

Note regarding the Affordable Care Act: If you are between the ages of 19 and 64, not receiving Medicare, and your Modified Adjusted Gross Income (MAGI) is at or below 138% of the Federal Poverty Guidelines, or \$1366/month for one person, then you are likely eligible for Illinois Medicaid through the Affordable Care Act (ACA Adult Medicaid). If you are eligible for this program, then you will not have a spenddown. To determine eligibility please go to www.abe.illinois.gov.

What is a spenddown?

A spenddown is like an insurance deductible. Your spenddown amount is the amount of medical bills that IDHS will not pay each month. In addition, IDHS will not give you a medical card until you have incurred medical bills which equal or exceed your spenddown amount. You are responsible for medical bills not covered by Medicaid or other insurance.

How much should your spenddown be?

If you get cash assistance, such as TANF from IDHS or your only income is from SSI, you should not have a spenddown. If your income is from other sources, such as employment, a pension or social security retirement or disability benefits, IDHS will subtract \$25 from your income and then compare the balance to an amount

based on the size of your family. If your income is from employment, IDHS will also subtract certain income deductions. Depending on which program you qualify for a medical card through, your spenddown will be calculated in one of two ways:

1. If you qualify for a medical card due to having a minor child in your household or you are pregnant, you will not have a spenddown if your income is at or below 138% of the Federal Poverty Level, or \$1842/month for a two-person household. However, if your income is more than that amount, then your income will be compared to \$375/month for a household of two and from that your spenddown will be calculated. If you have monthly income of \$1,900 after subtracting the income deductions, your spenddown would be \$1,400.00 per month ($\$1,900 - \$25 - \$375 = \$1,500$). Only children and pregnant women may be eligible for Family Health Spenddown.
2. If you qualify for a medical card because you are aged, blind, or disabled and you are single, your income would be compared to \$990/month, or 100% of the Federal Poverty Level. If you have monthly income of \$1,200, your spenddown would be \$194 per month ($\$1,200 - \25

- \$990 = \$185). For two people, your monthly income would be compared to \$1,335.

Some people who are over 65, blind or disabled may be eligible for cash from IDHS called State Supplemental Payment (SSP). If you are eligible for SSP, you will not have a spenddown. If you are single and your income is less than \$733 per month or married and less than \$1,100, contact your caseworker to apply for SSP to see if you are eligible.

How do you meet your spenddown?

Three ways meet your spenddown:

1. You can use medical bills and receipts.
2. You can “pay-in” your spenddown.
3. You can use medical bills and receipts and pay-in the rest.

How do I pay-in the spenddown amount?

IDHS has a “Pay-In Spenddown” program that lets you pay your spenddown ahead of time and receive a medical card for the months paid. You must be enrolled in the Pay-In Spenddown program. The enrollment form is available at your local IDHS office or by calling 1-800-226-0768. Being enrolled does not mean you have to make a payment. It means if you choose to make a payment to meet spenddown, you can.

You can pay-in your spenddown amount for one, two or three months in advance. You choose the months you pay for. If you know you will have surgery in January and your spenddown is \$44 a month, you can pay-in the \$44 in December and receive a medical card for January. Or if your medical bills are more than your spenddown amount every month, you can pay-in the spenddown amount the month before and have your medical card at the beginning of the next month.

IDHS will refund money paid in to meet spenddown for people who pay-in and then have no medical bills or have bills that are less than what was paid in. However, the money won't be refunded for 16-18 months later because doctors and hospitals have 180 days to submit bills for payment. After medical providers are paid, refunds will be sent.

How do I meet my spenddown with medical bills and receipts?

By keeping copies of all your medical bills and receipts! You meet your spenddown by giving your caseworker medical bills that equal or exceed your spenddown amount. The bills can be ones you have paid or which are unpaid and from any household member. The bills can be old or recent. All bills must:

- Have a billing date within the last 6 months? If you still owe on an older

- bill, ask the doctor to re-bill you, and you can use it to meet spenddown.
- Only be used one time to meet spenddown.
 - Not be covered by insurance. Any part of a bill that an insurance company has refused to pay can meet spenddown.

Many types of bills can meet spenddown: doctor, hospital, prescription medicine, in-home care services, co-payments, and health insurance premiums, including Medicare. You should also keep track of the miles you drive back to forth to the doctor as your mileage can meet your spenddown at \$.24 a mile.

Can I combine my medical bills with the Pay-In program?

Yes. Medical bills and receipts will meet spenddown before Pay-In payments are applied. If your spenddown is \$150 and you have a \$500 medical bill, you can use the bill to meet your spenddown for 3 months (\$150 x 3 = \$450; \$500 - \$450 = \$50). You can meet spenddown in the 4th month by sending a \$100 payment added to the remaining \$50 from the \$500 medical bill.

How can I best use my medical bills?

Once you meet your spenddown, you can be issued a medical card. You can decide when to use your medical bills to meet

spenddown. For example:

- If you meet your spenddown on the 15th of the month and turn your bills in then, you will get a medical card for the rest of that month only. However, you can turn the bills in and request they instead be used to meet your spenddown for the next month. Then you will not be issued a card for that month but you would be issued a card for the entire next month.
- If you incur a large bill, you can use the whole bill to meet your spenddown for several months if you want to be responsible for the bill. Or you can "split" the bill and use part of it to meet your spenddown for that month and have IDHS pay the rest of the bill. Which way is better for you will depend on your spenddown, the bill, the amount IDHS will pay, and your anticipated medical expenses. Discuss how to apply a large bill with your caseworker.
- If a bill does not meet your spenddown amount, you can turn the bill into your caseworker and then send the Pay-In payment for the rest. If the bill is for \$75 and your spenddown is \$108, you can give the bill to your caseworker and ask her to apply it to next month's spenddown. Then pay \$33 to the Pay-In Spenddown program (\$108 - \$75) and you will get a medical card for the

next month.

Cancellation of spenddown cases

IDHS will cancel spenddown cases for persons who do not meet their spenddown for three (3) months. Also, IDHS will deny applications for persons who would have high spenddowns. If this happens to you, you should reapply when you incur medical bills, which would meet your spenddown.

What if you disagree with DHS about your spenddown?

You can file an appeal any time you disagree with a decision made by IDHS. For Medicaid, you must appeal within 60 days. You file the appeal in writing at the IDHS office.

Note: The information in this brochure is based on Illinois and US laws and regulations. This information is intended only to be an overview of your rights. Since individual cases may vary, you should not rely on this information as a substitute for an attorney.

(Rev.06-16)

MEDICAID SPENDDOWN



For assistance call:

Toll Free: 1-877-342-7891

Monday - Thursday

9:00 a.m. - 4:00 p.m.

Friday

9:00 a.m.- 1:30 p.m.

