Chapter 182-519 WAC
MEDICALLY NEEDY AND SPENDDOWN

WAC 182-519-0050 Monthly income and countable resource standards for medically needy (MN).
WAC 182-519-0100 Eligibility for the medically needy program.
WAC 182-519-0110 Spenddown of excess income for the medically needy program.

WAC 182-519-0050 Monthly income and countable resource standards for medically needy (MN). (1) Changes to the medically needy income level (MNIL) occur on January 1st of each calendar year when the Social Security Administration (SSA) issues a cost-of-living adjustment for that year.

(2) Medically needy (MN) standards for persons who meet institutional status requirements are in WAC 388-513-1395. The standard for a client who lives in an alternate living facility can be found in WAC 388-513-1305.

(3) The resource standards for institutional programs are found in WAC 388-513-1350. The institutional standard chart can be found at http://www.dshs.wa.gov/manuals/eaz/sections/LongTermCare/LTCstandardspdf.shtml.

(4) Countable resource standards for the noninstitutional MN program are:

(a) One person $2,000
(b) A legally married couple $3,000
(c) For each additional family member add $50

(5) For individuals who do not meet institutional status requirements, the income standard used to determine eligibility for the medically needy program is the "effective" MNIL. The "effective" MNIL is the one-person federal benefit rate (FBR) established by SSA each year, or the MNIL listed below, whichever amount is higher. The FBR is the supplemental security income (SSI) payment standard. For example, in 2012 the FBR is six hundred ninety-eight dollars.

1 2 3 4 5 6 7 8 9 10
467 592 667 742 858 975 1125 1242 1358 1483

[Statutory Authority: RCW 41.05.021. 12-20-001, § 182-519-0050, filed 9/19/12, effective 10/20/12. 11-23-091, recodified as WAC 182-519-0050, filed 11/17/11, effective 11/21/11. Statutory Authority: RCW 74.04.050, 74.04.057, 74.08.090, and 74.09.500. 08-11-098, § 388-478-0070, filed 5/20/08, effective 6/20/08. Statutory Authority: RCW 74.04.050, 74.04.057, 74.08.090, 74.09.500, and Section 1924 of the Social Security Act (42 U.S.C. 1396r-5). 06-06-013, § 388-478-0070, filed 2/17/06, effective 3/20/06. Statutory Authority: RCW 74.04.050, 74.04.057, 74.08.090, 74.09.500, and 42 U.S.C. 9902(2). 05-06-090, § 388-478-0070, filed 3/1/05, effective 4/1/05. Statutory Authority: RCW 74.04.050, 74.04.057, 74.08.090, 74.09.500, and 42 U.S.C. 1396s-5. 02-10-116, § 388-478-0070, filed 4/30/02, effective 5/31/02. Statutory Authority: RCW 74.04.050, 74.04.057, 74.08.090, 74.09.500, and 42 U.S.C. 1396r-5. 01-12-073, § 388-478-0070, filed 6/4/01, effective 7/5/01. Statutory Authority: RCW 74.08.090, 74.04.050, 74.04.057, and 74.09.575. 00-10-095, § 388-478-0070, filed 5/2/00, effective 5/10-095, § 388-478-0070, filed 5/00-095, § 388-478-0070, filed 5/2/00, effective 5/2/00. 99-11-054, § 388-478-0070, filed 5/17/99, effective 6/17/99. Statutory Authority: RCW 74.04.050, 74.04.055, 74.04.057 and 74.08.090. 98-16-044, § 388-478-0070, filed 7/31/98, effective 9/1/98. Formerly WAC 388-507-0710, 388-507-0720, 388-511-1115, 388-518-1820, 388-518-1830, 388-518-1840 and 388-518-1850.]

WAC 182-519-0100 Eligibility for the medically needy program. (1) An individual who meets the following conditions may be eligible for medically needy (MN) coverage under the special rules in chapters 388-513 WAC and 388-515 WAC:

(a) Meets the institutional status requirements of WAC 388-513-1320;
(b) Resides in a medical institution as described in WAC 388-513-1395;
(c) Receives waiver services under a medically needy in-home waiver (MNWI) according to WAC 388-515-1550 or a medically needy residential waiver (MNRW) according to WAC 388-515-1540.

(2) An SSI-related individual who lives in a department contracted alternate living facility may be eligible for MN coverage under the rules described in WAC 388-513-1305.

(3) An individual may be eligible for MN coverage under this chapter when he or she is:

(a) Not covered under subsection (1) and (2) of this section;
(b) Eligible for categorically needy (CN) medical coverage in all other respects except that his or her CN countable income is above the CN income standard.
(c) MN coverage may be available if the individual is:

(a) A child;
(b) A pregnant woman;
(c) A refugee;
(d) An SSI-related individual including an aged, blind or disabled individual with countable income under the CN income standard, who is an ineligible spouse of an SSI recipient; or
(e) A hospice client with countable income which is above the special income level (SIL).

(5) An individual who is not eligible for CN medical and who is applying for MN coverage has the right to income deductions in addition to, or instead of, those used to arrive at CN countable income. Deductions to income are applied to each month of the base period to determine MN countable income. The following deductions are used to calculate countable income for MN:

(a) The agency disregards the difference between the MNIL described in WAC 182-519-0050 and the federal benefit rate (FBR) established by the Social Security Administration each year. The FBR is the one person Supplemental Security Income (SSI) payment standard;
(b) All health insurance premiums, with the exception of medicare Part A, Part B, Part C and Part D premiums expected to be paid by the individual or family member during the base period(s);
(c) Any allocations to a spouse or to dependents for an SSI-related individual who is married or who has dependent children. Rules for allocating income are described in WAC 182-512-0900 through 182-512-0960;
For an SSI-related individual who is married and lives in the same home as his or her spouse who receives home and community based waiver services under chapter 388-515 WAC, an income deduction equal to the medically needy income level (MNIL) minus the nonapplying spouse's income; and

(e) A child or pregnant woman who is applying for MN coverage is eligible for income deductions allowed under TANF/SFA rules and not under the rules for CN programs based on the federal poverty level. See WAC 182-109-0001(4) for exceptions to the TANF/SFA rules which apply to medical programs and not to the cash assistance program.

(6) The MNIL for individuals who qualify for MN coverage under subsection (1) of this section is based on rules in chapter 388-513 and 388-515 WAC.

(7) The MNIL for all other individuals is described in WAC 182-519-0050. If an individual has countable income which is at or below the MNIL, he or she is certified as eligible for up to twelve months of MN medical coverage.

(8) If an individual has countable income which is over the MNIL, the countable income that exceeds the agency's MNIL standards is called "excess income."

(9) When individuals have "excess income" they are not eligible for MN coverage until they provide evidence to the agency or its designee of medical expenses incurred by themselves, their spouse or family members who live in the home for whom they are financially responsible. See WAC 182-519-0110(8). An expense has been incurred when:

(a) The individual has received the medical treatment or medical supplies, is financially liable for the medical expense but has not yet paid the bill; or

(b) The individual has paid for the expense within the current or retroactive base period described in WAC 182-519-0110.

(10) Incurred medical expenses or obligations may be used to offset any portion of countable income that is over the MNIL. This is the process of meeting "spenddown."

(11) The agency or its designee calculates the amount of an individual's spenddown by multiplying the monthly excess income amount by the number of months in the certification period as described in WAC 182-519-0110. The qualifying medical expenses must be greater than or equal to the total calculated spenddown amount.

(12) An individual who is considered for MN coverage under this chapter may not spenddown excess resources to become eligible for the MN program. Under this chapter individuals are ineligible for MN coverage if their resources exceed the program standard in WAC 182-519-0050. An individual who is considered for MN coverage under WAC 388-513-1395, 182-514-0250 or 182-514-0255 is allowed to spenddown excess resources.

(13) There is no automatic redetermination process for MN coverage. An individual must submit an application for each eligibility period under the MN program.

(14) An individual who requests a timely administrative hearing under WAC 388-458-0040 is not eligible for continued benefits beyond the end of the original certification date under the MN program.

WAC 182-519-0110 Spenddown of excess income for the medically needy program. (1) An individual who applies for medical assistance and is eligible for medically needy (MN) coverage with a spenddown may choose a three month or a six month base period. A base period is a time period used to compute the amount of the spenddown liability. The months must be consecutive calendar months unless one of the conditions in subsection (4) of this section applies.

(2) A base period begins on the first day of the month, in which an individual applies for medical assistance, subject to the exceptions in subsection (4) of this section.

(3) An individual may request a separate base period to cover the time period up to three calendar months immediately prior to the month of application. This is called a retroactive base period.

(4) A base period may vary from the terms in subsections (1), (2), or (3) of this section if:

(a) A three month base period would overlap a previous eligibility period; or

(b) The individual has countable resources that are over the applicable standard for any part of the required base period; or

(c) The individual is not or will not be able to meet the TANF-related or SSI-related requirement for the required base period; or

(d) The individual is eligible for categorically needy (CN) coverage for part of the required base period; or

(e) The individual was not otherwise eligible for MN coverage for each of the months of the retroactive base period.

(5) An individual's spenddown liability is calculated by the agency or its designee. The MN countable income from each month of the base period is compared to the effective medically needy income level (MNIL) described in WAC 182-519-0050. Income which is over the effective MNIL standard (based on the individual's household size) in each month in the base period is added together to determine the total spenddown amount.

(6) If household income varies and an individual's MN countable income falls below the effective MNIL for one or more months, the difference is used to offset the excess income in other months of the base period. If this results in a spenddown amount of zero dollars and cents, see WAC 182-519-0100(7).

(7) If an individual's income decreases, the agency or its designee approves CN coverage for each month in the base period when the individual's countable income and resources are equal to or below the applicable CN standards. Children under the age of nineteen and pregnant women who become CN eligible in any month of the base period remain continuously eligible for CN coverage for the remainder of the certification even if there is a subsequent increase in income.

(8) Once an individual's spenddown amount has been determined, qualifying medical expenses are deducted. To be considered a qualifying medical expense, the expense must:

[Statutory Authority: RCW 41.05.021. 12-20-001, amended and recodified as WAC 182-519-0100, filed 9/19/12, effective 10/20/12. Statutory Authority: RCW 74.04.055, 74.04.057, 74.08.090, 74.09.500, and 42 C.F.R. 435.831 (3)(c) and (f), 09-08-003, § 388-519-0100, filed 3/19/09, effective 4/19/09. Statutory Authority: RCW 74.04.050, 74.04.055, 74.04.057 and 74.08.090. 98-16-044, § 388-519-0100, filed 7/31/98, effective 9/1/98. Formerly WAC 388-503-0320, 388-518-1840, 388-519-1930 and 388-522-2230.]
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(a) The individual did not receive a timely bill from his or her medical provider or insurance company;
(b) The individual has medical issues that prevents him or her from submitting proof in a timely manner; or
(c) The individual meets the criteria for needing a supplemental accommodation under chapter 388-472 WAC.

(17) The agency or its designee is not responsible to pay for any expense or portion of an expense that has been used to meet an individual's spenddown liability. If an expense is potentially payable under the MN program, and only a portion of the medical expense has been assigned to meet spenddown, the medical provider may not bill the individual for more than the amount which was assigned to the remaining spenddown liability, or accept or retain any additional amount for the covered service from the individual. Any additional amount may be billed to the agency or its designee. See WAC 182-502-0160, Billing a client.

(18) The agency or its designee determines whether any payment is due to the medical provider on medical expenses that have been partially assigned to meet a spenddown liability, according to WAC 182-502-0100.

(19) If the medical expense assigned to spenddown was incurred outside of a period of MN eligibility, or if the expense is not the type that is covered by the agency's or its designee's medical assistance programs, the agency or its designee is not responsible for any portion of the bill.

[Statutory Authority:  RCW 41.05.021. 12-20-001, amended and recodified as WAC 182-519-0110, filed 9/19/12, effective 10/20/12. Statutory Authority:  RCW 74.04.055, 74.04.050, 74.04.057, 74.08.090, 74.09.500, and 42 C.F.R. 435.831 (3)(e) and (f). 09-08-003, § 388-519-0110, filed 3/19/09, effective 4/19/09. Statutory Authority:  RCW 74.04.050, 74.08.090, 74.09.530, and 74.09.700. 06-24-036, § 388-519-0110, filed 11/30/06, effective 1/1/07. Statutory Authority:  RCW 71.05.560, 74.04.050, 74.04.057, 74.08.090, 74.09.500, 74.09.530. 06-13-042, § 388-519-0110, filed 6/15/06, effective 7/16/06. Statutory Authority:  RCW 74.04.050, 74.04.055, 74.04.057, and 74.08.090. 05-08-093, § 388-519-0110, filed 4/1/05, effective 5/2/05; 98-16-044. 05-08-093, § 388-519-0110, filed 7/31/98, effective 9/1/98. Formerly WAC 388-518-1830, 388-518-1840, 388-519-1905, 388-519-1910, 388-519-1930 and 388-522-2230.]