Act of 1988 (P.L. 100-485), TMA under section 1925 has been extended numerous times. The last such extension was made through the Protecting Access to Medicare Act of 2014, which extended TMA under section 1925 through March 31, 2015.
- **4-month Medicaid extension under section 1902(e)(1)(A) and section 1931(c)(2)** of the Act also provides extended Medicaid coverage to certain families who become ineligible for Medicaid under section 1931 due to earnings. This 4-month extension only applies in the event that TMA under section 1925 sunsets. States do not have the option to offer wraparound assistance under this provision. The authority for this provision does not expire; therefore, section 1902(e)(1)(A) represents a permanent minimum requirement to provide a 4-month Medicaid extension for people who would otherwise lose eligibility due to earnings. Also continuing is the requirement for a 4-month Medicaid extension for certain families who lose eligibility under section 1931 due to receipt of spousal support (see section 1931(c)(1) of the Act).

Current Status of TMA

The authorization for 6 to 12-month TMA under section 1925 has a sunset effective April 1, 2015 and, as of this date, this provision has not been extended. Accordingly, states are advised as follows:

- The sunset does not disrupt coverage for families already receiving section 1925 TMA. This means that states must continue to cover individuals determined eligible under TMA prior to the sunset date.
- The sunset does discontinue future eligibility for section 1925 TMA, meaning unless the sunset is lifted by subsequent legislation, individuals cannot newly qualify for the 6 to 12 month TMA coverage.
- However, as noted above, the 4-month extension under section 1902(e)(1)(A) remains available and does not have a sunset date. Therefore, those who would newly qualify for TMA should be covered under the 4-month extension provision, rather than the 6 to 12 month TMA provision.

Qualifying Individuals (QI) Program

Section 4732 of the Balanced Budget Act (BBA) of 1997 (P.L. 105-33) established the QI Program. The BBA added section 1902(a)(10)(E)(iv) to the Social Security Act, providing for payment by state Medicaid programs of Medicare cost sharing on behalf of “qualifying individuals” who would be Qualified Medicare Beneficiaries (QMBs), except for the fact that they have incomes exceeding 120% Federal poverty level (FPL) but less than 135% of the FPL. QI beneficiaries’ resources must not exceed certain levels and they must not be otherwise eligible for Medicaid benefits. The Federal financial participation (FFP) available for this program is 100 percent.

Like the TMA program, the QI program has been extended numerous times, with the last extension having been made through the Protecting Access to Medicare Act of 2014, which extended the QI program through March 31, 2015. In the absence of an extension, states will not be required to discontinue their payment of Part B premiums for QI beneficiaries, but these payments will no longer be eligible for federal reimbursement from CMS unless and until the program is reauthorized.

We hope this information will be helpful. Questions regarding these programmatic changes may be directed to Judith Cash, Director, Division of Eligibility, Enrollment and Outreach, Children and Adults Health Programs Group, CMCS at 410-786-4473 or via email at Judith.cash@cms.hhs.gov.