

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 \$1,731.00 and does not work. She applies for Medicaid coverage for April 2023. The local district reviews her Medicaid application, calculates her income, and applies the following deductions:

<u>Unearned Income</u>	
SSDI	\$ 1,731.00
General income disregard	<u>-\$ 20.00</u>
Countable unearned income	\$ 1,711.00
 <u>Earned Income</u>	
Gross monthly earnings	\$ 0.00
Countable earned income	\$ 0.00
 <u>Total Countable Monthly Income</u>	
Countable unearned income	\$ 1,711.00
Countable earned income	<u>+\$ 0.00</u>
Total countable monthly income	\$ 1,711.00

After all deductions have been applied, the local district compares the calculated total countable monthly income of \$1,711.00 to the 2023 Medicaid income level of \$1,677.00. Maria's excess income amount (spenddown) is \$34.00:

Total countable monthly Income	\$ 1,711.00
Less applicable Medicaid income level	<u>-\$ 1,677.00</u>
Excess income (spenddown)	\$ 34.00

Maria has incurred medical expenses in the amount of \$250.00 as follows:

- An unpaid bill for dental services provided the previous month for \$240.00.
- A paid pharmacy bill for \$10.00.

Maria presents those bills to the Medicaid district which finds Maria eligible for Medicaid coverage for April, May, June, July, August and September (\$34.00 spenddown per month x 6 months = \$204.00 in incurred medical expenses. Per Medicaid policy, the district can authorize only up to 6 months at a time).

Medicaid Spenddown - Example 2

Rashid is 30 years old, has a disability, and lives in Family Care. He receives Social Security of \$1,828 and has no earned income. Rashid incurred medical expenses of \$200 this month. His spenddown calculation follows:

Social Security payment:	\$1,828.00
Less general income disregard:	- <u>\$ 20.00</u>
Monthly net (countable) income:	\$1,808.00
Less 2023 Medicaid income level:	- <u>\$1,677.00</u>
Spenddown (excess income):	\$ 131.00

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

Effective January 1, 2023, the Medicaid income limit is equal to 138% of the Federal Poverty Level statewide. There is no longer a difference in the spenddown calculation for people living in NYC, or Nassau, Suffolk, Westchester or Rockland Counties. People living in Family Care and IRAs with excess income will have spenddowns equal to those living at home in the community.

Medicaid Spenddown - Example 3

Bill is 70 years old and lives in an upstate VOIRA. He receives a monthly Social Security check of \$1,753.00 and earns \$350.00 per month. Bill was enrolled in the HCBS Waiver effective February 2023 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:

Unearned Income

SSDI	\$ 1,753.00
General income disregard	- <u>\$ 20.00</u>
Countable unearned income	\$ 1,733.00

Earned Income

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

Total Countable Monthly Income

Countable unearned income	\$ 1,733.00
Countable earned income	+ <u>\$ 142.50</u>
Total countable monthly income	\$ 1,875.50
Less applicable 2023 Medicaid Income Level	\$ 1,677.00
Excess income (spenddown)	\$ 198.50

After all deductions have been applied, the local district compares \$1,875.50 to \$1,677.00, the 2023 Medicaid Income Level. Bill's excess income amount (spenddown) is \$198.50.

Medicaid Spenddown - Example 3 Continued

For Bill to gain Medicaid eligibility for April, he must incur expenses of \$198.50 or more for medical services he receives, such as IRA Residential Habilitation and Care Management. Bill may present the bills or statements of incurred expenses to the Medicaid district, or he can pay \$198.50 directly to Medicaid.

If Bill were to move to a VOIRA in NYC or Nassau, Suffolk, Westchester or Rockland, his excess income amount would remain the same because the Medicaid level is \$1,677 or 138% of the Federal poverty level for everyone statewide.

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 of these examples presume resources below the current Medicaid limit.

MBI-WPD – Example 1

Monthly gross wages:	\$4,299.00
Monthly earned income:	\$4,299.00
Less general income disregard:	- <u>\$ 20.00</u>
	\$4,279.00
Less earned income disregard:	- <u>\$ 65.00</u>
	\$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 2023 Medicaid Income Level of \$1,677 per month, the individual's earned **countable** income is under 250% FPL of \$3,038 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) earned income	\$ 92.50
Countable unearned income:	\$1,180.00
Countable earned income:	+ \$ 92.50
Monthly net (countable) income:	\$1,272.50

The individual would be eligible for the MBI-WPD program because countable income is under the monthly income limit of 250% FPL \$3,038.00.

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:	- \$ 20.00
Net (countable) unearned income	\$ 2,080.00
Gross monthly earned income:	\$2,000.00
Less unearned income disregard:	- \$ 65.00
	\$ 1,935.00
Less one-half remaining earned income:	÷ <u>2</u>
Monthly net (countable) income:	\$ 967.50
Countable unearned income:	\$2,080.00
Countable earned income:	+ \$ 967.50
Monthly net (countable) income:	\$3,047.50

This individual is not eligible for the MBI-WPD program because countable income is over \$3,038 per month.

MBI-WPD – Example 4

Eligibility for the MBI-WPD program may effectively eliminate a spenddown. Because the Medicaid income level is 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.

Robin is 27 years old, has a disability and lives alone. In 2023, they receive a monthly Social Security Disability Insurance (SSDI) benefit of \$1,802.00 and work sporadically. Their gross monthly wages are \$50. They have a monthly Medicaid spenddown of \$105.

	SPENDDOWN BUDGETING	MBI-WPD BUDGETING
SSDI	\$1,802.00	\$1,802.00
General income disregard	- <u>\$ 20.00</u>	- <u>\$ 20.00</u>
Net (countable) unearned income	\$ 1,782.00	\$ 1,782.00
Total gross monthly earnings	\$ 50.00	\$ 50.00
\$65 earned income exclusion	- <u>\$ 65.00</u>	- <u>\$ 65.00</u>
Net (countable) earned income	None	None
Total net (countable) monthly income	\$ 1,782.00	\$ 1,782.00
MA Level for One (2023)	- <u>\$ 1,677.00</u>	
MBI Level (250% FPL)		<u>-\$2,832.00</u>
Spenddown amount	\$ 105.00	\$ 0.00

In the example above, Robin has been paying \$105.00 using the spenddown budgeting process, which they would not have to pay if they were enrolled in the MBI-WPD program.

Pickle Budgeting Example

Pete, who has a disability and lives in his own apartment, received a total SSI payment in 2014 of \$5.00 and a Social Security Disability Insurance (SSDI) benefit of \$803.00. In 2015, his SSDI benefit increased, because of the COLA, to \$825.00. Due to the increase, Pete was no longer eligible for any SSI cash benefits. In 2023, Pete's SSDI benefit is \$1720.00. Pete's Medicaid case is budgeted by "freezing" his SSDI amount at the 2014 level of \$803.00. Pete has a bank account of \$1,895.00. Pete lost SSI because of a COLA increase in his SSDI benefit but continues to meet all other resource and SSI eligibility requirements.

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	\$ 1,720.00
SSDI amount 2014	<u>-\$ 803.00</u>
Exempt amount	\$ 917.00

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	\$ 1,720.00	\$ 1,720.00
General income disregard	<u>-\$ 20.00</u>	<u>-\$ 20.00</u>
Net (countable) unearned income	\$ 1,700.00	\$ 1,700.00
Pickle Exempt Amount		<u>-\$ 917.00</u>
Total net (countable) income	\$ 1,700.00	\$ 783.00
MA Level for One (2023)	<u>-\$ 1,677.00</u>	<u>-\$ 1,677.00</u>
Spenddown Amount	\$ 23.00	None

DAC Budgeting – Example 1

In January 2009 Nadia, an individual with a disability who lives in her own apartment, received SSI. Starting 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 2023, the amount of the benefit was \$1,885.00. Nadia has a bank account of \$1,750.00.

Nadia lost SSI because of receipt of a new DAC benefit, but she continues to meet all other resource and 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	\$ 1,885.00	\$ 1,885.00
General income disregard	<u>-\$ 20.00</u>	
DAC Exempt Amount		-\$ 1,885.00
Net (countable) Income	\$ 1,865.00	\$ 0.00
MA Level for One (2023)	<u>-\$ 1,677.00</u>	<u>-\$ 1,677.00</u>
Excess Income (Spenddown)	\$ 188.00	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 \$550.00 was based on her deceased mother's work record. In February 2023, Betty lost SSI because she began to receive a higher Social Security Disabled Adult Child (DAC) benefit of \$1,785.00 based on the work record of her father who recently retired. Betty has a bank account of \$1,579.00

Betty lost her SSI cash benefits due to the increase in her DAC benefit but she continues to meet all other resource and SSI eligible living 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 Eligible
Social Security Disability Benefit	\$1,785.00	\$1,785.00
General income disregard	<u>- 20.00</u>	<u>- 20.00</u>
	\$1,765.00	\$1,765.00
DAC Exempt Amount		<u>-1,235.00</u>
Net (countable) income	\$1,765.00	\$ 530.00
MA Level for One (2023)	<u>-\$1,677.00</u>	<u>-\$1,677.00</u>
Excess Income (Spenddown)	\$ 88.00	None

SSI Payment Calculations

Example 1

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 2023, the maximum SSI cash benefit for an individual in an agency-sponsored family care home in upstate New York is \$1,142.48; in New York City and Nassau, Rockland, Suffolk and Westchester counties, it is \$1,180.48.

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>
	<u>\$35.00</u>
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)	\$1,142.48	\$1,180.48
Total Countable Income	\$497.50	\$497.50
SSI payment	\$644.98	\$682.98

SSI Payment Calculation
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 \$625.00 a month effective January 1, 2023. Luke also receives a Workers Compensation benefit of \$227.00 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	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00
Workers Compensation	\$227.00	\$227.00	\$227.00	\$227.00	\$227.00	\$227.00
Wages	\$182.00	\$142.00	\$199.00	\$278.00	\$178.00	\$155.00

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

Income and Disregards	June	July	August	Sept
SSDI	\$625.00	\$625.00	\$625.00	\$625.00
Workers Compensation	<u>+\$227.00</u>	<u>+\$227.00</u>	<u>+\$227.00</u>	<u>+\$227.00</u>
Total Gross Monthly Unearned Income	\$852.00	\$852.00	\$852.00	\$852.00
Less General Income Disregard	<u>-\$ 20.00</u>	<u>-\$ 20.00</u>	<u>-\$ 20.00</u>	<u>-\$ 20.00</u>
Countable Unearned	\$832.00	\$832.00	\$832.00	\$832.00
Earned Income	\$182.00	\$142.00	\$199.00	\$278.00
Less Earned Income Exclusion \$65.00	<u>-\$ 65.00</u>	<u>-\$ 65.00</u>	<u>-\$ 65.00</u>	<u>-\$ 65.00</u>
	\$117.00	\$ 77.00	\$134.00	\$213.00
One-half the balance	<u>_____ ÷2</u>	<u>_____ ÷2</u>	<u>_____ ÷2</u>	<u>_____ ÷2</u>
Countable Earned	\$ 58.50	\$ 38.50	\$ 67.00	\$106.50
Countable Unearned Income	\$832.00	\$832.00	\$832.00	\$832.00
Countable Earned Income	<u>+\$ 58.50</u>	<u>+\$ 38.50</u>	<u>+\$ 67.00</u>	<u>+\$106.50</u>
	\$890.50	\$870.50	\$899.00	\$938.50

<i>Total Countable</i>	SSI benefit	SSI benefit	SSI benefit	SSI benefit
SSI Benefit Level for VOIRA (Downstate)	\$1,349.00	\$1,349.00	\$1,349.00	\$1,349.00
SSI Benefit Level for VOIRA (Upstate)	\$1,319.00	\$1,319.00	\$1,319.00	\$1,319.00
Less Total Countable Income	<u>-\$ 890.50</u>	<u>-\$ 870.50</u>	<u>-\$ 899.00</u>	<u>-\$ 938.50</u>
SSI Payment – Downstate	\$ 458.50	\$ 478.50	\$ 450.00	\$ 410.50
SSI Payment - Upstate	\$ 428.50	\$ 448.50	\$ 420.00	\$ 380.50