

SPEND-DOWNS

1

AGENDA

- What is a spend-down?
- Spend-down coverage groups
- How DSS determines spend-down amounts
- Spend-down period of eligibility
- Process between DSS and our contractor (Xerox)
- Help identify whether an expense may be used to offset excess income
- Expansion of Medicaid

WHAT IS A SPEND-DOWN?

- A spend-down is a specific circumstance in which an person, couple or family's countable income exceeds the Medicaid Income Limits.
- The excess spend-down amount can be offset by medical expenses allowing the client to receive Medicaid.

SOME BASIC CONCEPTS

- The easiest way to explain a spend-down is that the excess amount represents a client's "deductible" or "co-pay." Most people will understand those terms.
- DSS will not pay that deductible or co-pay.
- Since DSS does not pay the spend-down amount, the client is liable or responsible for that amount.
- Medical expenses incurred above and beyond that co-pay amount will be considered for payment.

SPEND-DOWN COVERAGE GROUPS

- **HUSKY A** - family with dependent children 18 years and younger, over 201% FPL – (example: Region B family size 3=3316.50) usually the child will be referred for HUSKY B (HB).
- **HUSKY C** (for Adult, Aged, Blind and Disabled) =to qualify for HUSKY C must be 65 years or older or have a disability. The monthly income limit (Region A & B) is \$860.38 for a single individual or \$1101.31 for a married couple (970.49 and \$1209.99 in Region C, Fairfield County). Cases whose income exceeds the allowable income limits are spend-down cases.

SPEND-DOWN STATUS

CT offers a spend-down for cases with excess income. Some states do not.

Clients on a spend-down are either:

- Inactive, meaning HUSKY is not active due to excess income and medical expenses will not be paid by HUSKY, **or**
- Active, the excess income was offset with medical expenses (the spend-down was met) and HUSKY is active and paying for Medicaid covered services.

HOW IS A SPEND-DOWN CALCULATED?
HUSKY C EXAMPLE - ONE PERSON HOUSEHOLD

- SSA of \$960 minus \$337 disregard = \$623 in applied unearned income.
- (If sharing living arrangement with someone other than child, spouse or parent, use \$404.90 shared disregard.)
- \$623.00 applied income is compared to the limit of \$523.38 (Region B) resulting in a \$99.62 excess per month.
- Total excess = \$597.72 ($\99.62×6 mos) spend-down

EXAMPLE

- Client is placed on a spend-down with a total excess of \$597.72 over the six-month period.
- The client supplies verification of \$997.72 in unpaid medical expenses. DSS may pay \$400.00.
- DSS does not pay the first \$597.72 in expenses, that amount is the client's responsibility. Once the \$597.72 of expenses is used to meet a spend-down, (and the \$400 is paid by DSS) those same expenses cannot be used again in a future spend-down.

NEEDS GROUP VS. ASSISTANCE UNIT

- Individual applies for Medicaid. He has a spouse that works and she is not applying for herself.
- The Needs Group consists of two individuals, the applicant **and** the spouse. The spouse is legally liable for the husband and her income is deemed.
- We can use her expenses to help offset the excess income because we count her income and assets. We can't pay her expenses, but they can be used.
- The assistance unit is comprised of only the applicant.

NEEDS GROUP VS. ASSISTANCE UNIT

- The combined income for both spouses is applied to the appropriate Medical Income Limit for two people, not for one.
- The assistance unit is a one person unit though we look at income, assets and medical expenses from a spouse whether the spouse applies or not, hence the limit for two people.

TREATMENT OF SPOUSAL INCOME

- Husband in receipt of SSDI applies for Medicaid. His wife works and does not want assistance for herself.
- We treat deemor income differently depending on whether the spouse is also applying
- If the spouse is elderly or disabled and also applying, she receives \$65 plus $\frac{1}{2}$ the remainder as a disregard from her earnings.
- A non-applicant spouse may have certain work expenses deducted from earnings even if she is not elderly or disabled.

HUSKY C EXAMPLE

- Applicant's income is \$934 SSDI. Spouse works, earns \$800.00 per month and is not applying

\$934

\$800.00

-337

- 242.00 work expense

\$597 applied

\$558 applied spouse

- \$ 597 plus \$558 = \$ 1155.00

MNIL for **two** people is \$ 696.41 (Region B) so the monthly excess is \$458.59 per month

WHEN HUSBAND AND WIFE APPLY

- In this example, the husband receives SSDI of \$934 but the spouse is also applying for Medicaid with an income of \$650 SSA. Each is a separate unit of one. Each uses the same computation.
- She is not part of his case other than as a deemor. He is not part of her assistance unit but we deem his income and assets to her (they are legally liable for each other)
- This differs from the previous example because the spouse is applying so we can allow the same deductions or disregards from income as we do for the applicant.

TREATMENT OF INCOME WHEN BOTH APPLY

- \$934 minus \$337 disregard = \$597
- \$650 minus \$337 disregard = \$313
- \$620 plus \$313 = \$933 total applied income
- \$933.00 compared to the Medically Needy Income Limit (MNIL) for two of \$ 696.41 resulting in excess income of \$236.59 per month. Total spend-down = \$1,419.54 ($\236.59×6)
- Once the excess of \$1,419.54 is offset, **BOTH** spouses are eligible – each with their own assistance unit. The computations look the same on each award. Medical expenses submitted by either spouse would be paid after the \$1,419.54

QUICK ASSET REVIEW FOR HUSKY C

- \$1 600 countable for a needs group of one, \$2400 for a needs group of two in the HUSKY C program (Adult, Aged, Blind, Disabled).
- One car per household (used for medical appointments)
- Irrevocable Burial Accounts of up to \$5,400
- Burial Plot (which includes casket)
- Certain life insurance policies are excluded
- Home property is excluded
- Non-home property excluded as long as the property is up for sale for Fair Market Value

SPEND-DOWN PERIODS - APPLICANTS

- There are two distinct periods of eligibility that exist for an applicant:
 - The Retroactive Period – DSS will process for this period, the expenses should be submitted to DSS with the application for medical assistance
 - The Prospective Period – XEROX will review medical expenses for prospective periods as long as they are not submitted with an application or redetermination

PROSPECTIVE PERIOD

- The **prospective** period is a six-month period that begins in the month that an applicant's income exceeds the Medicaid limits.

SPEND-DOWN PERIODS

- Redetermination every six months.
- New six month spend-down period is set if income still exceeds Medicaid limits at review.
- While we project an excess over a six-month period, income may fluctuate and it may be necessary to make changes and recalculate amounts prior to the end of the spend-down period.

SPEND-DOWN PROCESSING

- We can use medical expenses that are incurred by a person whose income is used in the eligibility determination.
- Any bill, or portion of a bill must not be payable by third-party insurance.
- Current liability must exist.
- Expenses must not have been used in a previous spend-down.
- Paid expenses are credited only to the specific period of time during which the expenses were paid (retro or prospective period).

SPEND-DOWN PROCESSING

- Clients may have other health insurance. DSS uses the amount of the bill the client is liable for after their other health insurance makes payment. This includes Medicare.
- We **must** wait to find out what is covered by the private health insurance before considering the remainder of that bill.

SPEND-DOWN PROCESSING

- We can use a bill that has been referred to a collection agency, as long as the client is still liable.
- Old unpaid bills are acceptable, as long as the client can provide a current bill (old date of service with new billing date) verifying they are still liable for the expense. HUSKY will not pay these bills, even if the spend-down is met or activated. Bills must be dated within the spend-down period or 30 days prior to the beginning of the spend-down period to be considered current.
- If expenses for a six-month period DO NOT offset the excess, they can be used in a subsequent period if the client is still liable for them.

SPEND-DOWN PROCESSING

- There are three categories of medical expenses we can use. Expenses are to be used chronologically within each category.
- Policy is written in such a way that allows us to offset spend-downs using expenses we cannot pay before using expenses we can pay.

ORDER OF USAGE

1. Medicare and other health insurance premiums, deductibles and co-insurance charges, including Medicare B (as long as the state isn't paying for it)
2. Expenses recognized as medical costs by CT, but not covered by Medicaid (paid then unpaid).
3. Expenses that are recognized by Connecticut and covered by Medicaid, paid then unpaid.

WHEN IS MEDICAID ACTIVATED?

HUSKY eligibility for a spend-down exists as of the day the excess income is totally offset by medical expenses. *This means the case is NOT usually activated back to the 1st day of the spend-down period.

RETRO SPEND-DOWN PERIODS

Unpaid bills incurred prior to the retroactive period:

We cannot go back and pay bills incurred more than three months prior to the month of application. These bills are used first and can be used in any way that best assists the client.

EXAMPLE: PRE-RETROACTIVE BILL

- Let's assume a client has a \$1,000 bill that is five months old. This client has a spend-down for the six-month spend-down period of \$350.00 and has a couple of current expenses totaling \$200. Instead of offsetting the spend-down with expenses we could probably pay (the \$200 of current expenses), use \$350 of the \$1000.00 bill to offset. Providers could then submit the claims for the \$200 of expenses.
- The remaining \$650 of the old bill can be used in a future six-month spend-down period. The first \$350 can never be used again because it was used to offset a spend-down.

CLIENTS ON MEDICARE AND QMB

Per CMS, “balance-billing” Qualified Medicare Beneficiaries (QMB) for Medicare cost-sharing, including deductible, coinsurance, and copayments is prohibited by federal law. This is true whether or not the provider accepts Medicaid.

Since QMB clients cannot be balance billed for Medicare covered services, there is no liability that can be applied toward their spend-down.

IMPROVING THE PROCESS

As of 9/24/12 – the HUSKY Spend-down Processing Center was up and running!

- The call center is open to handle calls specific to spend-downs only, from 8:30 am -5 pm M-F.
- The toll free fax # is designated for medical expenses related to spend-downs only!
- Faxes received are stored electronically, there is no longer a need to fax documents multiple times!
- The spend-down screeners are reviewing medical expenses all day long, they are in a separate unit and this is their only function, making spend-downs a priority and activating HUSKY sooner!

IMPORTANT TO NOTE

The new process involving Xerox is to expedite the reviewing of medical expenses and to get clients activated on HUSKY within the spend-down period so that the client can get needed services and have them paid for.

Expenses are only appropriate for Xerox if the client was on an inactive spend-down September 2012 forward. If you are inquiring or sending expenses for a spend-down that ended prior to 9/2012, those must be routed to the local DSS office.

IMPORTANT TO NOTE...CONTINUED

The submission of expenses is ultimately the **client's responsibility**. We understand clients sometimes ask providers to fax their bills directly to us on their behalf.

If you have multiple clients on spend-downs, their bills should be faxed separately. Please do not fax bills for multiple clients under one fax cover sheet because the fax is like a scanned document that gets attached to a client's case.

Only final bills should be submitted. Estimated bills cannot be used. The final client liability is what is used for spend-downs.

HUSKY SPEND-DOWN PROCESSING CENTER (XEROX)

They can answer questions regarding spend-downs (amounts, if an expense is acceptable, whether an expense was received, etc.). Medical expenses submitted for spend-downs should be sent directly to the HUSKY Spend-down Processing Center.

Phone: 1-877-858-7012

Fax: 1-888-495-2897

HUSKY Spend-down Processing Center

PO Box 280747

East Hartford, CT 06128-0747

2014 MEDICAID EXPANSION IN CONNECTICUT



MEDICAID EXPANSION

- **Thousands of additional Connecticut residents became eligible for Medicaid health coverage on January 1, 2014**, as a result of the Affordable Care Act (ACA, or national health care reform).
- With new federal funding, **Connecticut expanded Medicaid eligibility for adults aged 19 up to 65. This program is HUSKY D.** The expansion covers only adults who do not have a dependent child or children in the household (other parts of Medicaid cover adults living with minor children).

MEDICAID EXPANSION

- Through the expansion, Connecticut raised the HUSKY D income-eligibility limit from about 56% of the federal poverty level (FPL) to the equivalent of 138% of FPL.
- **For a single adult**, this means that the eligibility limit more than doubled -- from about \$7,472 to \$16,112.88 per year.
- **For a married couple**, the eligibility limit rose from about \$10,085 to \$21,710.06 per year.
- There is currently no asset limit for HUSKY D.

HUSKY C VS. HUSKY D

- Clients who are pregnant, receiving Medicare are **NOT** eligible for HUSKY D.
- A client with a disability can be on HUSKY D as long as they are receiving Medicare.
- There is currently no asset limit for HUSKY D. If client has assets over the limit.
- The income limit for HUSKY D is 138% of the Federal Poverty Level. Effective 3/1/15 the income limit for Husky D is \$1342.74 per month for one person and \$1809.18 for two (the same in all regions of the state).
- HUSKY D is for single persons age 19 to 64, without dependent children, and not receiving Medicare.

HOW TO APPLY FOR MEDICAID/HUSKY HEALTH COVERAGE

Visit www.connect.ct.gov to apply online to the Department of Social

Or -- apply in person at one of our 12 Department of Social Services offices (www.ct.gov/dss).

Or--apply at www.accesshealth.ct.com

Or -- call Access Health CT at 1-855-805-4325

Or--call 1-877-CT-HUSKY

Or -- visit www.huskyhealth.com for information and to download an application.

QUESTIONS AND ANSWERS

Questions?

