

Medicaid Eligibility Procedure Letter No. 115 (revised)

Effective Date: August 1, 2016

OAC Rule: 5160:1-3-04.1

To: All Medicaid Eligibility Manual Holders

From: John B. McCarthy, Director

Subject: Medicaid: Spenddown Met Retroactively After the Transition to 1634

Reason for Change: To ensure continuity of health care coverage for individuals during Ohio's transition to the use of 1634 eligibility criteria, the Ohio Department of Medicaid (ODM) is granting additional months of Medicaid coverage to aged, blind, or disabled individuals who met a spenddown for any month between August 2015 and July 2016.

Prior Policy: Under Section 209(b) of the Social Security Act, individuals can spenddown to become eligible for Medicaid.

New Policy: When Ohio becomes a 1634 state on August 1, 2016, individuals will no longer be able to spenddown to become eligible for Medicaid. As stated above, to ensure continuity of coverage for individuals during the transition to 1634, ODM is granting additional months of Medicaid coverage to aged, blind, or disabled individuals who met spenddown for any month between August 2015 and July 2016, in accordance with the criteria listed below.

This guidance only applies to individuals eligible for Medicaid under the aged, blind, or disabled category with a spenddown prior to August 1, 2016. If an individual submits documentation between August 1, 2016, and July 31, 2017, that he or she met spenddown for any month(s) between August 2015 and July 2016, case workers need to determine which group listed below applies to the individual's case and approve Medicaid coverage in accordance with the instructions specific to that group.

1. An individual, with a renewal date scheduled in 2016 or before, who submits retroactive spenddown documentation between August 1, 2016, and December 31, 2016, will be eligible for:
 - a. The month(s) [or partial month(s)] for which spenddown was met using the appropriate 209(b) Aid Code; AND
 - b. The months from August 2016 through the originally-scheduled renewal month in 2017 using the appropriate 1634 Aid Code.

Examples:

- i. In October 2016, an individual submits retroactive spenddown documentation for the month of February 2016 verifying that his spenddown liability was met on February 17, 2016. The individual's renewal was originally scheduled to occur in November 2016. The worker will open a Medicaid span in Ohio Benefits for the partial month of February 2016 for the dates of February 17 through February 29, 2016, using the appropriate 209(b) Aid Code and will also open a Medicaid span in Ohio Benefits beginning August 1, 2016, using the appropriate 1634 Aid Code, with a scheduled renewal date of November 2017.
 - ii. In October 2016, an individual submits retroactive spenddown documentation for the month of January 2016 verifying that her spenddown liability was met on January 5, 2016. The individual's renewal was originally scheduled to occur in September 2013 (past-due). The worker will open a Medicaid span in Ohio Benefits for the partial month of January 2016 for the dates of January 5 through January 31, 2016, using the appropriate 209(b) Aid Code and will also open a Medicaid span in Ohio Benefits beginning August 1, 2016, using the appropriate 1634 Aid Code, with a scheduled renewal date of September 2017.
2. An individual, with a renewal date scheduled in 2017, who submits retroactive spenddown documentation in calendar year 2017 before or during his or her originally-scheduled 209(b) renewal due month will be eligible for:
 - a. The month(s) [or partial month(s)] for which spenddown was met using the appropriate 209(b) Aid Code; AND
 - b. The months from August 2016 through the originally-scheduled 2017 renewal month using the appropriate 1634 Aid Code. If the renewal cycle has already begun for the renewal month, the worker must complete a manual renewal of the individual's Medicaid eligibility using 1634 eligibility criteria.

Examples:

- i. In January 2017, an individual submits retroactive spenddown documentation for the month of February 2016 verifying that her spenddown liability was met on February 1, 2016. The individual's renewal was originally scheduled to occur in January 2017 (same month). The worker will open a Medicaid span in Ohio Benefits for the month of February 2016 for the dates of February 1 through February 29, 2016, using the appropriate 209(b) Aid Code and will also open a Medicaid span in Ohio Benefits beginning August 1, 2016, using the appropriate 1634 Aid Code, with a scheduled renewal date of January 2017. Because the renewal cycle has already begun, the worker will complete a manual renewal of the individual's Medicaid eligibility using 1634 eligibility criteria.
 - ii. In October 2016, an individual submits retroactive spenddown documentation for the month of April 2016 verifying that his spenddown liability was met on April 28, 2016. The individual's renewal was originally scheduled to occur in March 2017. The worker will open a Medicaid span in Ohio Benefits for the partial month of April 2016 for the dates of April 28 through April 30, 2016, using the appropriate 209(b) Aid Code and will also open a Medicaid span in Ohio Benefits beginning August 1, 2016, using the appropriate 1634 Aid Code, with the same renewal date of March 2017.
3. An individual who submits retroactive spenddown documentation in calendar year 2017 after his or her originally-scheduled 209(b) renewal due month will be eligible for:
- a. The month(s) [or partial month(s)] for which spenddown was met using the appropriate 209(b) Aid Code.
 - b. The individual will need to submit an application to explore current Medicaid eligibility under the 1634 criteria.

Example: In April 2017, an individual submits retroactive spenddown documentation for the months of May 2016 and June 2016 verifying that his spenddown liability was met on May 11, 2016, and June 25, 2016, respectively. The individual's renewal was originally scheduled to occur in January 2017. The worker will open a Medicaid span in Ohio Benefits for the partial month of May 2016 for the dates of May 11 through May 31, 2016, using the appropriate 209(b) Aid Code. The worker will also open a separate Medicaid span in Ohio Benefits for the partial month of June 2016 for the dates of June 25 through June 30, 2016, using the appropriate 209(b) Aid Code. If the individual is not currently in receipt of Medicaid, he will need to submit an application to explore eligibility.

4. An individual who submits retroactive spenddown documentation on or after August 1, 2017, will not be eligible for any month(s) for which spenddown was met. If the individual is not currently in receipt of Medicaid, he or she will need to submit an application to explore eligibility under the 1634 criteria.
5. An individual who timely submits retroactive spenddown documentation (before July 31, 2017), but whose Medicaid was terminated before the transition to 1634 will be eligible according to the criteria identified in this Procedure Letter.
6. An individual who submits retroactive spenddown documentation and also reports a change in circumstances will be eligible according to the criteria identified in this Procedure Letter except that:
 - a. His or her eligibility before the month of change shall be determined according to this Procedure Letter; and
 - b. The worker will enter the changed information and effective dates as if the new circumstances had been reported timely; and
 - c. His or her eligibility for the month of change forward shall be determined using the 1634 eligibility criteria.

Example: In November 2016, an individual submits retroactive spenddown documentation for the month of March 2016 verifying that his spenddown liability was met on March 3, 2016. At the same time, the individual reports that his income changed in October 2016. The individual's renewal was originally scheduled to occur in December 2016. The worker will open a Medicaid span in Ohio Benefits for the partial month of March 2016 for the dates of March 3 through March 31, 2016, using the appropriate 209(b) Aid Code and will also open a Medicaid span in Ohio Benefits for the dates of August 1, 2016, through October 31, 2016, using the appropriate 1634 Aid Code. The worker will then enter the updated income information effective for the date of change and will explore eligibility for the months of November 2016 forward using 1634 eligibility criteria.

Requirements regarding spenddown liability:

- a. Documentation of a met spenddown liability must be submitted to the County Department of Job and Family Services (CDJFS) within 365 days of the date of service; and
- b. An individual may not utilize the pay-in spenddown method after the month for which eligibility through the spenddown process is being sought; and
- c. An individual may not pay in the remainder of a spenddown for a month in which incurred medical expenses only partially met the spenddown liability; and
- d. Incurred medical expenses must meet the criteria identified in Ohio Administrative Code 5160:1-3-04.1; and

- e. An individual will be considered to have satisfied, or met, his or her spenddown liability on the date the individual and/or family member(s) incurred the medical expenses that, combined with all other incurred medical expenses for the month, equal or exceed the individual's spenddown amount for the month.

Action Required: After ODM transitions to a 1634 state on August 1, 2016, if an individual has not met his or her spenddown within the previous twelve months, there will be no conversion of his or her case to the Ohio Benefits Worker Portal (OBWP). If the individual presents valid documentation within 365 days of the date of service of a met spenddown for any month(s) between and including August 2015 and July 2016, the worker will open the appropriate month(s) [or partial month(s)] of eligibility retroactively in Ohio Benefits using the appropriate 209(b) Aid Code. In order to ensure correct processing in these situations, the worker will need to review the individual's CRIS-E case and specifically identify the spenddown liability amount and scheduled redetermination date. Months of eligibility processed in OBWP under this Procedure Letter will require manual overrides.

If an individual provides documentation between August 1, 2016, and July 31, 2017, that he or she met his or her spenddown liability between August 1, 2015, and July 31, 2016, the individual will be granted Medicaid coverage according to the criteria identified in this Procedure Letter.

All notice requirements, including timely notice of adverse actions, remain in full effect and workers should annotate the OBWP Journal regarding details of each individual's retroactively met spenddown.

An Ohio Benefits Worker Portal Announcement is issued with the information contained in this MEPL.

This information is also available on the Ohio Department of Medicaid website and may be accessed at:

Resources > Publications > ODM Guidance > Medicaid Policy > Behavioral Health Eligibility & CHIP > Medicaid Eligibility Procedure Letter (MEPL)

<http://medicaid.ohio.gov/RESOURCES/Publications/ODMGuidance.aspx#1535541-medicaid-policy>

Training Statement

For further assistance or clarification regarding the processing of specific cases, please contact ODM Eligibility Technical Assistance at Medicaid_Eligibility_TA@Medicaid.Ohio.gov.