



## Frequently Asked Questions: Spend Down

The Medically Needy Spend down program is authorized under 42 CFR § 435.601 and § 435.831 of the Federal Regulations and Title 29 Section 9511 of the District of Columbia Municipal Regulations (DCMR).

### What is Medicaid spend down?

Some people have too much income to qualify for Medicaid. This amount is called excess income. Some over income people may qualify for Medicaid if they spend the excess income on medical bills. This is called a spend down. If you meet all the other requirements for Medicaid but your income is higher than the Medicaid limit, you may be placed on a spend down.

### How does spend down works?

Spend down works like an insurance policy deductible. The amount of the “deductible” is called the “spenddown amount.” When you have collected medical bills (paid or unpaid) greater than your excess income, you will get Medicaid for that month you met your spend down amount through the end of your spend down budget period. You are responsible for the bills up to the excess amount. Medicaid will only pay those bills over your spend down amount.

### What groups can qualify for spend down?

If you fall under one of the eligibility groups below, you can qualify to be placed on a spend down.

- A parent or caretaker relative of a child under 21
- A child age 0-20
- A pregnant woman
- 65 years old or older
- Disabled under the Social Security rules (any age)
- Blind under the Social Security rules (any age)
- Living in a nursing home or other medical facility, or
- Receiving waiver services under the Home and Community Based Services (HCBS)

### How do I know if I qualify for spend down? Do I get a notice?

Yes. You will receive a letter in the mail. If you applied for Medicaid and have been denied because your income is too high, your caseworker will send you a letter to let you know that you are placed on a spend down. The letter will also tell you your spend down amount and the time period for the spend down, which is called a budget period.

## How is my spend down amount determined?

The amount of your spend down depends on your income. Your spend down amount is the difference between your income that we count and the income limit set by the Federal government. We call this income limit the “Medically Needy Income Level (MNIL).” The MNIL for 2017 is \$642.83 per month.

## What is a spend down budget period?

A spend down budget period is a period of time when your Medicaid eligibility will be determined under the spend down process. Spend down budget periods are six (6) months long for Long Term Care Medicaid and one (1) month budget periods for other Medicaid groups. If you are placed under spend down, your spend down budget period will start on the month your application is received in the office.

## Do I have to submit a new application after my spend down budget period ends?

It depends. If you meet your spend down amount within your spend down budget period when you first apply for Medicaid, you will get a second spend down budget period without submitting a new application. For example, if your application was received in January, your caseworker will place you under spend down from January to June. If you met your spend down amount any time between January and June, you will get a second spend down budget period from July to December without submitting a new application. However, you will need to submit a new application after your second spend down budget period whether or not you meet your spend down amount. If you do not meet your spend down amount from January to June, you will need to submit a new application.

## What type of bills can I use to meet my spend down amount?

You can use medical bills for medically necessary care towards your spend down amount.

## What medical bills can I use to meet my spend down amount?

Some examples of medical bills that can be used to meet your spend down amount are:

- Dental bills
- Doctor's bills
- Prescription drugs
- Hospital bills (Inpatient and Outpatient)
- Nursing home costs
- Nursing services
- Organ transplant bills
- Prosthetic devices (Artificial teeth, limbs, hearing aid, eyeglasses and crutches)
- Laboratory fees
- Home health care
- Rehabilitative services
- Physical Therapy
- Medical supplies and equipment
- Over-the-counter Medications when prescribed by Physician
- Medicare premium, deductibles, or co-insurance charges
- Health insurance premium, deductibles, or co-insurance charges
- Personal Care Aide (PCA) services as long as the services are ordered by a doctor and the provider meets the requirements set by D.C. Medicaid.

### **Whose medical bills can I use to meet my spend down amount?**

You can use paid and unpaid medical bills for services received by you, your spouse, your minor child up to the age of 21, or your adult disabled child that you are financially responsible to pay. The medical bills cannot be subject to payment by third-party insurance.

### **Can I use old medical bills?**

Yes. You can use your old bills towards your spend down as long as you are still responsible for paying the bill. You will need to provide a current copy of the bill to your caseworker. For example, if you owe your dentist's office \$1,500.00 for a visit on December 1, 2015 and you wanted to use this bill for your spend down, you must provide a copy of the bill to your caseworker. The date on the bill must be within the last 90 days from the date you applied for Medicaid.

### **Can I use medical bills that I paid?**

Yes. You can use paid medical bills if you paid the bills three months before you applied for Medicaid or if you paid the bills while you are on your spend down budget period.

### **Can I use my mortgage or rent bill?**

No. You can only use medical bills for medically necessary services towards your spend down.

### **Are there any other bills that I cannot use towards my spend down?**

Yes. Medical bills paid by third party insurance like Medicare or Tricare, or bills paid for by Medicaid cannot be used towards your spend-down. Household bills such as gas bill, electric bill, grocery bill, car insurance, or car note cannot be used towards your spend down.

### **Can I use bills paid by someone else towards my spend down amount?**

It depends. If the person paid the bill three months before you applied for Medicaid and the person who paid the bill wants to be repaid by you, then yes the bill can be used towards your spend down. The bill cannot be used towards the spend down amount if the bill was paid more than three months before the application was submitted, and if the person does not want repayment. Medicaid will not repay the person who paid your bill.

### **Can I use the medical bills or receipts more than once to meet my spend down?**

No. You can only use the medical bills or receipts once to meet spend down. For example, if you used an unpaid doctor's bill to meet your spenddown in a budget period, you cannot use a payment receipt for the same doctor's bill to meet your spend down in later months.

### **What if my medical bills are more than my spend down amount?**

If your medical bills are more than the spend down amount, the remaining amount of the bill will be used towards your second spend down budget period. We call this amount, “carry-over expenses.” Carry-over expenses are the left over balances on your medical bills that can be used to meet your spend down amount in your next spend down budget period.

### **What if my medical bills are less than my spend down amount?**

If your medical bills and receipts are less than your spenddown amount, you will not qualify for Medicaid. You can submit additional medical bills to your caseworker until your total medical bills are equal to or higher than your spend down amount. These additional medical bills must be submitted within your spend down budget period.

### **What is available proof of a bill? What information should my bills have?**

To qualify for Medicaid under spend down, you must submit proof of your medical bills to your caseworker. Your proof can be bills, receipts, cancelled checks, money orders or other statements from your doctor, hospital, clinic, drugstore or others who have given you medical care. To be considered as acceptable proof, your bill or receipt must show:

- The type of medical care, drugs or supplies
- Who gave the care
- Who got the care
- The date the care was given
- The cost or amount you have to pay
- The date of the bill or receipt

### **If I met my spend down, when will my Medicaid start?**

Your Medicaid eligibility will start at the beginning of the month when you meet your spend down amount and will end at the end of the month of the spend down budget period. For example, if your spend down budget period is from January to June and you met your spend down amount on March 10<sup>th</sup>, your Medicaid eligibility is from March 1<sup>st</sup> to June 30<sup>th</sup>. Since you met your first spend down budget period, your caseworker will place you on a second spend down budget period from July to December without submitting a new application. You have to submit a new application after the second spend down budget period whether or not you meet your spend down amount.

### **Can I get my medical bills paid after I qualify for Medicaid?**

No. Medicaid will not pay on medical bills used to meet your spend down amount.

### **How do I get more information on spend down?**

If you have any questions about the spend down policy, you can contact the Department of Health Care Finance, Division of Eligibility Policy by email at [www.dcMedicaidquestions@dc.gov](mailto:www.dcMedicaidquestions@dc.gov).