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Spenddown: What is it?

- When an individual/family meets all non-financial requirements, and resource eligibility requirements, but has income that exceeds the limit, they may qualify for a spenddown.
- Spenddown is similar to an insurance policy deductible: Medical expenses above the spenddown amount makes a person eligible (temporarily) for full-benefit Medicaid.
- "Spenddown liability" = amount of bills a person must incur to be eligible under a spenddown
- Spenddown liability should be included on an individual's Notice of Action, if s/he is ineligible for full-benefit Medicaid, including if only eligible for a Medicare Savings Plan (MSP).

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Spenddown Income Limits

- "Medically Needy" (aka Spenddown) Income Limits (MNIL) are defined differently than the income limits for other ABD Medicaid categories.
- **3** locality groupings for an ABD Spenddown:
 - Group I has the lowest income limits, Group III the highest

	Group I		Group II		Group III	
Family Unit Size	Monthly	6-Month	Monthly	6-Month	Monthly	6-Month
1	\$356.35	\$2,138.14	\$411.18	\$2,467.09	\$534.54	\$3,207.24
2	\$453.65	\$2,721.95	\$506.31	\$3,037.88	\$644.42	\$3,866.55

Section 4; Handout



Meeting the Spenddown



- O An eligibility worker will request a completed Medical Expense Record to determine whether an applicant has met a Spenddown.
- Medical expenses that can be used to meet a spenddown include:

 - Doctor or hospital bills

 - Dentist bills
 - Health insurance premiums
 - Certain medical supplies
 - Prescription medicines (coinsurance, copays, or out-of-pocket cost if uninsured at the time of application)
 - Old bills count, if the applicant is still liable for them
- O Medical expenses paid by Medicare, Medicaid, or other insurance do not count toward the spenddown liability.
- When the spenddown budget period (usually 6 months) ends, the individual will need to be re-evaluated to see if s/he can be eligible for Medicaid.

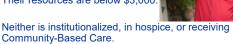
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Spenddown Example: Mildred and Warren

Mildred and Warren are married and live in Richmond City. Their combined

monthly unearned income is \$1,520/month, which puts them over the countable income limit for full-benefit ABD Medicaid.

Their resources are below \$3,000.



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Spenddown E Mildred and

Mildred and Warren are married and combined monthly unearned income

Income \$1,520/month - Standard Disregard: \$20 \$1,500

 $1,500 \times 6 = 9,000$ MNIL Group II: -\$3,037.88

Spenddown liability: \$5,962.12



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