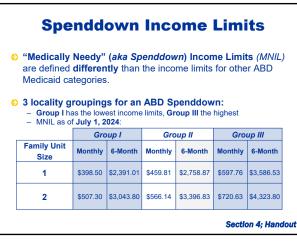


Spenddown: What is it?

- 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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Meeting the Spenddown

- O An eligibility worker will request a completed Medical Expense Record to determine whether an applicant has met a Spenddown.
- S Medical expenses that can be used to meet a spenddown include: – Doctor or hospital 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
- S Medical expenses paid by Medicare, Medicaid, or other insurance do not count toward the spenddown liability.
- S 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. Section 4

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- Dentist bills

Spenddown Example: Mildred and Warren

Mildred and Warren are married and live in Richmond City. They are both 70 years old and have Medicare. 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 = **\$9,000.00** MNIL Group II: -\$3,396.83

Spenddown liability: \$5,603.17