

**H-1030 SPEND-DOWN MEDICALLY NEEDY—SSI-RELATED Non-Institutionalized and Institutionalized on Medicare Co-Insurance****H-1031 ELIGIBILITY DETERMINATION PROCESS**

Determine eligibility by applying the following criteria. The elements have been listed in the most logical order, but work on all steps simultaneously.

**H-1031.1 Determine Assistance Unit**

The assistance unit consists of the applicant.

**H-1031.2 Establish Categorical Requirement**

Verify that the applicant is:

- aged,
- blind, or
- disabled.

Refer to E-0000, Category.

**H-1031.3 Establish Non-Financial Eligibility**

Verify eligibility for each member of the assistance/benefit unit with regard to the following factors:

- Assignment of Third Party Rights I-100
- Citizenship/Identity/Alienage I-300
- Enumeration I-600
- Residence I-1900

**H-1031.4 Establish Need****A. Determine Composition of the Income/Resource Unit**

The SSI-MNP income/resource unit (MNIES) includes:

- applicant,
- applicant and ineligible spouse living in the home,

**Note:**

Ineligible spouse is not categorically eligible and cannot be certified,

- applicants who are a categorically eligible couple, or
- applicant who is a minor and his parent(s) living in the home.

**Note:**

Alien sponsors are not included in the MNIES because their needs are considered in the deeming process.

**B. Determine Need/Countable Resources**

Determine total countable resources of the members of the income unit. Income received in any month of the budget period does not become a resource until a new budget period begins. Refer to I-1630, Need - SSI-Related Resources.

Compare countable resources to the MNP resource limit for the number in the income/resource unit. Refer to Z-900, Charts. Resources should be calculated as of the first day of the month being considered for eligibility.

If resources are greater than the limit, the applicant is ineligible for MNP.

If countable resources for an institutionalized individual with a legal spouse in the community are greater than the MNP SSI-Related resource limit, refer to I-1660, Spousal Impoverishment Resource Provisions and Z-800 Charts.

If resources are equal to or less than the limit, the applicant is resource eligible for MNP. Continue the eligibility determination process.

### **C. Determine Need/Countable Income - Non Institutionalized Spend-down MNP**

#### **Individual**

If the applicant is an individual with no spouse or with an ineligible spouse with no income, go to Step 1.

#### **Ineligible Spouse Deeming**

If there is an ineligible spouse with income, apply deeming policy, Refer to I-1420 and I-1424.2, then go to Step 1 below. Add the ineligible spouse's remaining unearned income to all of the eligible individual's unearned income. Add the ineligible spouse's remaining earned income to all of the eligible individual's earned income. Calculate all remaining budget steps and compare countable income to the couple MNIES.

#### **Parent(s) to Child Deeming**

If the applicant is a minor child, apply deeming policy, I-1420. Any income deemed from the parent(s) is considered unearned income of the child. Go to Step 1.

#### **Couple**

If both members of a couple are categorically eligible, go to Step 1.

#### **Budget Steps**

- Step 1. Determine unearned income, including income deemed from the parent(s) or alien sponsor(s). For a couple combine all unearned income. (See MEM I-1424.2 when spouse to spouse deeming is applicable).
- Step 2. Subtract one \$20 SSI disregard per income unit, if applicable.
- Step 3. Subtract any remainder of the \$20 SSI disregard from gross earnings. (See MEM I-1424.2 when spouse to spouse deeming is applicable).
- Step 4. Subtract one earned income deduction from the remaining gross earnings of the income unit. The earned income deduction is \$65 and one half of the remainder of the earnings.

- Step 5. Combine the remainders in Step 2 and Step 4.
- Step 6. Convert the monthly income amount to a quarterly amount.
- Step 7. Compare the remainder to the MNIES for the number in the income/resource unit to determine the excess income to spend down.
- Step 8. Subtract allowable bills for individuals, other than the applicant, who are included in the MNIES.
- Step 9. Subtract allowable health insurance premiums. Refer to H-1011.5, Bills Allowed in the spend-down process.

**Note:**

Liability for health insurance premiums arises in the month payment is due, rather than in the month (or months) for which coverage is purchased.

- Step 10. Subtract paid and unpaid bills including insurance co-payments and deductibles incurred for services received within the spend-down period, in chronological order (per diem if necessary), oldest to most recent.

**Note:**

If multiple services are received on the same date, services verified as not covered by Medicaid or non-payable by Medicaid (because the provider does not accept Medicaid) should be used first and then hospital bills.

On the date excess income is “spent down” (income equal to allowed medical expenses) the applicant is eligible for Spend-down MNP. This date is referred to as the spend-down date. Eligibility begins the date the excess income is spent down. If there is no Medicaid liability in the month that the income is spent down, eligibility begins the first day of the month after the spend-down date in which there is a Medicaid liability or the first day of the month of the requested period of coverage, whichever is earlier.

**D. Determine Need/Countable Income - Institutionalized on Medicare Co insurance - Spend-down MNP****Individual**

If the applicant is an individual with no spouse or with an ineligible spouse with or without income, go to Step 1. There is no deeming from a spouse or to a child.

**Couple**

If both members of a couple are in a facility on Medicare co insurance, and each member's income is over the SIL, go to Step 1 and review each member as an individual.

**Note:**

When one member of the couple is income ineligible, consider as a couple using the couple SIL before reviewing for Spend-down MNP. If the combined income of the couple exceeds the couple SIL, re-evaluate eligibility as individuals. (Refer to page 18 of H-800 Couples in the Same Facility)

**Budget Steps**

- Step 1. Determine unearned income of applicant(s),
- Step 2. Subtract one \$20 SSI disregard per income unit, if applicable.
- Step 3. Subtract any remainder of the \$20 SSI disregard from gross earnings.
- Step 4. Subtract earned income deduction from the remaining gross earnings of the income unit. The earned income deduction is \$65 and one half of the remainder of the earnings.
- Step 5. Combine the remainders in Step 2 and Step 4.
- Step 7. Compare the remainder to the MNIES for 1 to determine the excess income to spend down.
- Step 9. Subtract allowable health insurance premiums. Refer to H-1011.5, Bills Allowed in the spend-down process.

**Note:**

Liability for health insurance premiums arises in the month

payment is due, rather than in the month (or months) for which coverage is purchased.

Step 10. Subtract paid and unpaid bills including insurance co-payments and deductibles incurred for services received within the spend-down period, in chronological order (per diem if necessary), oldest to most recent.

**Note:**

If multiple services are received on the same date, services verified as not covered by Medicaid or non-payable by Medicaid (because the provider does not accept Medicaid) should be used first and then hospital bills.

On the date excess income is “spent down” (income equal to allowed medical expenses) the applicant is eligible for Spend-down MNP. This date is referred to as the spend-down date. Eligibility begins the date the excess income is spent down. If there is no Medicaid liability in the month that the income is spent down, eligibility begins the first day of the month after the spend-down date in which there is a Medicaid liability or the first day of the month of the requested period of coverage whichever is earlier.

### **H-1031.5 Eligibility Decision**

Evaluate all eligibility requirements and verification received to make an eligibility decision to either reject or certify the application. Review eligibility each month the applicant/enrollee is on Long Term Care Co-Insurance and the first month after Co-Insurance ends.

### **H-1031.6 Certification Period**

A Spend-down MNP certification \*\* is automatically closed. For institutionalized persons, eligibility is to be reviewed for each month they are on co insurance.

### **H-1031.7 Notice of Decision**

Send the appropriate notice of decision to the applicant.

**H-1031.8 Form 110-MNP**

BHSF Form 110-MNP shall be completed on every Spend-down MNP certification. Complete Form 110-MNP listing each provider who rendered medical services on the spend-down date. Refer to [Application Processing \(non-LTC\)](#) in the Eligibility Administrative Procedures Manual for instructions on completing the form.

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To correct the spend-down date to an earlier date after MEDS certification open an eligibility determination, work corrected budget, and back up start date.

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