Implementation Guide:
Medicaid State Plan Eligibility
Medically Needy Populations Based on Age, Blindness or Disability

Contents

Medically Needy Populations Based on Age, Blindness or Disability

POLICY CITATION

Statute: Section 1902(a)(10)(C)
Regulations: 42 C.F.R. §§435.320, 435.322, 435.324, 435.330, and 42 C.F.R. §§436.320, 436.321, 436.322

BACKGROUND

<u>Overview</u>
This reviewable unit (RU) describes the medically needy eligibility group for populations based on age, blindness or disability. It provides the criteria under which individuals may be covered under this group and the financial methodology used to determine eligibility.

The medically needy option allows states to provide Medicaid to individuals and families who have incomes and/or countable resources exceeding the categorically needy eligibility standards (i.e., standards for the mandatory eligibility groups and the optional eligibility groups elected by the state, excluding the medically needy). While covering the medically needy is an option for states, a state that elects to cover the medically needy <u>must</u> cover the three mandatory medically needy groups and <u>may</u> extend coverage to one or more of the optional medically needy groups.

Mandatory Medically Needy Groups
Pregnant women
Children under age 18
Protected medically needy individuals who were eligible in 1973
Optional Medically Needy Groups
Reasonable classifications of individuals under age 21
Parents and other caretaker relatives
Populations based on age, blindness, or disability

States have significant flexibility regarding the income standard and the resource standard applied to the medically needy, as well as the coverage offered to medically needy individuals. A unique feature of medically needy eligibility is that individuals who would be Medicaid eligible, but for income in excess of the eligibility standard, may reduce their countable income by the amount of their (and their family members') incurred medical and remedial care expenses. This process is known as "spending down" excess income, or just as "spenddown." Additional information on the spenddown can be found in the implementation guide that accompanies the **Handling of Excess Income (Spenddown)** RU.

<u>**Characteristics**</u>
The Medically Needy Populations Based on Age, Blindness, or Disability group is a medically needy group established by section 1902(a)(10)(C) of the Social Security Act (the Act). Specifically, this medically needy eligibility group covers individuals who:

- Meet at least one of the following criteria:
  a. Are age 65 or older;
  b. Have blindness; or
  c. Have a disability;

- Are not eligible for and enrolled in either a mandatory or optional categorically needy eligibility group; and
- Have income and resources below the medically needy levels established by the state.

An individual is not eligible for medically needy coverage if that individual is eligible for and enrolled in a mandatory or optional categorically needy eligible group. However, as described at 42 C.F.R. §435.911, individuals who meet the requirements for coverage in a MAGI-based categorically needy eligibility group and who also meet the requirements for coverage under an optional eligibility group such as a medically needy group, may choose to enroll in the optional eligibility group. Once an individual is determined eligible as medically needy, the individual is no longer eligible for Medicaid based on MAGI, unless his or her circumstances change.

<u>**Financial Eligibility**</u>
When choosing to cover the medically needy, states establish a single medically needy income level (MNIL) and a single medically needy resource level that apply to all beneficiaries, including those in the Medically Needy Populations Based on Age, Blindness or Disability group. These standards are described in the **Medically Needy Income Level** RU and the **Medically Needy Resource Level** RU, and more information can be found in the implementation guides accompanying these RUs.

Financial eligibility for medically needy populations based on age, blindness or disability is determined using SSI income and resource methodologies (or the most closely related cash assistance program in the Territories). A separate RU, **Non-MAGI Methodologies**, describes these methodologies, and more information about the methodologies can be found in the implementation guide accompanying that RU.

<u>Options: Less Restrictive Methodologies</u>. A single MNIL and a single resource level apply across all medically needy groups; however states may apply less restrictive income and resource methodologies under section 1902(r)(2) of the Act to establish a different effective income and/or resource standard for medically needy populations based on age, blindness or disability. These less restrictive methodologies can be applied to the Medically Needy Populations Based on Age, Blindness or Disability group or to a population within this group without applying them to any other medically needy groups.

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.

Options: More Restrictive Methodologies. A single MNIL and a single resource level apply across all medically needy groups; however 209(b) states may apply more restrictive income and resource methodologies under section 1902(f) of the Act to establish a different effective income and/or resource standard for medically needy populations based on age, blindness or disability. These more restrictive methodologies can be applied to the Medically Needy Populations Based on Age, Blindness or Disability group or to a population within this group (e.g., strictly to people with disabilities) without applying them to any other medically needy groups.

Additional information on more restrictive income and resource counting methodologies can be found in the implementation guides that accompany the **More Restrictive Income Methodologies under 1902(f)** screen and the **More Restrictive Resource Methodologies under 1902(f)** screen.

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 a 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 **Medically Needy Populations Based on Age, Blindness or 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	Medically Needy Populations Based on Age, Blindness or Disability	Unless the **Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability** RU (primary) has either been approved in MACPro or is included, completed and validated in the submission package, the **Medically Needy Populations Based on Age, Blindness or Disability** RU (secondary) cannot be displayed.	If the secondary RU will not display because the primary RU is neither approved in MACPro nor included in the package: • Add the primary RU to the package, complete it and validate it. • Alternatively, remove the secondary RU from the package.
Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability	Medically Needy Populations Based on Age, Blindness or Disability	For States Only: The selection of **209(b) State**, or **SSI Criteria** or **1634 State** as the basis for the eligibility determination in section A of the **Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability** RU (primary) affects the requirements displayed in section C of the **Medically Needy Populations Based on**	• You must complete, save and validate the primary RU before you can complete the secondary RU. • Once the primary RU is approved in MACPro, it does not have to be included again in a submission package unless the basis changes, in which case the secondary RU also has to be included again.

Primary RU	Secondary RU	Nature of Dependency	Actions Needed
		Age, Blindness or Disability RU (secondary) with respect to financial methodology.	
Medically Needy Income Level	Medically Needy Populations Based on Age, Blindness or Disability	Unless the **Medically Needy Income Level** RU (primary) has either been approved in MACPro or is included, completed and validated in the submission package, the **Medically Needy Populations Based on Age, Blindness or Disability** RU (secondary) cannot be displayed.	If the secondary RU will not display because the primary RU is neither approved in MACPro nor included in the package: • Add the primary RU to the package, complete it and validate it. • Alternatively, remove the secondary RU from the package.
Medically Needy Income Level	Medically Needy Populations Based on Age, Blindness or Disability	The **Medically Needy Income Level** RU (primary) must be approved or included in the same package in order for the user to view the MNIL for the **Medically Needy Populations Based on Age, Blindness or Disability** RU (secondary).	Click on the *View…* link to see the most current version of the MNIL. • If the primary RU has been included in the package, that version will display. • If the primary RU has not been included in the package, the latest approved version will display.
Medically Needy Resource Level	Medically Needy Populations Based on Age, Blindness or Disability	Unless the **Medically Needy Resource Level** RU (primary) has either been approved in MACPro or is included, completed and validated in the submission package, the **Medically Needy Populations Based on Age, Blindness or Disability** RU (secondary) cannot be displayed.	If the secondary RU will not display because the primary RU is neither approved in MACPro nor included in the package: • Add the primary RU to the package, complete it and validate it. • Alternatively, remove the secondary RU from the package.
Medically Needy Resource Level	Medically Needy Populations Based on Age, Blindness or Disability	The **Medically Needy Resource Level** RU (primary) must be approved or included in the same package in order for the user to view the resource level for the **Medically Needy Populations Based on**	Click on the *View…* link to see the most current version of the medically needy resource level. • If the primary RU has been included in the package, that version will display.

Primary RU	Secondary RU	Nature of Dependency	Actions Needed
		Age, Blindness or Disability RU (secondary).	• If the primary RU has not been included in the package, the latest approved version will display.
Handling of Excess Income (Spenddown)	Medically Needy Populations Based on Age, Blindness or Disability	Unless the **Handling of Excess Income (Spenddown)** RU (primary) has either been approved in MACPro or is included, completed and validated in the submission package, the **Medically Needy Populations Based on Age, Blindness or Disability** RU (secondary) cannot be displayed.	If the secondary RU will not display because the primary RU is neither approved in MACPro nor included in the package: • Add the primary RU to the package, complete it and validate it. • Alternatively, remove the secondary RU from the package.
Handling of Excess Income (Spenddown)	Medically Needy Populations Based on Age, Blindness or Disability	The **Handling of Excess Income (Spenddown)** RU (primary) must be approved or included in the same package in order for the user to view it from the **Medically Needy Populations Based on Age, Blindness or Disability** RU (secondary).	Click on the *View…* link to see the most current version of the primary RU. • If the primary RU has been included in the package, that version will display. • If the primary RU has not been included in the package, the latest approved version will display.

INSTRUCTIONS

Where there are unique instructions for a 1634, SSI Criteria, or 209(b) state, the reader will be directed to the appropriate instructions.

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

B. **Individuals Covered**
   Select one or more of the three options (**B.1.** through **B.3.**) to indicate the populations covered by the state

C. **Financial Methodologies**
   For 1634 States and SSI Criteria States
   - At **C.1.**, select *Yes* or *No* to indicate if the state uses the same financial methodology for all individuals covered in this group.
     o If *Yes* is selected at **C.1.**:
       - There is a statement at **C.2.a.** that SSI methodologies are used in calculating household income for this eligibility group. A separate reviewable unit (RU), **Non-MAGI Methodologies,** describes the Non-MAGI methodologies used by the state.

         If you wish to view the approved methodologies, select the ***View approved version of Non-MAGI Methodologies*** link.
         o The RU will appear if there is an approved version in the MACPro system.
         o If there is no approved version of the RU in MACPro, a screen will appear with the following message: "There is no approved version of this reviewable unit in MACPro available to display."
         o Select the ***Medically Needy Populations Based on Age, Blindness or Disability*** link to return to the **Medically Needy Populations Based on Age, Blindness or Disability** RU.
       - At **C.2.b.**, indicate *Yes* or *No*, if less restrictive methodologies are used in calculating countable income.
         o If *Yes* is selected, select the ***Add/Modify Less Restrictive Methodologies*** button.
           - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Medically Needy Populations Based on Age, Blindness or Disability** RU. (See the implementation guides, **Less Restrictive Income Methodologies – Selection** and **Less Restrictive Income Methodologies** for how to complete these screens.)
       - At **C.2.c.**, indicate *Yes* or *No*, if less restrictive methodologies are used in calculating countable resources.

- o If *Yes* is selected, select the *Add/Modify Less Restrictive Methodologies* button.
  - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Medically Needy Populations Based on Age, Blindness or Disability** RU. (See the implementation guides, **Less Restrictive Resource Methodologies – Selection** and **Less Restrictive Resource Methodologies** for how to complete these screens.)

- o If *No* is selected at **C.1.**, for each population selected in **B.1.** through **B.3.**:
  - There is a statement at **C.2.a.** that SSI methodologies are used. A separate reviewable unit (RU), **Non-MAGI Methodologies,** describes the Non-MAGI methodologies used by the state.

    If you wish to view the approved methodologies, select the *View approved version of Non-MAGI Methodologies* link.
    - o The RU will appear if there is an approved version in the MACPro system.
    - o If there is no approved version of the RU in MACPro, a screen will appear with the following message: "There is no approved version of this reviewable unit in MACPro available to display."
    - o Select the *Medically Needy Populations Based on Age, Blindness or Disability* link to return to the **Medically Needy Populations Based on Age, Blindness or Disability** RU.
  - At **C.2.b.**, indicate *Yes* or *No*, if less restrictive methodologies are used in calculating countable income.
    - o If *Yes* is selected, select the *Add/Modify Less Restrictive Methodologies* button.
      - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Medically Needy Populations Based on Age, Blindness or Disability** RU. (See the implementation guides, **Less Restrictive Income Methodologies – Selection** and **Less Restrictive Income Methodologies** for how to complete these screens.)
  - At **C.2.c.**, indicate *Yes* or *No*, if less restrictive methodologies are used in calculating countable resources.
    - o If *Yes* is selected, select the *Add/Modify Less Restrictive Methodologies* button.
      - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Medically Needy Populations Based on Age, Blindness or Disability** RU. (See the implementation guides, **Less Restrictive Resource Methodologies – Selection** and **Less**

Restrictive Resource Methodologies for how to complete these screens.)

For 209(b) States

- At **C.1.**, select *Yes* or *No* to indicate if the state uses the same financial methodology for all individuals covered in this group.
    - o If *Yes* is selected at **C.1.**:
        - At **C.2.**, select one of the two options (**C.2.a.** or **C.2.b.**) to indicate if SSI methodologies are used or if more restrictive requirements than SSI apply to this group.
            - o If **C.2.a.** *SSI methodologies* is selected, a separate reviewable unit (RU), **Non-MAGI Methodologies,** describes the Non-MAGI methodologies used by the state.

                If you wish to view the approved methodologies, select the *View approved version of Non-MAGI Methodologies* link.
                - The RU will appear if there is an approved version in the MACPro system.
                - If there is no approved version of the RU in MACPro, a screen will appear with the following message: "There is no approved version of this reviewable unit in MACPro available to display."
                - Select the *Medically Needy Populations Based on Age, Blindness or Disability* link to return to the **Medically Needy Populations Based on Age, Blindness or Disability** RU.
            - o If **C.2.b.** *More restrictive requirements than SSI* is selected, there is a statement that the more restrictive requirements 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.

- If the **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** RU is not included in the package and there is no approved version, a screen message will appear to include the RU in the package if the *View More Restrictive Requirements than SSI under 1902(f) - (209(b) States)* link is selected.
- Select the *Medically Needy Populations Based on Age, Blindness or Disability* link to return to the **Medically Needy Populations Based on Age, Blindness or Disability** RU.

  - At **C.2.c.**, indicate *Yes* or *No*, if less restrictive methodologies are used in calculating countable income.
    - If *Yes* is selected, select the *Add/Modify Less Restrictive Methodologies* button.
      - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Medically Needy Populations Based on Age, Blindness or Disability** RU. (See the implementation guides, **Less Restrictive Income Methodologies – Selection** and **Less Restrictive Income Methodologies** for how to complete these screens.)
  - At **C.2.d.**, indicate *Yes* or *No*, if less restrictive methodologies are used in calculating countable resources.
    - If *Yes* is selected, select the *Add/Modify Less Restrictive Methodologies* button.
      - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Medically Needy Populations Based on Age, Blindness or Disability** RU. (See the implementation guides, **Less Restrictive Income Methodologies – Selection** and **Less Restrictive Income Methodologies** for how to complete these screens.)

- If *No* is entered at **C.1.**, for each population selected in **B.1.** through **B.3.**:
  - At **C.2.**, select one of the two options (**C.2.a.** or **C.2.b.**) to indicate if SSI methodologies are used or if more restrictive requirements than SSI apply to this group.
    - If **C.2.a.** *SSI methodologies* is selected, a separate reviewable unit (RU), **Non-MAGI Methodologies,** describes the Non-MAGI methodologies used by the state.

      If you wish to view the approved methodologies, select the *View approved version of Non-MAGI Methodologies* link.
      - The RU will appear if there is an approved version in the MACPro system.
      - If there is no approved version of the RU in MACPro, a screen will appear with the following message: "There is

no approved version of this reviewable unit in MACPro available to display."

- Select the *Medically Needy Populations Based on Age, Blindness or Disability* link to return to the **Medically Needy Populations Based on Age, Blindness or Disability** RU.
  - o If **C.2.b.** *More restrictive requirements than SSI* is selected, there is a statement that the more restrictive requirements 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.
    - If the **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** RU is not included in the package and there is no approved version, a screen message will appear to include the RU in the package if the *View More Restrictive Requirements than SSI under 1902(f) - (209(b) States)* link is selected.
    - Select the *Medically Needy Populations Based on Age, Blindness or Disability* link to return to the **Medically Needy Populations Based on Age, Blindness or Disability** RU.
- At **C.2.c.**, indicate *Yes* or *No*, if less restrictive methodologies are used in calculating countable income.
  - o If *Yes* is selected, select the *Add/Modify Less Restrictive Methodologies* button.
    - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Medically Needy Populations Based on Age, Blindness or Disability** RU. (See the implementation guides, **Less Restrictive Income Methodologies – Selection** and **Less**

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Restrictive Income Methodologies for how to complete these screens.)

- At **C.2.d.**, indicate *Yes* or *No*, if less restrictive methodologies are used in calculating countable resources.
  - If *Yes* is selected, select the ***Add/Modify Less Restrictive Methodologies*** button.
    - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Medically Needy Populations Based on Age, Blindness or Disability** RU. (See the implementation guides, **Less Restrictive Resource Methodologies – Selection** and **Less Restrictive Resource Methodologies** for how to complete these screens.)

For Territories
There is a statement at **C.** that the methodologies of the most closely related assistance program are used.

D. <u>Income Standard</u>
There is a statement that the income standard for this group is described in the **Medically Needy Income Level** RU.

If you wish to view the **Medically Needy Income Level** RU:
- If the **Medically Needy Income Level** RU is included in this submission package, select the ***View current version of Medically Needy Income Level*** link to view the version included in this package.
- If the **Medically Needy Income Level** RU is not included in the package, select the ***View approved version of Medically Needy Income Level*** link to view the approved version.
- The appropriate **Medically Needy Income Level** RU will appear for viewing.
- Select the ***Medically Needy Populations Based on Age, Blindness or Disability*** link to return to the **Medically Needy Populations Based on Age, Blindness or Disability** RU.

E. <u>Resource Standard</u>
There is a statement that the resource standard for this group is described in the **Medically Needy Resource Level** RU.

If you wish to view the **Medically Needy Resource Level** RU:
- If the **Medically Needy Resource Level** RU is included in this submission package, select the ***View current version of Medically Needy Resource Level*** link to view the version included in this package.
- If the **Medically Needy Resource Level** RU is not included in the package, select the ***View approved version of Medically Needy Resource Level*** link to view the approved version.
- The appropriate **Medically Needy Resource Level** RU will appear for viewing.

- Select the *Medically Needy Populations Based on Age, Blindness or Disability* link to return to the **Medically Needy Populations Based on Age, Blindness or Disability** RU.

F. <u>Spenddown</u>

There is a statement regarding the deduction of incurred medical and remedial expenses (spenddown) 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 *Medically Needy Populations Based on Age, Blindness or Disability* link to return to the **Medically Needy Populations Based on Age, Blindness or Disability** RU.

G. <u>Additional Information (Optional)</u>

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.