

Medicaid Spendedown Program

What is the Spendedown Program?

MAY 2007

The Spendedown Program gives certain Ohioans who exceed the Medicaid income limit a chance to still qualify for Medicaid. Ohio is considered a 209(b) state because its Medicaid program has more restrictive financial limits for older adults and people with disabilities than the federal Supplemental Security Income (SSI) program. This means SSI recipients are not automatically eligible for Medicaid in Ohio. The Spendedown Program allows for more older adults and people with disabilities to have access to Medicaid despite Ohio's more restrictive limits. More specifically, it allows individuals to deduct medical expenses from their income in order to meet Ohio Medicaid income guidelines.

Who is eligible to participate in the program?

The Spendedown Program is an option available to Ohioans who are older adults and people with disabilities who meet all eligibility requirements for Medicaid except their income is too high. In 2007, the monthly income limit was \$543 for individuals and \$934 for couples.

What is a Spendedown amount?

The Spendedown amount is the amount of medical expenses a Medicaid consumer is responsible for incurring or paying out of pocket each month before becoming eligible for Medicaid benefits.

How the Spendedown amount is determined

The county caseworker will determine the monthly Spendedown. The Spendedown amount is the difference between the monthly Medicaid income limit and an applicant's countable income.

Example:

Monthly Income for Individual	\$800
Subtract Countable Monthly Income Limit*	-543
Subtract \$20 Income Disregard**	<u>-20</u>
Result equals the Spendedown amount*** to be met every month	\$237

* Monthly Income Limit for couples is \$934.

** \$20 of income is automatically disregarded for older adults and people with disabilities who apply for Medicaid.

*** \$237 is the Spendedown amount so \$237 of medical expenses would need to be paid by the individual in order for the individual to be eligible for Medicaid.



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How can the Spenddown amount be met?

There are three ways to meet the Spenddown amount:

1. On-going Spenddown:

Consumers can provide proof of monthly medical expenses (e.g., medical premiums or unpaid past medical bills) that consistently meet or exceed the monthly Spenddown amount.

2. Delayed Spenddown:

Consumers that do not have monthly medical expenses can submit other medical expenses that meet or exceed their Spenddown amount each month. Consumers must submit proof of their medical expenses to their caseworker. Medicaid eligibility begins on the day the Spenddown amount is met and ends the last day of that month.

3. Pay-in Spenddown:

Consumers can also pay the Spenddown amount directly to their county department of job and family services (CDJFS) each month. The Medicaid card will cover the entire month and should be dated from the first day to the last day of the month.

What expenses can be counted toward reaching the Spenddown amount?

Medical expenses and bills can be counted toward reaching the Spenddown amount.

Some examples include:

- Medical bills including doctor and dentist visits, eye exams, prescriptions, physical therapy, medical equipment, and lab work
- Medical insurance premiums (e.g. health, vision, dental and long-term care)
- Medical insurance co-pays and deductibles
- Medicare premiums
- Transportation costs to get to medical appointments including miles traveled by car and bus or taxi fares
- Disposable medical supplies that are prescribed and medically necessary such as adult disposable diapers, gauze, and sterile water

The caseworker can be contacted with questions about whether or not an expense can be counted toward the Spenddown amount. **Please note:** Health care payments made by other forms of insurance are not eligible to be used toward Medicaid Spenddown.



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How are unpaid past medical bills used to meet Spenddown?

Unpaid past medical bills may be used to meet Spenddown. These bills must be given to the caseworker for documentation.

Example:

Unpaid Medical Bill	\$800
Divided by the Monthly Spenddown Amount	<u>/\$100</u>
Months that Spenddown is Met	8

Please note: the consumer is still responsible for payment of the bills.

Can a family member's medical bills be used to meet Spenddown?

The medical bills of a spouse, parent, sister (includes half-sister), or brother (includes half-brother) might be able to help meet the Spenddown amount. Use of these bills depends on a consumer's specific situation. Consumers should contact their caseworkers for more specific information.

After Spenddown has been met:

Copies of medical bills used to meet Spenddown must be mailed, faxed or dropped off to the case worker at the county department of job & family services. Original medical bills should be kept for the consumer's personal files. After Spenddown is met and approved, a Medicaid card should be mailed in approximately two business days.

**For more information, call the Consumer Hotline at:
1-800-324-8680 or TDD 1-800-292-3572.**

