Using Medicaid Spenddown to Get "Extra Help" with Part D

Beneficiaries only need to meet their Medicaid spend down <u>one time </u>during the year to be deemed a dual eligible by Medicaid and SSA.

They will then automatically receive Extra Help for the rest of the year. However, the month they meet their spend-down will determine if they receive Extra Help the following year as well.

- Beneficiaries who meet their spend-down at least once **before** July 1st of the year will automatically qualify for Extra Help for the remainder of the calendar year.

- Individuals who meet their spend-down at least one month **between July - December** will automatically receive Extra Help for the remainder of that year *and* the entire following calendar year.

Spenddown explained:

"<u>Income Spenddown</u>" is another way to qualify for Medicaid, on a month-to-month basis, even if a person's income is above the state's eligibility limits. Spenddown works like an **insurance deductible**. That "deductible" is calculated by the **difference** between the Medicaid eligibility standards and one's income and resources.

That difference, or deductible, must be "spent down" **monthly** by the beneficiary to reach the eligibility standard. One **"meets"**, or receives credit for, that monthly spenddown amount through payments, medical receipts, and/or demonstrated liability for eligible medical bills. If a Medicare beneficiary meets a Medicaid Spenddown, on that met month they are considered **dual eligible** and may also qualify for Extra Help benefits.

Example:

Beneficiary's gross monthly income	$1,350
Minus $25 Medicaid income disregard	- 25
Countable income	$1,325
Minus the AABD income standard (single)	- $1,073
Monthly Spenddown Amount	**$252**

"<u>Asset Spenddown</u>" is when assets/resources are above the state's asset eligibility limit. To be eligible, a person must "spend" assets on medical costs until resources are at or below the asset eligibility limit. They then become eligible for the year and asset eligibility is redetermined annually.

Example:

Assets Available	$6000
Resource Limit	- $2000
Resource Spenddown	**$4000**