

## Cardinal Care Fact Sheet: Medically Needy Spenddown

Medically needy spenddowns allow individuals who have income over the Medicaid eligibility limit, meet all other Medicaid non-financial and resource eligibility requirements, and have high medical expenses to enroll in time-limited Medicaid coverage.

### Eligibility Rules

#### Non-Financial Eligibility Rules

All general Medicaid non-financial requirements, such as being a resident of VA, being a citizen or having a Medicaid eligible immigration status and having a Social Security Number or having applied for one must be met. Individuals must also meet the non-financial requirements for one of the Medicaid medically needy covered groups, listed below.

Medically Needy Covered Group	Non-Financial Requirements
<b>Aged, Blind or Disabled (ABD)</b>	<ul style="list-style-type: none"> <li>• Aged 65 or older, or</li> <li>• Disabled or blind as defined by the Social Security Administration</li> </ul>
<b>Child</b>	Under age 18
<b>Pregnant Individual</b>	Pregnant or within 12 months of the end of the pregnancy
<b>Individuals Under Age 21</b>	<ul style="list-style-type: none"> <li>• Receiving Non-IV-E Foster Care or Adoption Assistance</li> <li>• In the custody of Dept. of Juvenile Justice, or</li> <li>• Residing in an Intermediate care nursing facility</li> </ul>

#### Financial Eligibility Rules

**Income:** Eligibility for a medically needy spenddown is only reviewed when an applicant has been found over income for full-benefit Medicaid and meets all other eligibility requirements.

**Resources:** Resources must be below the limit for the applicant's household size.

Household size	Resource Limit
1	\$2,000
2	\$3,000
<b>Add for each additional person*</b>	\$100

\*Apply to child and pregnant individual medically needy covered groups, do not apply to the ABD.

#### Spenddown Amount & Period

Once a person is determined eligible for a medically needy spenddown, their spenddown liability (or spenddown amount) is calculated using the household's actual income. A retroactive spenddown may be calculated if retroactive coverage is requested. Due to the use of actual income, spenddown amounts vary by person. Enrollment in Medicaid coverage only

begins once the person has allowable medical expenses that are equal to or greater than the spenddown amount.

**Individuals receiving long-term services and supports (LTSS)** are given one-month spenddown periods and coverage is effective the first of the month that the spenddown is met. If the LTSS is provided in a nursing facility or through a Program of All-Inclusive Care for the Elderly (PACE), projected expenses can be used to meet the spenddown. *Only expenses already incurred can be used to meet the spenddown amount when the person is receiving home and community-based services (HCBS).* Each month is assessed separately for a 12-month period and the spenddown is automatically re-evaluated during the member's annual renewal.

**Individuals not receiving LTSS** are given a six-month spenddown period and expenses *must be incurred* before they can be applied to the spenddown amount. Coverage begins the date that the spenddown is met, meaning the date that the person has medical expenses equal to the spenddown amount, and lasts until the end of the spenddown period.

Members with a 6-month spenddown period and no other Medicaid coverage must submit a new application at the end of their spenddown period to be evaluated for another spenddown or ongoing Medicaid. Members with a 6-month spenddown period who are also enrolled in a limited-benefit Medicaid program, such as a Medicare Savings Plan (QMB, SLMB, QI), are automatically re-evaluated during the member's annual renewal.

**Medical expenses** that can be applied to a spenddown amount include medical, behavioral health, or dental services, hospital care, prescription medication, health insurance premiums (including Medicare premiums), certain medical supplies, and old medical bills that remain the responsibility of the applicant and that have not been applied to a previous spenddown period.

- Medical expenses that have been paid cannot be applied to the spenddown amount unless they were incurred during the spenddown period.
- Verification of medical expenses must be submitted to the local Department of Social Services (LDSS) to be applied to the spenddown. Documents must show that other insurance or responsible third parties have paid their portion and remaining amount that is individual's financial responsibility.

## Application

Children and pregnant individuals must submit an Appendix E with information about their resources before eligibility for a spenddown can be determined. This is not requested until after the person has been found ineligible for other coverage based on their income. ABD individuals must submit resource information, collected on the Appendix D, with their initial application and do not need to submit an Appendix E.

### Have More Questions?

For questions, additional help, or language assistance services or large-print, Medicaid and FAMIS members are encouraged to call Cover Virginia at 1-855-242-8282 (TDD: 1-888-221-1590)