

Policy Clarifications

Medicaid - Long Term Care PMN15777389

Submitted: 05/05/11

Agency: CAOs

Citations:

Subject: Eligibility for Home and Community Based Services (HCBS) in Spend-down Category of Medical Assistance (MA)

Can an individual applying for HCBS with income exceeding 300% of the Federal Benefit Rate (FBR) still be eligible for MA and payment of services provided by a HCBS Waiver Program?

Response By: Division of Health Services

Date:05/05/11

Yes, an individual with income exceeding 300% of the FBR (currently \$2,022) may be determined eligible for MA and services provided by a HCBS Waiver Program. The individual may qualify for ongoing Categorically Needy Non-Money Payment (NMP) Spend-down or Medically Needy Only (MNO) Spend-down. Paid and unpaid medical expenses incurred within the permitted time frames will reduce an individual's income to qualify for Medicaid. In addition to spending down income, an individual must meet all other non-financial and financial eligibility requirements for the appropriate category of MA prior to authorization of MA. The appropriate waiver code must be entered in the Client Information System at the time of authorization of MA to ensure payment by the Department of the services received by the recipient.

A single individual applying for a HCBS Waiver Program with income that exceeds 300% of the FBR has two options. The individual can apply for and receive (if eligible for) **monthly** Categorically Needy Non-Money Payment (NMP) spend-down or ongoing MNO spend-down (six month eligibility period). See procedures located in the MA Handbook Chapters 368.5 (NMP Spend-down) and 369.431 (MNO Spend-down) for further guidance. MA cannot be authorized until the individual has incurred sufficient medical expenses to spend-down excess income to qualify for MA.

A married individual applying for a HCBS Waiver Program with income that exceeds 300% of the FBR also has two options. The spouse can choose to apply for **monthly** NMP spend-down or ongoing MNO spend-down (six month eligibility period). The Bureau of Policy (BOP) is requesting that the County Assistance Office contact them at 717-772-6646 for any circumstance involving a married couple involving a spouse applying for a HCBS Waiver Program who

has income that exceeds 300% of the FBR. Further guidance on how to determine eligibility for MA will be provided by BOP staff.

NOTE: Only those individuals applying for a HCBS Waiver Program with gross monthly income that exceeds 300% of the FBR are to be evaluated for MA in a Spend-down category. A single or married individual with gross monthly income equal to or less than 300% of the FBR and applying for a HCBS Waiver Program continues to be treated the same as an applicant in a long term care facility.

Any questions regarding the Spend-down process for a HCBS Waiver Program should be directed to the Bureau of Policy at (717) 772-6646.