

# Implementation Guide: Medicaid State Plan Eligibility Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability

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# Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability

## **POLICY CITATION**

**Statute:** 1902(f)

**Regulation:** 42 C.F.R. §435.121

## **BACKGROUND**

### **Overview**

This reviewable unit (RU) describes the Medicaid eligibility group for individuals in 209(b) states who are age 65 or older, or who have blindness or a disability (“the 209(b) group”). It provides the criteria under which individuals may be covered under this group, the income and resource standards, and the spenddown requirements.

Section 1902(f) of the Social Security Act (the Act) provides states the authority to apply more restrictive eligibility criteria than are used by the SSI program. States that elect this option are called 209(b) states. Because eligibility for SSI does not guarantee Medicaid eligibility in a 209(b) state, these states do not cover the mandatory SSI Beneficiaries group (42 C.F.R. §435.120). Instead, 209(b) states impose more restrictive criteria through the mandatory 209(b) group. A person receiving SSI can still be eligible for Medicaid in the mandatory 209(b) group, but that person must also meet the more restrictive eligibility requirements imposed by the state.

### **Characteristics**

The 209(b) group is a mandatory eligibility group established by section 1902(f) of the Act and 42 C.F.R. §435.121. The 209(b) group covers individuals who:

- Are age 65 or older or who have blindness or a disability;
- Meet the state’s income and resource requirements, which may be more restrictive (and in some cases, less restrictive) than SSI, and
- Have income and resources at or below the standard applied by the state.

### **Financial Methodologies**

SSI income and resource methodologies are generally used to determine eligibility. However, 209(b) states have the option to use more restrictive methodologies as long as those methodologies are no more restrictive than criteria contained in the Medicaid state plan on January 1, 1972. A separate RU, **Non-MAGI Methodologies**, describes the general methodologies used by the state, and another RU, **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)**, describes the 209(b) state’s more restrictive requirements.

### **Option: Less restrictive methodologies**

In addition to the more restrictive methodologies, 209(b) states also have the flexibility to apply more liberal income and resource methodologies than the SSI program. These less restrictive methodologies, which are established under section 1902(r)(2) of the Act, may

be applied to the mandatory 209(b) group, including SSI recipients whose eligibility is determined for this group. Additional information on less restrictive income and resource counting methodologies can be found in the implementation guides that accompany the **Less Restrictive Income Methodologies under 1902(r)(2)** screen and the **Less Restrictive Resource Methodologies under 1902(r)(2)** screen.

### **Income and Resource Standards**

The state establishes income and resource standards for eligibility under the mandatory 209(b) group. These standards may be no more restrictive than those in the state's January 1, 1972 Medicaid state plan, and no more liberal than those used under SSI. States seeking to establish a more liberal income standard than SSI may do so through the election of optional categorically needy groups such as the group for individuals who are eligible for but not receiving cash (42 C.F.R. §435.230).

The income standard established for the mandatory 209(b) group generally becomes the state's categorically needy income standard for all individuals who are age 65 or older, or who have blindness or disability (except when 209(b) states adopt certain optional categorically needy groups).

### **Spenddown of Excess Income**

A requirement imposed on 209(b) states is that they must allow individuals aged 65 and older and those who have blindness or a disability to spend down excess income to become eligible for Medicaid. These spenddown requirements vary depending on whether or not the state has a medically needy program. In states without a medically needy program, all individuals who are age 65 or older, or who have blindness or a disability, may deduct incurred medical expenses to become eligible under the mandatory 209(b) group. However, in states that do have a medically needy program for individuals who are age 65 or older or who have blindness or a disability, only specified groups of individuals may spend down to become eligible in the mandatory 209(b) group. All others are required to spend down to the state's medically needy income standard. Additional information can be found in the implementation guide that accompanies the **Handling of Excess Income (Spenddown) RU**.

## REVIEWABLE UNIT DEPENDENCIES

Many RUs in MACPro are dependent upon other RUs. Each time a primary RU is changed, there could be an effect on other, secondary RUs which are dependent on the primary. For example, in the **Mandatory Eligibility Groups** RU, there is question as to whether the state covers the Adult Group. If *Yes* is selected, and if a box is checked to include the Adult Group in the submission package, then the **Adult Group** RU will be included by the system in the package and the user can navigate to it to complete it. If *No* is selected, the **Adult Group** RU will not be included in the package. In this example, the **Mandatory Eligibility Groups** RU is the *Primary RU* and the **Adult Group** RU is the *Secondary RU*. The **Adult Group** RU is considered to be dependent on selections made in the **Mandatory Eligibility Groups** RU.

Whenever a change in a primary RU may affect a secondary RU, you either need to revise the secondary RU (if it is already in the package) or add the secondary RU to the package so that it can be updated in the same submission package as the primary RU.

The following table explains the dependent relationships for the **Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability** RU.

Primary RU	Secondary RU	Nature of Dependency	Actions Needed
Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability	Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability	If <i>209(b) State</i> is selected in section A of the <b>Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability</b> RU (primary), the <b>Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability</b> RU (secondary) will be available for selection and for inclusion in the submission package in the <b>Mandatory Eligibility Groups</b> RU.	If the secondary RU is not included in the list of eligibility groups in the <b>Mandatory Eligibility Group</b> RU: <ul style="list-style-type: none"> <li>• Add the primary RU to the package and change the selection to 209(b) State (provided this is the correct selection for the state).</li> <li>• Save and validate the primary RU.</li> <li>• Navigate to the <b>Mandatory Eligibility Groups</b> RU and locate the secondary RU in the list.</li> </ul>

Primary RU	Secondary RU	Nature of Dependency	Actions Needed
More Restrictive Requirements than SSI under 1902(f) - (209(b) States)	Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability	Unless the <b>More Restrictive Requirements than SSI under 1902(f) - (209(b) States)</b> RU (primary) has either been approved in MACPro or is included, completed and validated in the submission package, the <b>Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability</b> RU (secondary) cannot be displayed.	<p>If the secondary RU will not display because the primary RU is neither approved in MACPro nor included in the package:</p> <ul style="list-style-type: none"> <li>• Add the primary RU to the package, complete it and validate it.</li> <li>• Alternatively, remove the secondary RU from the package.</li> </ul>
Optional Eligibility Groups	Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability	Unless the <b>Optional Eligibility Groups</b> RU (primary) has either been approved in MACPro or is included, completed and validated in the submission package, the <b>Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability</b> RU (secondary) cannot be displayed. In order to display the secondary RU, another RU, <b>More Restrictive Requirements than SSI under 1902(f) - (209(b) States)</b> RU must be completed and validated, and this RU cannot be displayed until the primary RU is completed.	<p>If the secondary RU will not display because the primary RU is neither approved in MACPro nor included in the package:</p> <ul style="list-style-type: none"> <li>• Add the primary RU to the package, complete it and validate it.</li> <li>• Add the <b>More Restrictive Requirements than SSI under 1902(f) - (209(b) States)</b> RU to the package, complete it and validate it.</li> <li>• Alternatively, remove the secondary RU from the package.</li> </ul>

Primary RU	Secondary RU	Nature of Dependency	Actions Needed
Handling of Excess Income (Spenddown)	Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability	Unless the <b>Handling of Excess Income (Spenddown)</b> RU (primary) has either been approved in MACPro or is included, completed and validated in the submission package, the <b>Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability</b> RU (secondary) cannot be displayed. In order to display the secondary RU, another RU, <b>More Restrictive Requirements than SSI under 1902(f) - (209(b) States)</b> must be completed and validated, and this RU cannot be displayed until the primary RU is completed.	<p>If the secondary RU will not display because the primary RU is neither approved in MACPro nor included in the package:</p> <ul style="list-style-type: none"> <li>• Add the primary RU to the package, complete it and validate it.</li> <li>• Add the <b>More Restrictive Requirements than SSI under 1902(f) - (209(b) States)</b> RU to the package, complete it and validate it.</li> <li>• Alternatively, remove the secondary RU from the package.</li> </ul>

## INSTRUCTIONS

### A. Characteristics

There are three statements (A.1. through A.3.) describing the characteristics of this eligibility group.

### B. Financial Methodologies

- At B.1., there is a statement that the more restrictive requirements used are described in the **More Restrictive Requirements than SSI under 1902(f)** RU.

If you wish to view the more restrictive requirements:

- If the **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** RU is included in this submission package, select the *View current version of More Restrictive Requirements than SSI under 1902(f) – (209(b) States)* link to view the version included in this package.
- If the **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** RU is not included in the package, select the *View approved version of More Restrictive Requirements than SSI under 1902(f) – (209(b) States)* link to view the approved version.
- The appropriate **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** RU will appear for viewing.
- Select the *Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability* link to return to the **Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability** RU.
- At B.2., select *Yes* or *No*, to indicate if less restrictive methodologies are used in calculating countable income.
  - If *Yes* is selected, click the *Add/Modify Less Restrictive Methodologies* button.
    - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability** RU. (See the implementation guides, **Less Restrictive Income Methodologies – Selection** and **Less Restrictive Income Methodologies** for how to complete these screens.)
- At B.3., select *Yes* or *No*, to indicate if less restrictive methodologies are used in calculating countable resources.
  - If *Yes* is selected, click the *Add/Modify Less Restrictive Methodologies* button.
    - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability** RU. (See the implementation guides,

Less Restrictive Resource Methodologies – Selection and Less Restrictive Resource Methodologies for how to complete these screens.)

### C. Income Standard Used

Select one of the three options presented.

- If **C.1. A percentage of the federal poverty level** is selected, enter a percentage in the text box provided.
- If **C.2. A dollar amount** is selected, click the **Add Income Standard** button.
  - The screen will display four options for entering this amount.
  - Select the option that best corresponds to the state’s dollar amount income standards.
  - Complete the appropriate sections within the selected option to indicate the state’s income standards. See the **Income Standards Entry** implementation guide for detailed instructions for updating these fields.
  - When you have completed this screen, select the **Save Income Standard** button. After saving the income standards they will be inserted into the **Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability** RU.
- If **C.3. Another standard** is selected, enter a percentage and the name of the standard in the text boxes provided.

### D. Resource Standard Used

Enter the resource standard in dollar amounts in the text boxes provided.

### E. Spenddown

There is a statement regarding the deduction of incurred medical and remedial expenses (spend down) to become eligible under this group. Spenddown is defined in the **Handling of Excess Income (Spenddown)** RU.

If you wish to view the **Handling of Excess Income (Spenddown)** RU:

- If the **Handling of Excess Income (Spenddown)** RU is included in this submission package, select the **View current version of Handling of Excess Income (Spenddown)** link to view the version included in this package.
- If the **Handling of Excess Income (Spenddown)** RU is not included in the package, select the **View approved version of Handling of Excess Income (Spenddown)** link to view the approved version.
- The appropriate **Handling of Excess Income (Spenddown)** RU will appear for viewing.
- Select the **Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability** link to return to the **Individuals in 209(b) States Who Are Age 65 or Older or Who Have Blindness or a Disability** RU.



**F. Additional Information (Optional)**

Except in limited circumstances, this field remains blank. Please consult with CMS before adding any additional information concerning this RU.

**REVIEW CRITERIA**

*The less restrictive methodologies entered must be sufficiently clear, detailed and complete to permit the reviewer to determine that the state's description meets applicable federal statutory, regulatory and policy requirements.*

*If C.3. is selected, the name of the standard must be sufficiently clear to permit the reviewer to understand what it is.*

*The income and resource standards entered in sections C. and D. may be no more restrictive than those in the state's January 1, 1972 Medicaid state plan and no more liberal than those used under SSI.*