

FACT SHEET

Medicaid Spenddown Program

What is the Spenddown program?

The Spenddown program gives certain Ohioans who exceed the Medicaid income limit an opportunity to qualify for Medicaid. Specifically, it allows individuals to deduct medical expenses from their income in order to meet Ohio Medicaid income guidelines.

In most states, if a person gets Supplemental Security Income (SSI), the individual can also get Medicaid. Ohio has taken a federal option that allows states to apply more restrictive financial tests for the aged, blind, and disabled population than are applied for the federally administered SSI. Thus, not all SSI recipients get Medicaid automatically. Because this option is contained within section 209(b) of the Social Security Act, Ohio is sometimes referred to as a 209(b) state.

Who is eligible to participate in the program?

The Spenddown program is an option available to Ohioans age 65 and older and people with disabilities who meet all eligibility requirements for Medicaid except their income is too high (the monthly income limit is \$556 for individuals and \$956 for couples)*. In the State Fiscal Year 2006, the Spenddown program served almost 180,000 eligible consumers with an average monthly assistance of \$1,845.20 per person.

*Income standards are based on the federal government and they change annually.

What is a spenddown amount?

The spenddown amount is the monthly amount of medical expenses a Medicaid consumer is responsible for incurring or paying out of pocket to the agency before becoming eligible for Medicaid benefits.

How the spenddown amount is determined

The county caseworker will determine the monthly spenddown amount. The amount is the difference between the monthly Medicaid income limit and an applicant's countable income.

Example:

Monthly Income for Individual	\$800
Subtract Countable Monthly Income Limit*	-556
Subtract \$20 Income Disregard**	-20
Result equals the spenddown amount*** to be met every month	\$224
* Monthly Income Limit for couples is \$956.	
** \$20 of income is automatically disregarded for older adults and people with disabilities who apply for Medicaid.	
*** \$224 is the spenddown amount so \$224 of medical expenses would need to be paid by the individual in order for the individual to be eligible for Medicaid.	

How can the spenddown amount be met?

There are three ways to meet the spenddown amount:

1. On-going Spenddown:

Consumers can provide proof of monthly medical expenses (e.g., medical premiums or unpaid past medical bills) that consistently meet or exceed the monthly spenddown amount.

2. Delayed Spenddown:

Consumers that do not have monthly medical expenses can submit other medical expenses that meet or exceed their spenddown amount each month. Consumers must submit proof of their medical expenses to their caseworker. Medicaid eligibility begins on the day the spenddown amount is met and ends the last day of that month.

3. Pay-in Spenddown:

Consumers can also pay the spenddown amount directly to their county department of job and family services (CDJFS) each month. The Medicaid card will cover the entire month and should be dated from the first day to the last day of the month.

What expenses can be counted toward reaching the spenddown amount?

Medical expenses and bills for medically necessary services can be counted toward reaching the spenddown amount. Some examples include:

- Medical bills including doctor and dentist visits, eye exams, prescriptions, physical therapy, medical equipment, and lab work
- Medical insurance premiums (e.g., health, vision, dental and long-term care)
- Medical insurance co-pays and deductibles
- Medicare premiums
- Transportation costs to get to medical appointments including miles traveled by car and bus or taxi fares
- Disposable medical supplies that are prescribed and medically necessary such as adult disposable diapers, gauze, and sterile water

The caseworker can be contacted with questions about whether or not an expense can be counted toward the spenddown amount. Please note: Health care payments made by other forms of insurance are not eligible to be used toward Medicaid Spenddown.

How are unpaid past medical bills used to meet Spenddown?

Unpaid past medical bills may be used to meet Spenddown. These bills must be given to the caseworker for documentation.

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Example:

Unpaid Medical Bill	\$800
Divided by the Monthly Spenddown Amount	/ \$100
Months that Spenddown is Met	8

Please note: the consumer is still responsible for payment of the bills.

Can a family member's medical bills be used to meet Spenddown?

The medical bills of a spouse, parent, sister (includes half-sister), or brother (includes half-brother) may be able to help meet the spenddown amount. Use of these bills depends on a consumer's specific situation. Consumers should contact their caseworkers for more specific information.

After Spenddown has been met:

Copies of medical bills used to meet Spenddown must be mailed, faxed or dropped off to the caseworker at the CD-JFS. Original medical bills should be kept for the consumer's personal files. After Spenddown is met and approved, a Medicaid card should be issued in approximately two business days.

**For more information, call the Medicaid Consumer Hotline:
1-800-324-8680 or TTY 1-800-292-3572.**