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Spendedown: 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 **spendedown**.
- **Spendedown** is similar to an insurance policy deductible: Medical expenses above the spendedown amount makes a person eligible (*temporarily*) for **full-benefit Medicaid**.
- **“Spendedown liability”** = amount of bills a person must incur to be eligible under a spendedown
- Spendedown 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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Spendedown Income Limits

- **“Medically Needy” (aka Spendedown) Income Limits (MNIL)** are defined **differently** than the income limits for other ABD Medicaid categories.
- **3 locality groupings for an ABD Spendedown:**
 - Group I has the lowest income limits, Group III the highest
 - MNIL as of July 1, 2024:

Family Unit Size	Group I		Group II		Group III	
	Monthly	6-Month	Monthly	6-Month	Monthly	6-Month
1	\$398.50	\$2,391.01	\$459.81	\$2,758.87	\$597.76	\$3,586.53
2	\$507.30	\$3,043.80	\$566.14	\$3,396.83	\$720.63	\$4,323.80

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Meeting the Spenddown

- 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**
- 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.

Neither is institutionalized, in hospice, or receiving Community-Based Care.

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Spenddown Example: Mildred and Warren

Mildred and Warren are married and live in RVA. Their combined monthly unearned income is **\$1,520/month**:

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



\$1,500 x 6 months = **\$9,000**
 MNIL Group II: -\$3,396.83

Spenddown liability: **\$5,603.17**

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