

# Health Home Implementation Webinars

Session #37– May 14, 2014

Spend Down-The Excess Income Program



# Agenda

- Excess Income Program Overview
- Questions and Answers

# What is the Excess Income Program?

- The Medicaid Excess Income Program is also known as the Spenddown program. We will be referring to it as the Excess Income Program. It is a program that helps eligible individuals with excess income get assistance with their medical bills.
- Excess income is the amount over the Medicaid level. If an individual is eligible for Medicaid except for having excess income and can show medical bills equal to their monthly excess in a particular month, Medicaid will pay their additional medical bills beyond that for the rest of the month.
- Example: The 2014 Medicaid income level for a single individual is \$809. If the individual's monthly income is \$1,200, the individual must reduce their monthly income by \$391 (amount they are over the MA income level) to be MA eligible.

# Who is Eligible to Participate in the Excess Income Program?

Individuals in medically needy categories:

- Under 21;
- Age 65 or older;
- Certified blind or disabled;
- Pregnant; or
- Parent of a child under 21.

NOTE: The above categories are budgeted using the Medicaid Income Levels, not the higher levels established by the ACA.

# How is the Excess Income Amount Determined?

- The amount is determined by the Medicaid worker at the local district.
- It is the difference between the monthly Medicaid income level for a single individual (\$809) and the individual's countable income.

# How Does An Individual Get Medicaid Through the Excess Income Program?

- A completed Access New York (4220) Medicaid application must be submitted to the local district;
- The local district determines Medicaid eligibility;
- If Medicaid ineligible, a denial notice will be issued indicating the reason for the denial.
- If Medicaid eligible but for income above the Medicaid income level an acceptance notice will be issued along with the Explanation of the Excess Income Program and the Provider-Recipient letter. This letter notifies the provider and the recipient of the client's liability toward that provider's bill(s).

Note: When more than one provider is being used to establish eligibility, a separate letter is issued to each provider detailing only his bill(s). This is to ensure confidentiality.

# How Does An Individual Get Medicaid Through The Excess Income Program? (continued)

The acceptance notice will:

- Inform of the type of coverage that has been authorized;
- Include the amount the income is over the Medicaid level;
- Inform that paid or unpaid medical expenses equal to or greater than the monthly excess income amount must be submitted monthly to the local district; and
- Inform that payment of the excess income amount may be made to the local district for any month in which the individual needs coverage (Pay-In Program, will be discussed later in the presentation);

# What Coverage Will Be Authorized When The Individual Has Not Met Their Excess Income Liability?

An individual who has not met their excess income liability will receive provisional coverage, i.e., no coverage.

# What Coverage Will Be Authorized Once The Individual Has Met Their Excess Income Liability?

- If a one-month excess income liability has been met, outpatient coverage will be authorized for that month and the appropriate notice issued.
- If a six-month excess income liability is met, inpatient (full) coverage will be authorized for six months and the appropriate notice issued.

Example #1: In June, a single individual with a \$100 excess income liability goes to the doctor and is billed \$100. The bill is submitted to the local district and the individual's one-month spenddown is met, the district authorizes outpatient coverage and Medicaid pays future outpatient claims for this month.

Example #2: In May, a single individual with a \$100 spenddown falls and breaks his/her leg, resulting in a \$600 inpatient hospital stay. As a result, the individual meets their six-month liability ( $\$600 \text{ spenddown} = \$100 \text{ spenddown} \times 6 \text{ months}$ ) and full coverage is authorized May through October.

# Outpatient Care and Services: One-Month Liability Met

- Outpatient treatment in a hospital or clinic
- Treatment and preventative health and dental care (doctors and dentists)
- Prescription drugs
- Laboratory and X-ray services
- Medical supplies
- Transportation to and from necessary medical services
- The individual will need to speak with their local district worker to find out whether they are eligible for long-term care services such as adult day health care, personal care and the Assisted Living Program.

# Inpatient Care and Services: Six-Monthly Liability Met

An individual who has met their six-month excess income liability may receive inpatient treatment in a hospital as well as all outpatient care and services.

# How Does An Individual Meet Their Excess Income Obligation?

- Provide paid or unpaid medical bills; or
- Pay excess income amount to the local district, e.g., Pay In Program.

# Pay-In Program

- If the individual does not have bills that equal or exceed their excess income liability, they can “opt” to participate in the Pay-In Program.
- In order to utilize this program, the individual must pay their excess income amount to their local district for any month they need Medicaid coverage.

Note: If an individual needs inpatient hospital coverage they must pay six consecutive months of their spenddown liability in order to have full coverage. This can be done monthly or in a lump sum.

# Paid and/or Unpaid Medical Expenses

- The individual must show that they have met their excess income amount by bringing in, mailing or faxing their medical expenses to the local district;
- Expenses must be medically necessary;
- Expenses can be paid or unpaid;
- In general, the amount and nature of the medical bills submitted to the local district determines the length and time for which coverage will be authorized. The local district will review the submitted receipts and make this determination.

## Types of Bills

The following medical expenses can be counted toward the individual's excess income liability:

- Doctor, dental and clinic visits;
- Eye exams, lab tests and prescription drugs;
- Transportation to and from medical appointments (with a receipt);
- Surgical and medical supplies, medical equipment, prosthetic devices, hearing aides;
- Eyeglasses.

Note: Once outpatient/inpatient coverage is authorized, Medicaid will only pay medical bills from a provider who is enrolled in the New York State Medicaid program.

# Types of Bills (continued)

- Over-the-counter drugs as ordered by your doctor (such as bandages and dressings);
- Chiropractic services (and other medical services not covered by Medicaid);
- Co-payments and deductibles for medical insurance, including Medicaid and Medicare (including the Medicare Prescription Drug Program – Part D);
- If the individual has Medicare or private insurance, they can only use the part of the bill that Medicare or private insurance does not pay.

# Types of Bills (continued)

- Medical expenses paid/incurred by a public program, e.g., Elderly Pharmaceutical Insurance Program (EPIC) or the AIDS Drug Assistance Program (ADAP), and other public programs of the State or county;
- Therapists, nurses, personal care aides (home attendants) and home health aides, as ordered by a doctor. Note: personal care aides (home attendants) must be approved by the Community Alternative Services Agency (CASA) or Department of Social Services in your county.
- Medical expenses for your spouse, children under 21 years old living with you.

# Non-Allowable Bills

- Bills for cosmetics and other non-medical items are not acceptable;
- Filters for any equipment, such as air conditioners or humidifiers;
- Air conditioners;
- Exercise equipment;
- Special clothing used for weight loss program, such as a swimsuit or jogging outfit;

## Non-Allowable Bills (continued)

- Batteries, generators or service contracts of medical equipment. Note: Hearing aid batteries are an allowable expense.
- Cell phones, Lifeline (telephone discount);
- Toothpaste;
- Feminine hygiene products;
- Herbal remedies.

# For Additional Information

Information on the Excess Income Program is available on the Department of Health Website:

[http://www.health.ny.gov/health\\_care/medicaid/excess\\_income.htm](http://www.health.ny.gov/health_care/medicaid/excess_income.htm)

# Useful Contact Information

- Visit the Health Home website:  
[http://www.health.ny.gov/health\\_care/medicaid/program/medicaid\\_health\\_homes/](http://www.health.ny.gov/health_care/medicaid/program/medicaid_health_homes/)
- Get updates from the Health Homes listserv. To subscribe send an email to: [listserv@listserv.health.state.ny.us](mailto:listserv@listserv.health.state.ny.us) (In the body of the message, type SUBSCRIBE HHOMES-L YourFirstName YourLastName)
- To email Health Homes, visit the Health Home Website and click on the tab “Email Health Homes”  
[http://www.health.ny.gov/health\\_care/medicaid/program/medicaid\\_health\\_homes/](http://www.health.ny.gov/health_care/medicaid/program/medicaid_health_homes/)
- Call the Health Home Provider Support Line: 518-473-5569