

## H-1020 REGULAR AND SPEND-DOWN MEDICALLY NEEDY - C-RELATED

### H-1021 ELIGIBILITY DETERMINATION PROCESS

Determine eligibility by applying the following criteria. Elements have been listed in the most logical order, but work on all steps simultaneously.

#### H-1021.1 Determine Assistance Unit

Include anyone who was not eligible in a categorical group because of income. This may be the entire LIFC assistance unit, if their income made them ineligible for LIFC and no member is eligible for categorical Medicaid.

**Reminder:**

Do not include sanctioned individuals even though they are included in the income unit. Do not add anyone to the original assistance unit.

#### H-1021.2 Establish Categorical Requirements

Categorical requirements must have been established in the LIFC, Prohibited AFDC Provisions, CHAMP, or LaCHIP program.

#### H-1021.3 Establish Nonfinancial Eligibility

Non-financial eligibility requirements must have been established in LIFC, CHAMP, LaCHIP or the Prohibited AFDC Program with regard to the following factors:

- Age I-100
- Assignment of Rights I-200
- Citizenship/Identity/Alienage I-300
- Enumeration I-600
- Residence I-1900

**H-1021.4 Establish Need****A. Determine Composition of the Income Unit**

C-MNP Income Unit (MNIES) **shall** include:

- the unborn in determining eligibility for Pregnant Women or a MUM.

**Note:**

Do not include the income of parents or siblings of Pregnant Unmarried Minor's (PUM) or pregnant Minor Unmarried Mother's (MUM) when determining Medicaid eligibility for a pregnant MUM or PUM.

- sanctioned parents even though they are not included in the assistance/benefit unit.
- the stepparent in a Caretaker Relative certification. In working the stepparent budget, refer to I-1528. Use the LIFC 100% Need Standard for needs of the stepparent and his/her dependents.

**Note:**

The stepparent is in the MNIES and his/her needs are also allowed by the 100% Need Standard.

- the parent(s) of a MUM in a Caretaker Relative certification for the MUM (who is not pregnant). In working the MUM's parent(s) budget, refer to I-1528. Use the LIFC 100% Need Standard for the needs of the MUM's parent(s) and their dependents.

**Note:**

The MUM's parent(s) are in the MNIES and their needs are also allowed by the 100% Need Standard.

C-MNP Income Unit (MNIES) **may** include:

- all those included in the original LIFC, PAP income unit if it is to the MNP applicant's advantage unless the applicant chooses to exclude persons as stated in H-100.3, Assistance/Benefit Unit Optional Exclusions.
- persons already Medicaid certified (CHAMP, LaCHIP, PAP), if it is to the family's advantage. Example: Mr., Mrs., and their children, X and Y, are applying for MNP. Y is certified

for CHAMP, but is also included in the MNIES (4 persons) so that the rest of the family will be regular MNP instead of spend-down MNP.

- persons with income who are excluded from PAP if these persons were in the original LIFC income unit and their inclusion does not cause a child to lose any Medicaid coverage/benefits.

**Example:**

Child A was excluded from the PAP certification of his mother and sibling Child B. Child A can be considered for MNP because his exclusion was mandatory. Certification of child A for MNP does not cause his sibling to lose PAP coverage.

C-MNP Income Unit (MNIES) **shall not** include anyone not in the original LIFC income unit.

**B. Determine Need/Countable Income**

**Regular Medically Needy**

- Step 1. Add monthly gross earned income for all individuals in the income unit.
- Step 2. Subtract the standard earned income deduction for each employed person.
- Step 3. Subtract allowable dependent care cost for members of the assistance unit.
- Step 4. Subtract court-ordered child support and/or alimony paid to persons outside the home.
- Step 5. Add the total unearned income for all individuals in the income unit.
- Step 6. Compare the total countable income to the monthly MNIES for the number of people in the income unit.

**Note:**

Refer to H-1011.4 for limited 1 or 2 month certifications.

If income is equal to or less than the MNIES, the assistance unit is income eligible for Regular MNP.

If income is greater than the MNIES, the assistance unit is ineligible for Regular MNP. Consider for Spend-down MNP.

### **Spend-down Medically Needy**

If the applicant has been determined income ineligible for Regular MNP, subtract medical bills from the excess income (determined in the Regular MNP budget) in the following order:

- Step 1. Subtract allowable bills for individuals other than the applicant who are included in the MNIES.
- Step 2. Subtract unpaid bills for services received up to 3 months prior to the month of application in chronological order.
- Step 3. Subtract allowable health insurance premiums. Refer to H-1011.5, Bills Allowed in the Spend-down process.

**Note:**

Liability for health insurance premiums arises in the month payment is due, rather than in the month (or months) for which coverage is purchased.

- Step 4. Subtract paid and unpaid bills including insurance co-payments and deductibles incurred for services received within the spend-down quarter in chronological order (per diem if necessary), oldest to most recent. Hospital bills shall be used before physician bills in the spend-down process.

On the date excess income is “spent down” (income equal to allowed medical expenses) the applicant is eligible for Spend-down MNP. This date is referred to as the spend-down date. Eligibility begins the date the excess income is spent down. If there is no Medicaid liability in the month that the income is spent down, eligibility begins, the first day of the month after the spend-down date in which there is a Medicaid liability or the first day of the month of the requested period of coverage whichever is earlier.

## **H-1021.5 Eligibility Decision**

### **Regular MNP**

Evaluate all eligibility requirements and verification received to make the eligibility decision to either reject or certify the application, close or continue eligibility.

**Spend-down MNP**

Evaluate all eligibility requirements and verification received to make the eligibility decision to either reject or certify the application.

**H-1021.6 Certification Period****Regular MNP**

The certification period, according to federal rules, cannot exceed six (6) months.

**Spend-down MNP**

Certification begins no earlier than the spend-down date and shall not exceed three months. This certification will be automatically closed. Refer to **\*\* H-1011.3 Eligibility/Budget Period.**

To correct the spend-down date to an earlier date after MEDS certification open an eligibility determination, work corrected budget, and back up start date.

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**H-1021.7 Notice of Decision**

Send the appropriate notice of decision to the applicant/enrollee.

**H-1021.8 Form 110-MNP**

BHSF Form 110-MNP must be completed listing each provider who rendered medical services on the spend-down date. Refer to [Application Processing \(non-LTC\)](#) in the Eligibility Administrative Procedures Manual for instructions on completing the form. \*\*