

Benefit Development Tool Kit:

Calculation Examples

Medicaid Spenddown - Example 1

Maria is a single woman with a disability who lives alone. She receives a monthly Social Security benefit of \$938.00 and does not work. She applies for Medicaid coverage for April 2022. The local district reviews her Medicaid application, calculates her income, and applies the following deductions:

<u>Unearned Income</u>	
SSDI	\$ 988.00
General income disregard	<u>-\$ 20.00</u>
Countable unearned income	\$ 968.00
 <u>Earned Income</u>	
Gross monthly earnings	\$ 0.00
Countable earned income	\$ 0.00
 <u>Total Countable Monthly Income</u>	
Countable unearned income	\$ 968.00
Countable earned income	+ 0.00
Total countable monthly income	<u>\$ 968.00</u>

After all deductions have been applied, the local district compares the calculated total countable monthly income of \$968.00 to the Medicaid income level of \$934.00. Maria's excess income amount (spenddown) is \$34.00:

Total countable monthly Income	\$ 968.00
Less applicable Medicaid income level	<u>-\$934.00</u>
Excess income (spenddown)	\$ 34.00

Maria has incurred medical expenses in the amount of \$150.00 as follows:

- An unpaid bill for dental services provided the previous month for \$140.00.
- A paid pharmacy bill for \$10.00.

Maria presents those bills to the Medicaid district.

Maria is eligible for Medicaid coverage for April, May, June and July (\$34.00 spenddown per month x 4 months = \$136.00 in incurred medical expenses).

Medicaid Spenddown - Example 2

Rashid is 30 years old, has a disability, and lives in Family Care in Westchester County. He receives Social Security of \$1,212 and has no earned income. Rashid incurred medical expenses of \$200 this month. His spenddown calculation follows:

Social Security payment:	\$1,230.00
Less general income disregard:	- <u>\$ 20.00</u>
Monthly net (countable) income:	\$ 1210.00
Less Medicaid income level:	- <u>\$ 1107.48</u>

Spenddown (excess income): **\$102.52**

By presenting his medical bills to the Medicaid district, Rashid is eligible for Medicaid coverage for this month.

Medicaid Spenddown - Example 3

Bill is 70 years old and lives in an upstate VOIRA. He receives a monthly Social Security check of \$1,275.00 and earns \$350.00 per month. Bill was enrolled in the HCBS Waiver effective February 2022 because he had previously met his spenddown and had Medicaid coverage for February and March. He requested Medicaid coverage for April. The local district reviewed Bill's income and applied the following deductions:

<u>Unearned Income</u>	
SSDI	\$1275.00
General income disregard	<u>-\$ 20.00</u>
Countable unearned income	\$1255.00
<u>Earned Income</u>	
Gross monthly earnings	\$350.00
	<u>-\$65.00</u>
Less the first \$65 (earned income exclusion)	<u>\$285.00</u>
One-half the remainder (earned income exclusion)	÷ <u>2</u>
Countable earned income	\$142.50
<u>Total Countable Monthly Income</u>	
Countable unearned income	\$1255.00
Countable earned income	<u>+142.50</u>
Total countable monthly income	\$1,397.50
Less applicable Medicaid Income Level (Upstate VOIRA)	\$1246.00
Excess income (spenddown)	\$151.50

After all deductions have been applied, the local district compares \$1,397.50 to \$1,246.00, the Medicaid level for an upstate VOIRA. Bill's excess income amount (spenddown) is \$151.50.

For Bill to gain Medicaid eligibility for April, he must incur expenses of \$130.50 or more for medical services he receives, such as IRA Residential Habilitation and Care Management. Bill must present the bills or statements of incurred expenses to the Medicaid district or he can pay \$130.50 directly to Medicaid.

If Bill were to move to a VOIRA in NYC or Nassau, Suffolk, Westchester or Rockland, his excess income amount would be based on the Medicaid level for a downstate VOIRA, which is \$1276.00. Thus, if Bill lived in a downstate VOIRA and received the same monthly income, his spenddown would be \$121.50.

Note: If Bill were under 65 years old, the Medicaid Buy-In for Working People with Disabilities (MBI-WPD) would be an option for him and would allow him to avoid paying a spenddown.

MBI – WPD Examples

Example 1 shows budgeting for earned income only. Examples 2 and 3 show budgeting for a combination of earned and unearned income. Example 4 shows how an individual may be able to eliminate a spenddown by participating in the MBI-WPD program. All these examples are based on the current program limits and assume a resource level of under \$20,000 (the current resource limit for this program).

MBI-WPD – Example 1

Monthly gross wages:	\$4,299.00
Monthly earned income:	\$4,299.00
Less general income disregard:	- \$ 20.00
	\$4,279.00
Less earned income disregard:	- \$ 65.00
	\$4,214.00
Less one-half remaining earned income:	÷ <u>2</u>
Monthly net (countable) income:	\$2,107.00

This individual is eligible for Medicaid through the MBI-WPD program. Although gross income is significantly higher than the limit, the individual's **countable** income is under \$2,832 per month.

MBI-WPD – Example 2

Monthly SSDI payment:	\$1,200.00
Monthly gross wages:	\$ 250.00
Monthly unearned income:	\$1,200.00
Less general income disregard:	- \$ 20.00
Net (countable) unearned income:	\$1,180.00
Gross monthly earned income:	\$ 250.00
Less earned income disregard:	- \$ 65.00
	\$ 185.00
Less one-half remaining earned income:	÷ <u>2</u>
Monthly net (countable) income:	\$ 92.50
Countable unearned income:	\$1,180.00
Countable earned income:	+ \$ 92.50
Monthly net (countable) income:	\$1,272.50

This individual would be eligible for the MBI-WPD program because countable income is under the monthly income limit.

MBI-WPD – Example 3

Monthly SSDI payment:	\$2,100.00
Monthly gross wages:	\$2,000.00
Monthly unearned income:	\$ 2,100.00
Less general income disregard	- \$ <u>20.00</u>
Net (countable) unearned income	\$ 2,080.00
Gross monthly earned income:	\$2,000.00
Less unearned income disregard:	- \$ <u>65.00</u>
	\$ 1935.00
Less one-half remaining earned income:	÷ <u>2</u>
Monthly net (countable) income:	\$967.50
Countable unearned income:	\$2,080.00
Countable earned income:	+ \$ <u>967.50</u>
Monthly net (countable) income:	\$3,047.50

This individual is not eligible for the MBI-WPD program because countable income is over \$2,832 per month.

MBI-WPD – Example 4

Eligibility for the MBI-WPD program may effectively eliminate a spenddown. Because the Medicaid income and resource levels are higher for MBI-WPD program participants, individuals who would not otherwise be eligible for Medicaid may qualify through this program. The following example compares participating in MBI-WPD with obtaining eligibility for Medicaid with a spenddown.

Gary is 27 years old, has a disability and lives alone. In 2022, he receives a monthly Social Security Disability Insurance (SSDI) benefit of \$1,000 and works sporadically. His gross monthly wages are \$50. He has a monthly Medicaid spenddown of \$46. Gary also has a bank account of \$3,825.

	SPENDDOWN BUDGETING	MBI-WPD BUDGETING
SSDI	\$ 1,000.00	\$1,000.00
General income disregard	- \$ <u>20.00</u>	- \$ <u>20.00</u>
Net (countable) unearned income	\$ 980.00	\$ 980.00
Total gross monthly earnings	\$ 50.00	\$ 50.00

\$65 earned income exclusion	- \$ 65.00	- \$ 65.00
Net (countable) earned income	None	None
Total net (countable) monthly income	\$ 980.00	\$ 980.00
MA Level for One (2022)	- \$ 934.00	
Spenddown amount	\$ 46.00	

In the example above, Gary has been paying \$ 46.00 using the spenddown budgeting process, which he would not have to pay if he were enrolled in the MBI-WPD program.

Pickle Budgeting Example

Pete, who has a disability and lives in his own apartment, received SSI in 1991 of \$20.00 and a Social Security Disability Insurance (SSDI) benefit of \$580.00. In 2000, his SSDI benefit increased, because of the COLA, to \$600.00. Due to the increase, Pete was no longer eligible for SSI. In 2022, Pete's SSDI benefit is \$1126.00. Pete's Medicaid case is budgeted by "freezing" his SSDI amount at the 1999 level of \$580.00.

Under Pickle, the difference between the SSDI amount that Pete received in the last month he was eligible for SSI and his current SSDI amount is exempted in Medicaid budgeting:

Current SSDI amount	\$ 1126.00
SSDI amount 1999	- 580.00
Exempt amount	\$546.00

The following is the Medicaid budgeting, both without and with the benefit of Pickle eligibility, which shows the resulting spenddown amounts for comparison:

	Non-Pickle	Pickle Eligible
Social Security Disability Benefit	\$ 1126.00	\$ 1126.00
General income disregard	- 20.00	- 20.00
Net (countable) unearned income	\$ 1106.00	\$ 1106.00
Pickle Exempt Amount		- 546.00
Total net (countable) income	\$ 1106.00	\$ 560.00
MA Level for One (2022)	- 934.00	- 934.00
Spenddown Amount	\$ 172.00	None

DAC Budgeting – Example 1

In 2008 and January 2009, Nadia, an individual with a disability who lives in her own apartment, received SSI. In February 2009, she lost SSI because she began to receive a Social Security Disabled Adult Child (DAC) benefit based on the work record of her father who recently retired. In 2022, the amount of the benefit was \$1025.00.

Nadia lost SSI because of receipt of a new DAC benefit, but she continues to meet all other financial and non-financial SSI eligibility requirements. The full amount of her DAC benefit is exempted in Medicaid budgeting. The following illustrates Medicaid budgeting of Nadia's income with and without DAC budgeting:

	Non- DAC	DAC Eligible
Social Security Disability Benefit	\$ 1025.00	\$ 1025.00
General income disregard	<u>- 20.00</u>	
DAC Exempt Amount		<u>- 1025.00</u>
Net (countable) Income	\$ 1005.00	\$0.00
MA Level for One (2019)	<u>- 934.00</u>	<u>- 934.00</u>
Excess Income (Spenddown)	\$ 71.00	None

DAC Budgeting – Example 2

In 2016, Betty, who has a disability and lives in her own apartment, received both SSI and SSDI. Betty's Social Security Disability Insurance (SSDI) payment of \$350.00 was based on her deceased mother's work record. In January 2022, Betty lost SSI because she began to receive a higher Social Security Disabled Adult Child (DAC) benefit of \$1,100.00 based on the work record of her father who recently retired.

Betty lost SSI because of the \$750.00 increase in DAC benefits (i.e., \$1,100.00 minus \$350.00 = \$750.00), but she continues to meet all other financial and non-financial SSI eligibility requirements. This amount of the increase in her DAC benefit is exempted for Medicaid budgeting. The following illustrates Medicaid budgeting of Betty's income with non-DAC budgeting and DAC-eligible budgeting:

	Non-DAC	DAC
Social Security Disability Benefit	\$1,100.00	\$1,100.00
General income disregard	<u>- 20.00</u>	<u>- 20.00</u>
		\$1,080.00
DAC Exempt Amount		<u>- 750.00</u>
Net (countable) income	\$1,080.00	\$ 330.00
MA Level for One (2022)	<u>- 934.00</u>	<u>- 934.00</u>
Excess Income (Spenddown)	\$ 146.00	None

Example 1 – SSI Payment Calculation

Amy lives in an agency-sponsored family care home. She has received SSI since moving to the home two years ago. She receives a Social Security Disability (SSDI) benefit of \$500 per month. She has total monthly gross earned income of \$100. Her income has been stable for several months. How much will Amy receive in SSI?

In 2022, the maximum SSI cash benefit for an individual in an agency-sponsored family care home in upstate New York is \$1069.48; in New York City and Nassau, Rockland, Suffolk and Westchester counties, it is \$1107.48.

1. Determine the countable income by applying applicable disregards and exclusions:

Unearned income (SSDI)	\$ 500.00
General income disregard	- <u>20.00</u>
Countable unearned income	\$ 480.00
Monthly gross earnings	\$ 100.00
Earned income disregard (first \$65)	<u>65.00</u>
	\$ 35.00
Earned income disregard (one-half the balance)	÷ <u>2</u>
Countable earned income	\$ 17.50
Countable Unearned Income	\$ 480.00
Countable Earned Income	+ <u>17.50</u>
Total countable income	\$ 497.50

2. Calculate the SSI payment by subtracting the countable income from the applicable SSI payment level for the individual's living arrangement:

SSI	Upstate	Downstate*
SSI Payment Level (ASFC)	\$1,069.48	\$1,107.48
Total Countable income	\$497.50	\$497.50
SSI payment	\$571.98	\$609.98

Example 2 - RMA Calculation

Luke is 56 years old and resides at a VOIRA. Luke's SSDI benefits, based on his father's work record, are \$325.00 a month effective January 1, 2022. Luke also receives a Workers Compensation benefit of \$61.00 a month. Luke has earnings which vary monthly. He also receives SSI benefits that vary because of his earnings.

The following chart shows Luke's actual monthly income from April through September.

Monthly Income	April	May	June	July	August	Sept
SSDI	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Workers Compensation	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00
Wages	\$100.00	\$90.00	\$95.00	\$110.00	\$85.00	\$105.00

How much SSI will Luke receive in June, July, August, and September?

Income and Disregards	June	July	August	Sept
SSDI	\$325.00	\$325.00	\$325.00	\$325.00
Workers Compensation	+ 61.00	+ 61.00	+ 61.00	+ 61.00
Total Gross Monthly Unearned Income	\$386.00	\$386.00	\$386.00	\$386.00
Less General Income Disregard	- 20.00	- 20.00	- 20.00	- 20.00
Countable Unearned Income	\$366.00	\$366.00	\$366.00	\$366.00

Earned Income	\$100.00	\$90.00	\$95.00	\$110.00
Less Earned Income Exclusions \$65.00	<u>- 65.00</u>	<u>- 65.00</u>	<u>- 65.00</u>	<u>- 65.00</u>
	\$ 35.00	\$ 25.00	\$ 30.00	\$ 45.00
One-half the balance	<u>÷2</u>	<u>÷2</u>	<u>÷2</u>	<u>÷2</u>
Countable Earned Income	\$ 17.50	\$ 12.50	\$ 15.00	\$ 22.50
Countable Unearned Income	\$366.00	\$366.00	\$366.00	\$366.00
Countable Earned Income	+ 17.50	+ 12.50	+ 15.00	+ 22.50
	<u>\$383.50</u>	<u>\$378.50</u>	<u>\$381.00</u>	<u>\$388.50</u>

Total Countable Income	SSI benefit June	SSI benefit July	SSI benefit August	SSI benefit September
SSI Benefit Level for VOIRA (Downstate)	\$1276.00	\$1276.00	\$1276.00	\$1276.00
SSI Benefit Level for VOIRA (Upstate)	\$1246.00	\$1246.00	\$1246.00	\$1246.00
Less Total Countable Income	<u>- 383.50</u>	<u>- 378.50</u>	<u>- 381.00</u>	<u>- 388.50</u>
SSI Payment – Downstate	\$ 892.50	\$ 897.50	\$ 895.00	\$ 887.50
SSI Payment - Upstate	\$ 862.50	\$ 867.50	\$ 865.00	\$ 857.50