

SPEND DOWN PROCEDURES

Section 1902(a)(17) of the Social Security Act permits incurred medical or remedial care expenses paid by certain public programs to be applied toward the spend down amount of the Medical Assistance applicant/recipient.

What is a Medicaid Spend Down and how does it work?

Some people have too much income to qualify for Medicaid. This amount is called excess income. Some of these people may qualify for Medicaid if they spend the excess income on medical bills. This is called a spend down.

For example, a person over 65 is denied Medicaid because her monthly income is \$50 more than the limit for Medicaid eligibility. If she incurs medical bills of \$50 per month, the rest of her medical bills will be covered by Medicaid. The spend down in this case is the \$50 of medical bills she incurs.

Who can get a spend down?

Not everyone. You must be in one of the groups listed below:

- Child under 21 years of age
- Adult over 65 years of age
- Disabled or blind

Families with one or both parents absent, dead, disabled or out of work.

How does a spend down work?

It works almost like a deductible for car insurance. When you have accumulated medical bills (paid or unpaid) greater than your excess income, you will get Medicaid for that month. You are responsible for the bills up to the excess amount; Medicaid will only pay those bills over the excess amount.

If you have been hospitalized recently, you may qualify for Medicaid for up to 6 months. If you have been hospitalized within the past 6 months, be sure to tell your worker.

What medical bills can be counted toward a spend down?

- Your own medical bills.
- Your spouse's medical bills.
- Parent's bills for their children's spend down.
- Bills of a child living with you.
- Bills of a child who does not live with you, but whose medical bills you help pay for.
- Past unpaid medical bills (sometimes up to 6 years old) for yourself or any of the people named above.
- The part of any medical bill not covered by Medicare or private insurance.

- Medical expenses (including insurance premiums) paid for you by certain public programs, for example, the Elderly Pharmaceutical Insurance Program (EPIC) and the Child Health Insurance Program (CHIP).

What types of medical expenses count toward spend down?

Many types, including:

- Paid and unpaid medical bills from previous months.
- Transportation expenses to get medical services (sometimes).
- Medical expenses or payments to therapists, day treatment, drug and alcohol programs, nurses, personal care attendants, and home health aides (as required by a physician).
- Prescription drug bills
- Payments made toward surgical supplies, medical equipment, prosthetic devices, hearing aids, and eye glasses (as ordered by a physician).

Are there others that count?

Yes, the following medical expenses also count toward a spend down, although Medicaid will not pay for them:

- Medical services not covered by Medicaid.
- Medical services from providers who do not participate in the Medicaid program.
- Some over-the-counter drugs and medical supplies, such as bandages and dressings, if they have been ordered by a doctor or are medically necessary.
- Bills for cosmetics and other non-medical items DO NOT count.

How do you know if you qualify for a spend down?

If you have been denied full coverage under the Medicaid program, the notice MCDSS must send you will tell you if you qualify for a spend down and, if so, how much the spend down for medical expenses needs to be.