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Those Medically Needy individuals who have no spenddown meet the requirement of Medicaid eligibility. Those who meet their spenddowns prior to the need for nursing facility care, have met the requirement of being eligible, through the current POE. After the POE during which nursing facility services begin, the client's situation is treated according to item 3 or 4 below. Those who do not meet their spenddowns prior to the need for nursing facility care are treated according to item 3 or 4 below.

When an applicant is not a recipient of full Medicaid coverage, the following test is made to determine eligibility.

3. Gross Income Test

If the client is not eligible under items 1 or 2 above, Medicaid eligibility may be established as follows:

- Determine the client's gross non-excluded monthly income.

- Compare the income to 300% of the current maximum SSI payment for one person.

To be Medicaid eligible, his income must be equal to or less than 300% of the SSI payment.

Once Medicaid eligibility is established in this manner, the client's contribution toward his cost of care is determined in the post-eligibility process. There is no spenddown amount for persons determined eligible in this way.

EXAMPLE: When the current maximum SSI payment is **$674,** the client's gross, non-excluded monthly income is compared to **$2,022.**

NOTE: SSI-Related Medicaid disability and asset guidelines must be met.

4. SSI-Related Medicaid Test

If the client is not eligible under items 1, 2 or 3 above, his eligibility as an SSI-Related Medicaid client must be explored as another way to receive financial assistance for the cost of nursing facility services.

All policies and procedures in effect for other SSI-Related cases apply to these cases, including the determination of a spenddown amount, if applicable.

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EXCEPTIONS:

- Income is not deemed.

- The MNIL for one person is always used. See Chapter 10, Appendix A.

- The spenddown amount is determined on a monthly basis.

When the monthly Medicaid rate for the facility in which the client resides equals or exceeds his monthly spenddown amount, the spenddown is assumed to be met and Medicaid eligibility is established. In addition, if the monthly spenddown amount exceeds the monthly Medicaid rate for the facility, the client may become eligible for Medicaid based on a 6-month POC, but not for payment of nursing facility services. The Medicaid daily rate for the facility is multiplied by 30 to determine the average monthly rate. The daily rates for all Medicaid are found only on the DFA intranet page. The rates are updated semi-annually.

NOTE: The Medicaid rates for nursing facilities are provided only for DHHR staff who must determine eligibility for Medicaid. The rates cannot be released by local DHHR staff to the public. Any requests for the rates must be made under the Freedom of Information Act (FOIA) to the DHHR Office of the Deputy Secretary, Division of Accountability and Management Reporting.

Case examples of the entire process of determining eligibility and the amount of the client's contribution are found below in item D.

NOTE: For cases with a community spouse, the amount of the spenddown is used only for comparison with the Medicaid cost. It is not used as a part of the client's contribution toward his cost of care as it is for all other nursing facility cases which must meet a spenddown.

D. POST-ELIGIBILITY PROCESS

In determining the client's contribution toward his cost of nursing facility care, the Worker must apply only the income deductions listed below. This is the post-eligibility process. The remainder, after all allowable deductions, is the resource amount, which is at least part of the amount the client must contribute toward his cost of care.

NOTE: The Economic Stimulus Tax Rebate for 2007 is excluded as income in post-eligibility calculations.

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2. Determining The Client's Total Contribution

Because the amount of medical expenses used to meet the client's spenddown cannot be paid by Medicaid, the spenddown amount becomes part of the client's contribution toward his cost of care.

NOTE: When the client has a community spouse, the spenddown amount is not part of his contribution to his cost of care.

This amount is added to the resource amount determined in item 1 above to determine the client's total monthly contribution toward the cost of his nursing care.

If the client is Medicaid eligible without a spenddown according to items C,2 and C,3 above, the resource amount from item 1 is his total cost contribution.

When the client resides in more than one nursing care facility during the same calendar month, the Worker must determine the portion of the client's cost contribution which must be paid to each facility. The Worker follows the steps below to determine how much of the client's total contribution must be paid to the first facility he entered. If the client's total contribution must be paid to the first facility, no additional calculation is required. If not, the amount(s) paid to the other(s) is determined in the same way. The ES-NH-3 is used for notification of the amount due each facility.

Step 1: Determine the client's monthly contribution toward his cost of care.

Step 2: Multiply the number of days the client was in the first facility by the per diem rate for the facility. The result is the clients cost of care for this facility for the month.

Step 3: Compare Step 1 to Step 2.

If Step 1 is less than or equal to Step 2, the client's entire contribution toward his cost of care is paid to the first facility.

If Step 1 is greater than Step 2, the Step 2 amount is paid to the first facility and the difference between Step 1 and Step 2 is paid to the second facility.

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E. EXAMPLES

EXAMPLE: Single Individual with OLE, Categorically Needy

A Pass-Through Medicaid recipient enters a nursing home and wants Medicaid to pay toward his cost of care. He has **$2,025**/month unearned income. He is a single individual with OLE.

Medicaid eligibility is already established. Even though his income exceeds 300% of the SSI payment level, he is eligible without a spenddown as a Categorically Needy Medicaid recipient. Therefore, only post-eligibility calculations must be performed. The Worker records that the client was a Deemed SSI Recipient prior to nursing care eligibility so that eligibility may be restored if he no longer requires nursing care. Post-eligibility calculations are as follows:

$2,025.00	Client's gross monthly non-excluded income
- 50.00	Personal Needs Allowance
$1,975.00	Remainder
- 175.00	OLE
$1,800.00	Client's resource amount which is also his total contribution toward his cost of care.

EXAMPLE: Single Individual With OLE, Medically Needy

Same situation as above except that the client is not a Deemed SSI Recipient. His Medicaid eligibility must be established as an SSI-Related individual.

	Eligibility
$2,025.00	Income
- 20.00	SSI Income Disregard
$2,005.00	Remainder
- 200.00	MNIL for 1
$1, 805.00	Monthly Spenddown

The monthly Medicaid cost for his care in the facility is $4,383. Therefore, his spenddown is met for the month and post-eligibility calculations are performed for any additional contribution he must make.

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Post-Eligibility

$2,025.00	Income
- 50.00	Personal Needs Allowance
$1,975.00	Remainder
- 175.00	OLE
$1,800.00	Remainder
- 96.40	Medicare Part B premium (non-reimbursable medical expense)
$1,703.60	Remainder
- **1,805.00**	Spenddown (non-reimbursable medical expense)
0.00	Resource Amount

The client has no resource amount, so his total contribution is **$1,805,** his spenddown amount. The Department will not pay any part of the **$1,805** because it is the client's spenddown and he is, by definition, liable for it.

EXAMPLE: Single Individual Without OLE, Medically Needy

Same as above except the client has no OLE. The client's spenddown amount is the same as determined above.

Post-Eligibility

$2,025.00	Income
- 50.00	Personal Needs Allowance
$1,975.00	Remainder
- 96.40	Medicare Part B premium (non-reimbursable medical expense)
$1,878.60	Remainder
- **1,805.00**	Spenddown (non-reimbursable medical expense)
$ 73.60	Resource Amount

The client's total contribution toward his cost of care is:

$1,805.00	Spenddown
+ 73.60	Resource Amount
$1,878.60	Total Contribution

EXAMPLE: Married Individual Without Community Spouse, Medically Needy

Mr. Smith is married, but has been separated from his wife for 10 years. He has 1 dependent child still living in his home. His monthly income is **$2,025.** He has non-reimbursable medical expenses of $96.40 (Medicare Part B premium). The monthly Medicaid cost for his care is $4,600.

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Eligibility

$2,025.00	Income
- 20.00	SSI Disregard
$2,005.00	Remainder
- 200.00	MNIL
$1,805.00	Monthly Spenddown

Post-Eligibility

$2,025.00	Income
- 50.00	Personal Needs
$1,975.00	Remainder
- 96.40	Medicare Part B premium (non-reimbursable medical)
$1,878.60	Remainder
- 1,805.00	Spenddown (non-reimbursable medical)
$ 73.60	Resource
+1,805.00	Spenddown
$1,878.60	Total Contribution

NOTE: Mr. Smith is not eligible for the FMA, because there is no community spouse.

EXAMPLE: Married Individual With Community Spouse, Medically Needy

Mr. Holley has the following income:

$1,250.00	RSDI
+ 800.00	Retirement
$2,050.00	Total Income

He has a community spouse who has $585/month RSDI income and $365/month earned income, for a total of $950. His child receives $585/month RSDI. The monthly Medicaid cost for his care is $5,322.

Eligibility

$2,050.00	Income
- 20.00	SSI Disregard
$2,030.00	Remainder
- 200.00	MNIL
$1,830.00	Monthly Spenddown