



Medicaid Update for Community Partners

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TOPICS

Spenddown

- Pregnant Women
- Children
- Individuals who are aged, blind or disabled

SPENDDOWN

Spenddown

The Medically Needy (MN) spenddown program provides coverage for slightly fewer health care services than Categorically Needy (CN) coverage. MN coverage is available to individuals whose income is above the applicable Apple Health/Medicaid standards.

MN is available for the following:

- Individuals who are aged, blind, or disabled (ABD), including SSI-related individuals;
- Children; and
- Pregnant women

What is Spenddown?

- When an individual applies for health care coverage, the agency looks at countable monthly income.
- If the monthly income exceeds the Categorically Needy (CN) Medicaid program standard, the individual is not eligible for CN Medicaid, but has the option to be considered for the spenddown program.
- Individuals who are aged, blind or disabled must also meet resource limits, with some exceptions for Long-Term Care (LTC) clients.
- Pregnant women and children do not have resource limits.

What is Spenddown?

- Spenddown is the amount of medical expenses for which an individual is responsible, similar to an insurance deductible. This includes expenses incurred for any eligible household family member.
- Like a deductible, the individual is liable for all the medical expenses used to meet their spenddown for the approved base period. Health Care Authority (HCA) will not pay these expenses.
- After the spenddown is met, HCA will pay for the remaining balance of eligible medical expenses incurred within the approved spenddown period.

Spenddown Requirements

The amount of the spenddown depends on three things:

- 1) Number of people in the household;
- 2) Amount of countable income the household has, after deductions; and
- 3) Medical program for which the individual is eligible.

Eligible Deductions for Children and Pregnant Women

- 50% earned income disregard
- Court ordered child support paid out
- Child care expenses

Example: Family of 3 applying for children's medical

Employed parents with a combined gross monthly income of \$5300. They receive a 50% earned income disregard ($\$5300/2 = \2650). The family pays child care of \$250 monthly. Their gross monthly income, after the deductions of \$2900 ($\$2650 + \250), is \$2400 ($\$5300 - \2900). Based on a 3 person MN standard of \$721, this family would be over the monthly income limit by \$1679 ($\$2400 - \721).

Eligible Deductions for Individuals who are Aged, Blind or Disabled

- \$20 unearned income disregard
- \$65 and $\frac{1}{2}$ earned income disregard
- Allocation and deeming to non-applying spouse and children in the home

Example: Single 68 year old applying for medical

He receives Social Security Retirement benefits of \$800 per month ($\$800 - \$20 = \780) and works part-time earning \$150 per month ($\$150 - \$65 = \85, divided by 2 = \$42.50). With disregards, this reduces his gross monthly income to \$822.50 ($\$780 + \42.50). Based on a 1 person MN standard of \$721, he would be over the monthly income limit by \$101.50 ($\$822.50 - \721).

Base Periods

- The base period is the number of months the individual's income is counted.
- The individual may receive coverage for all or part of the base period.
- Base periods can be selected in either three or six month increments.
- Excess monthly income is multiplied by the number of months in the base period selected to arrive at the individual's spenddown liability.

Base Period Examples

Using the previous example of the 68 year old single gentleman, he had \$101.50 per month in excess income:

The spenddown would be calculated as follows:

- For a 3 month base period: \$304.50 ($\101.50×3)
- For a 6 month base period: \$609.00 ($\101.50×6)
- When the spenddown amount is high, a three month base period may be to the individual's benefit.
- When the spenddown amount is low and can be easily met by the individual, a six month based period would provide health care coverage for a longer period of time.

Medically Needy Coverage

- Medically Needy (MN) coverage begins once an individual proves they have incurred medical expenses that meet their spenddown liability.
- Proof of unpaid bills must be current and include the original dates of service.
- Coverage can begin on the date of service of the bill that met the spenddown during the base period.
- Retroactive coverage may be requested for up to 90 days prior to the date of application, for any month where eligible medical expenses have been incurred.

Allowable Medical Expenses

- Medicare premiums, copays and coinsurance charges.
- Medical expenses owed by the individual after all primary insurance payments or adjustments have been applied.
- Medical expenses incurred within 90 days prior to the application are allowable if retro coverage was not approved.
- Medical supplies (such as syringes or adult diapers), prescription expenses and over the counter drugs prescribed by a doctor.

Allowable Medical Expenses

- Other services prescribed by an allowable medical practitioner.
- Copayments/payments paid by the individual towards their bills.
- Mileage used for medical purposes – a log must be kept for each medical purpose and turned in to be applied towards the spenddown.
- Hospital services, emergency room, clinic (including mental health clinics) and nursing facility expenses.

Spenddown Example

- Martha is 70 years old and applies for Apple Health for MN coverage in April. Her monthly Social Security benefit is \$1,166. She is over the SSI monthly income limit of \$721 by \$425 (after \$20 is disregarded from her Social Security benefits).
- Martha is found eligible for the MN spenddown program for the aged. She selects a 6 month spenddown base period (April through September). Her spenddown amount is \$2,550 ($\425×6 months). This means that Martha is responsible for the first \$2,550 in medical costs she incurs during those 6 months.

Spenddown Example

(continued)

- On May 12, she has surgery. After Medicare pays the eligible 80% of the bill, there remains a balance of \$5,200 that Martha is responsible to pay. Based on her participation in the MN spenddown program, she is liable for \$2,550. Once her spenddown has been met, Apple Health will pay the remaining amount of the bill. Her certification period is May 12 to September 30.
- If Martha's monthly income were below \$721, she would have qualified for the no-cost Apple Health for the Aged program for 12 months coverage.

Reporting Changes

For the pregnant women, children and blind/disabled programs:

- It is important to report changes timely.
- A decrease in income can make an individual eligible for no-cost Medicaid, during the spenddown base period.

When a Spenddown Ends

At the end of the spenddown base period an individual must apply for health care coverage to be determined for a new spenddown base period.

HOW TO APPLY

Spenddown for Children

Child applies for health care coverage through Healthplanfinder (HPF) and the household has income above 312% FPL:

- If the household income is below 400% FPL, the family could be eligible for HIPTC.
- The HCA MEDS office receives a daily report from HPF of all children who had income above 312% FPL.
- HCA MEDS eligibility staff send the family a request letter sharing the option of the spenddown program.
- Once the family notifies HCA, MEDS eligibility staff will process the spenddown request.

Spenddown for Pregnant Women

A pregnant woman applies for health care coverage through Healthplanfinder (HPF) and has income above 198% FPL:

- If the household income is below 400% FPL, the woman could be eligible for HIPTC.
- The spenddown program for pregnant women follows the same process as shared for children on the previous slide.

SD Request Letter for Pregnant Women and Children

Below is an example of the text sent in a spenddown request letter for a pregnant woman or a child:

Children and pregnant women may be eligible for medical coverage under the Spenddown Program. When you apply for Washington Apple Health (WAH) and your income is above the standard for free/low-cost WAH coverage you may enroll in the Spenddown Program.

Spenddown is like an insurance deductible. The amount of your deductible is based on your income. No coverage will be authorized until the spenddown (deductible) is met. You are responsible for the medical expenses used to meet your spenddown (deductible).

SD Request Letter for Pregnant Women and Children

(continued)

*If you would like to enroll in the Spenddown Program, please call us at **1-800-562-3022**; or write us at:*

*Health Care Authority, MEDS OFFICE
P.O. Box 45531
Olympia, WA 98504-5531*

Please provide us with information regarding any monthly childcare or child support expenses paid when you contact us.

SD Denial Letter for Pregnant Women and Children

Below is an example of text sent in a spenddown denial letter, if no response is received within 10 days:

*WAC 182-503-0060. You did not contact our office to request a determination for the Spenddown program within 10 days. Your application for the Spenddown program is denied. You may contact our office within 30 days to have your eligibility for the Spenddown program reconsidered by calling **1-800-562-3022** or writing us at:*

*Health Care Authority
MEDS OFFICE
P.O. Box 45531
Olympia, WA 98504-5531*

SD Denial Letter for Pregnant Women and Children

(continued)

*You may contact our office within 30 days to have your eligibility for the Spenddown program reconsidered by calling **1-800-562-3022** or writing us at: HCA-MEDS, PO Box 45531, Olympia, WA 98504-5531*

If you do not wish to pursue the Spenddown program with Washington Apple Health and will be pursuing other coverage through the Health Benefits Exchange for Health Insurance Premium Tax Credits (HIPTC) or Qualified Health Plans (QHP) and have not yet enrolled in a plan, please log into your Healthplanfinder account at www.wahealthplanfinder.org or call 1-855-923-4633 to select a plan.

Spenddown for Individuals who are Aged, Blind or Disabled

Individuals with monthly income over \$721 for a single person or \$1,082 for a couple may qualify for spenddown if:

- Age 65 or older;
- Are an individual with a disability, under age 65 and entitled to Medicare; or
- Are an individual with a disability, not entitled to Medicare, with income above 138% FPL

To qualify for the spenddown program, resources must be below \$2,000 for a single individual or \$3,000 for a couple.

How to Apply for ABD Spenddown

Individuals applying for the ABD spenddown program may use one of the following options:

- Online at www.washingtonconnection.org
- Paper application HCA form 18-005:
www.hca.wa.gov/assets/free-or-low-cost/18-005.pdf
- Mail to DSHS-CSD, PO Box 11699, Tacoma WA 98411-6699
- Fax to 1-888-338-7410
- In-person at a local CSO.
(www.dshs.wa.gov/onlinecso/findservice.shtml)
- Questions? Call 1-877-501-2233

Long-term Care Programs

For those individuals needing to apply for long-term care support services may use one of the following options:

- Online at www.washingtonconnection.org
- Paper application HCA form 18-005:
www.hca.wa.gov/assets/free-or-low-cost/18-005.pdf
- Mail to DSHS-HCS, PO Box 45826, Olympia WA 98504-5826
- Fax to 1-855-635-8305
- In-person at a local Home & Community Services (HCS) office. (www.altsa.dshs.wa.gov/Resources/clickmap.htm)
- Questions? Call your local HCS office

RESOURCES/CONTACT INFO

CSC Referrals List

HCA Medical Assistance Customer Service Center (MACSC)	HBE Washington Healthplanfinder Customer Support Center (HBE CSC)	DSHS Community Services Division Customer Service Contact Center (CSCC)	HCA Medical Eligibility Determination Services (MEDS)
1-800-562-3022 or https://fortress.wa.gov/hca/plcontactus/	1-855-923-4633 or customersupport@wahbexchange.org	1-877-501-2233	1-800-562-3022 or https://fortress.wa.gov/hca/magi/contactus/ContactUs.aspx
ProviderOne Client Services Card inquiries	Apply or renew health care coverage	Apply for Food or Child Care assistance	Washington Apple Health MAGI Medicaid eligibility questions
Provider billing and claims questions	HIPTC/QHP/SHOP questions	Apply for Cash assistance (including TANF, ABD, etc.)	Post-Eligibility Case Review questions
Washington Apple Health Managed Care enrollment and disenrollment	Locate an HBE In-person Assister	Apply for Classic Medicaid programs	Washington Apple Health for Kids premium payment questions
ProviderOne Benefit Services Package questions	Request an appeal for HIPTC/QHP programs (denials/terminations)	Request an appeal for Classic Medicaid, Cash, Food, or Child Care assistance (denials/terminations)	Request an appeal for Washington Apple Health programs (denials/terminations)

HCA Community-Based Specialists

HCA has placed a community-based eligibility worker in most counties across the state.

These specialists can assist with answering your questions about Medicaid eligibility.

You may find an updated list of these HCA staff at the following link on the HCA Training & Education web page:

<http://www.hca.wa.gov/free-or-low-cost-health-care/apple-health-medicaid-coverage/stakeholder-training-and-education>

HCA Area Representatives

Area	Counties	Representative
East	Asotin Ferry Garfield Lincoln Pend Oreille Spokane Stevens Whitman	Mark Westenhaver mark.westenhaver@hca.wa.gov 360-725-1324
North Central	Adams Chelan Douglas Grant Okanogan	Francesca Matias francesca.matias@hca.wa.gov 360-725-0920
South Central	Benton Columbia Franklin Kittitas Klickitat Walla Walla Yakima	Dody McAlpine dody.mcalpine@hca.wa.gov 360-725-9964
North West	Island San Juan Skagit Snohomish Whatcom	Maggie Clay maggie.clay@hca.wa.gov 360-725-0934

HCA Area Representatives

Area	Counties	Representative
King	King	Rebecca Janeczko rebecca.janeczko@hca.wa.gov 360-725-0752
		Sarah Michael sarah.michael@hca.wa.gov 360-725-0919
Central West	Clallam Jefferson Kitsap Mason Pierce	Melissa Rivera melissa.rivera@hca.wa.gov 360-725-1713
South West	Clark Cowlitz Grays Harbor Lewis Pacific Thurston Skamania Wahkiakum	Dody McAlpine dody.mcalpine@hca.wa.gov 360-725-9964

Additional Medicaid Resources

HCA Medicaid <http://www.hca.wa.gov/free-or-low-cost-health-care/apple-health-medicaid-coverage>

- **Training & Education**

<http://www.hca.wa.gov/free-or-low-cost-health-care/apple-health-medicaid-coverage/stakeholder-training-and-education>

- **CSC Referrals List**

http://www.hca.wa.gov/assets/free-or-low-cost/customer_support_center_referrals.pdf

- **Questions? Contact your HCA Area Representative**

http://www.hca.wa.gov/assets/free-or-low-cost/area_representatives.pdf

Future Webinars

Next scheduled HCA Medicaid Update webinar:

To Be Determined

- Moving to a monthly or bi-monthly schedule based on need.
- Registration announcement will be sent via various email distribution lists when a date is selected.