

## What is Medicaid Spenddown and how is it Figured?

When you apply for medical assistance, your income and resources are compared to limits set by the State.

Income is the amount of money you have coming in each month.

Resources are money or other assets available to you. Examples of countable resources include: checking/savings account balances, Stocks, Bonds, IRAs, Burial Funds, etc.

Spenddown is the amount of medical expenses for which you are responsible. Spenddown is like an insurance deductible. You are not liable for the expenses used to meet your approved spenddown period and DSHS will not pay them. DSHS may be able to pay for the balance of the covered services or other expenses incurred within the approved spenddown period.

The amount your spenddown depends on three things:

1. The number of people in your household;
2. The amount of countable income your household has;
3. The medical program for which you are eligible.

\*\*\*\*Please Note that when your spenddown base period ends, you will need to submit a new Application for Benefits to set up a new base period.

### Here is how your spenddown was figured

\$ \_\_\_\_\_ SSA/Pension or Retirement/Unemployment Income (Unearned income)  
- \$ 20.00 Unearned Income Disregard  
= \$ \_\_\_\_\_ Countable Income  
- \$ 750.00 Program Income Limit  
= \_\_\_\_\_ Amount your monthly income is over the State Limit

\*If you are working and under age 65, the HWD program may be a better option for you. Ask your financial worker for more information.

If you are married, have dependent children or earnings, the computation is different. Please check your award letter for the correct amount.

### Base Periods

The base period is the number of months your income is counted. You may get medical coverage for all or part of the base period.

Medically Needy (MN) coverage begins once you have shown you have incurred expenses that meet the spenddown liability. If you are using current doctor/hospital bills, eligibility begins on the date of service of the bill that met the spenddown.

**Important:** Give DSHS all your medical bills or coverage may begin later than you need.

A financial worker multiplies the \$ \_\_\_\_\_ (amount over the State Limit from the box above) by your choice of a 3 or 6 month spenddown base period.

Your 3-month spenddown will be:

\$ \_\_\_\_\_

Your 6-month spenddown will be:

\$ \_\_\_\_\_

\*Call 1-877-501-2233 to choose a base period that best fits your needs.

Medical Purchasing Administration,  
Department of Social & Health Services  
Olympia, WA 98504

A financial worker enters all Medical expenses you have incurred or paid. Expenses are entered in service date order to meet your spenddown base period, so be sure you have received all your bills before submitting them to DSHS.

Examples of expenses we allow:

- ✓ Medicare premiums, copayments or coinsurance charges.
- ✓ Unpaid medical expenses owed by you after all primary insurance payments and/or adjustments have been applied by your provider. Proof of unpaid bills must be current and must show the original dates of services.
- ✓ Prescription expenses - receipts must show the name & prescription number of the prescription purchased; the amount paid by you for this prescription; the pharmacy you purchased the prescription from; and the date of the prescription was purchased.
- ✓ Receipts/statements from your providers to show current charges you have incurred.
- ✓ Copayments/payments made by you towards your bills. Receipts must show the date these payments were made. A financial worker will determine if these are allowable expenses – if bills have been used to meet an earlier spenddown, they can only be used once, unless they are unpaid and there's a remaining balance that we did not use in full last time.
- ✓ Mileage used for medical purposes; please keep a log of your round trip mileage for each medical purpose and turn in your log to be applied towards your spenddown.

\*DSHS can use medical expenses incurred or paid by all eligible household family members living with you for whom you are financially liable.