

**H-1030 SPEND-DOWN MEDICALLY NEEDED—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/beneficiary.

**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 and Qualified Non-Citizen Status](#) 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(s) 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 [L-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 Resource Limits by Program](#) \*\*. 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 Spousal Impoverishment Maintenance Needs and Resource Standards](#) \*\*.

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 Need - Deeming](#) and [I-1424.2 Income Deeming Procedures](#), 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 Need - Deeming](#). 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 Income Deeming Procedures](#) when spouse to spouse deeming is applicable).
- Step 2. Subtract one \$20 SSI disregard per income unit, if applicable.
- Step 3. The remainder is the countable unearned income.

- Step 4. Determine total gross earned income of the individual/couple.
- Step 5. Subtract any remainder of the \$20 SSI disregard from gross earnings. (See [MEM I-1424.2 Income Deeming Procedures](#) when spouse to spouse deeming is applicable).
- Step 6. 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 7. The remainder is the countable earned income.
- Step 8. Combine the remainders in Step 3 and Step 7 to get to the total monthly income.
- Step 9. Convert this total monthly income amount to a quarterly amount.
- Step 10. Subtract the MNIES for the number in the income/resource unit to determine the excess income to spend down.
- Step 11. Subtract allowable bills for individuals, other than the applicant, who are included in the MNIES.
- Step 12. 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 13. 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 [\\*\\* MEM H-831.4 B Long Term Care - 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. The remainder is the countable unearned income.

Step 4. Determine total gross earnings of applicant(s).

- Step 5. Subtract any remainder of the \$20 SSI disregard from gross earnings.
- Step 6. 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 7. The remainder is the countable earned income.
- Step 8. Combine the remainders in Step 3 and Step 7 for the total countable income.
- Step 9. Subtract the MNIES for 1 to determine the excess income to spend down.
- Step 10. Subtract allowable health insurance premiums. Refer to [H-1011.5, Bills Allowed in the Spend-Down Process and I-1536 Deductions.](#)

**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 11. 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 after each month the applicant is on Long Term Care Co-Insurance Spend-down for the previous month, and the first month after Co-Insurance ends for Long Term Care Spend-down eligibility.

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

A Spend-down MNP certification is automatically closed at the end of each quarter of eligibility. For institutionalized persons, eligibility is to be reviewed for each month they are on co-insurance as a one month certification.

#### **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. Each provider who rendered medical services on the spend down date is sent a copy of the Form 110-MNP.

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