Department of Health

Medicaid Excess/Surplus Income (Spenddown) Program Guidance for Children's Care Management and Home and Community Based Services (HCBS)

The following information outlines the Medicaid "Spenddown" program and its impact on Children's Health Home care management and/or Children's Waiver enrollment of HCBS.

What is the Spenddown Program?

The Spenddown program is a way for individuals with income over the Medicaid level (excess/surplus income) to receive Medicaid coverage. The individual must submit paid or incurred medically necessary bills equal to or greater than the monthly excess income amount. The individual may also pay the amount of their monthly excess to the local district (For Upstate the County Local Department of Social Services (LDSS) or in NYC HRA). This is called Pay-In.

How Does an Individual Satisfy or Meet Their Monthly Spenddown Amount?

When an individual has a monthly spenddown, it means the individual's income is above the Medicaid income limit and must "spenddown" to the Medicaid limit by submitting paid or unpaid medically necessary expenses, such as out-of-pocket medical costs (co-pays for doctor appointments and/or pharmacy). The individual can also choose to pay their monthly spenddown by cash/check/money order directly to their LDSS/HRA.

- Medically necessary costs and Waiver Services can be utilized for the monthly spenddown. The family and providers should work with the LDSS/HRA to understand which service costs can be utilized for spenddown.
- Health Home care management services cost **cannot** be utilized for spenddown.
- The individual can pay their spenddown monthly or pay months in advance.

Please note: *When a child/youth has Family of One Medicaid budgeting, parental medical expenses cannot be applied toward a child's/youth's spenddown.*

When an individual is determined Medicaid eligible with a monthly spenddown, the individual does not have Medicaid coverage until the monthly spenddown is met;

- Once the individual meets their monthly spenddown, s/he is eligible for Fee-for-Service (FFS) or regular Medicaid coverage only
- Individuals participating in the spenddown program are not eligible to join a Medicaid Managed Care plan (MMCP)

What Occurs if an Individual Does Not Satisfy Their Monthly Spenddown Amount?

If the individual does not meet their monthly spenddown, then services rendered such as Health Home care management and other Medicaid services cannot be billed. Health Homes care managers, HCBS providers, and other Medicaid service providers should work with the family to assist in meeting their spenddown, so services can be delivered. Providers should verify monthly that the family's monthly spenddown is met, to provide services and be able to bill for those services.

- If an individual does not meet their spenddown for 90 days or longer, the LDSS/HRA may close the individual's Medicaid case, resulting in loss of Medicaid, Waiver Services,

and Health Home care management services; therefore, care managers and providers should assist individuals not meeting their spenddown to avoid discharge

- If an individual loses coverage, the LDSS/HRA, the care manager, and providers should work to connect the individual to other non-Medicaid services

Children's Waiver participant and Spenddown:
When a child/youth is eligible for the Children's Waiver and their Medicaid eligibility is being determined, if they are found Community Medicaid eligible with a spenddown, then the LDSS/HRA will complete Family of One budgeting. In many cases, the child/youth found to be eligible for Medicaid through Family of One budgeting won't have a spenddown, therefore the required monthly Waiver Services can be delivered without concern for meeting a spenddown. In some cases, Family of One Waiver eligible children/youth will have a spenddown that would have to be met prior to Waiver Services being provided.

How to Identify an individual Participating in the Spenddown Program:
To systematically identify an individual who has spenddown coverage in ePACES, upon entering the individual's Client Identification Number (CIN), the following messages will come up:

- ***"No Coverage-Excess Income"*** until the monthly spenddown is met

Once the individual meets their monthly spenddown, ePACES will reflect the **following** message:

- ***"Outpatient Coverage"*** or
- ***"Outpatient Coverage with Community-Based Long-Term Care"***

Outpatient care is sometimes referred to as ambulatory care. It is medical care or treatment that does not require an inpatient stay in a hospital or medical facility. Some examples of outpatient services are:

- Treatment and Preventative Health and Dental Care (Doctor, Dentist)
- Eye Exams, Eyeglasses
- Prescription Drugs
- Laboratory and X-Rays
- Medical Supplies
- Care in a Hospital that does not Result in the Individual Being Formally Admitted to the Hospital for an Inpatient Stay (Emergency Room/Observation).
- Transportation to and from Necessary Medical Services

If the individual meets their monthly spenddown for a six-month period, ePACES will reflect the following message:

- ***"Full Coverage"*** or ***"Community Coverage with Community Based Long-Term Care (CC with CBLTC)"***

Any questions or for further explanation concerning how to meet a monthly spenddown should be directed to the Medicaid case worker at the individual's LDSS/HRA. Upstate and NYC individuals can also contact the Medicaid Help Line at 1-800-541-2831 for assistance.