Classic Medicaid Medical

Spenddown
Spenddown Eligibility Criteria

- Must be Citizen; National; Qualified Alien*
- Must be a WA Resident
- A valid Social Security Number or have applied
- Under resource limit
- Must be 65+ or deemed disabled or blind
- Not eligible for MAGI medical through Health Plan Finder** (or needs long term care services not available through MAGI)
How to Calculate a Spenddown Amount

- Take the client’s gross income
- Subtract $20.00 Standard Deduction
- If client has earned income, subtract $65
- Subtract the SSI payment Standard ($771.00 currently)
- Subtract any health insurance premiums **unless person is on Medicare Savings Prog.
- Subtract any deemed income for dependents or spouses
- Multiply the ‘net income’ by the spenddown period. Default of 6-month. But, clients can choose a 3-month spenddown base period.
Example: Mark receives $1091/month in Social Security Benefits. No current health insurance, no earned income and no income deeming.

$1091
- $20 minus unearned standard income deduction
$1071 countable income
- $771 minus the state income limit MN one person
  $300 per month “excess income”
The base period is the number of months used to calculate the spenddown liability amount.

Base periods can be selected in either 3 or 6 month increments.

An individual may also request retroactive coverage for any or all of the 3 months prior to the month of application.
Using the previous example, the client had $300 per month in excess income

Spenddown liability would be calculated as:

- For a 3-month base period: $900 ($300 x 3)
- For a 6-month base period: $1800 ($300 x 6)
Meeting the Spenddown

Clients can either provide proof that they:

- Owe their spenddown amount in out-of-pocket costs
- Paid their spenddown amount in out-of-pocket costs
- Paid Medicare Part A, B, D Premiums (unless on MSP Program)** (two months only w/ MSP approval)
Alien Emergency Medical (AEM)

- Does not meet citizenship requirements for Classic Medicaid
- DSHS handles clients that are 65 years-old and older
- Client must have one of the Alien Medical Programs qualifying conditions