

# Classic Medicaid Medical

# Spenddown

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# 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  
Spendedown  
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.

**How to  
Calculate a  
Spendedown  
Amount**

**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”

# Spenddown - Base Periods

- 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

How to  
Calculate a  
Spendedown  
Base Period

**Using the previous example, the client had  
\$300 per month in excess income**

Spendedown liability would be calculated as:

- For a 3-month base period: \$900 ( $\$300 \times 3$ )
- For a 6-month base period: \$1800 ( $\$300 \times 6$ )

# 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