

TO: Local District Commissioners, Medicaid Directors

FROM: Judith Arnold, Director
Division of Coverage and Enrollment

SUBJECT: Medicare Savings Program Household Size

EFFECTIVE DATE: January 1, 2010

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This GIS is to inform local districts of a change in budgeting methodology for the Medicare Savings Program (MSP).

The MSP budgeting methodology excluded a non-SSI-related spouse in the MSP household count if the spouse's remaining income, after allocating income to any non-SSI-related child(ren) in the household and deducting any court-ordered support paid by the non-SSI-related spouse, was less than the allocation amount (the difference between the Medicaid level for a household of two and one). In such cases, the SSI-related spouse was budgeted as a household of one.

For MBL budgets with an effective "From" date of 01/01/10, or later, having a Buy-In Indicator of "A", and "LA" of 2, MBL will calculate MSP eligibility based on a household of two when there is a spouse in the household, regardless of income or category of the spouse. This change only applies to the Medicare Savings Program.

For determining Medicaid eligibility for SSI-related individuals, the current SSI-related budgeting methodology will continue to exclude a non-SSI-related spouse in the Medicaid household count if the spouse's remaining income, after allocating income to any non-SSI-related child (ren) in the household and deducting any court-ordered support paid by the non-SSI-related spouse, is less than the difference between the Medicaid level for a household of two and one.

Upstate Counties

To correctly determine MSP and Medicaid eligibility for a single SSI-related individual or a couple, both of whom are SSI-related, the Buy-In Indicator of "A" should be entered on a Budget Type 04, 07 or 08. MBL will determine MSP and Medicaid eligibility based on the appropriate household size.

However, when determining MSP eligibility and Medicaid eligibility for cases in which there is an SSI-related spouse and a non-SSI-related spouse, a two-step process is required. The following procedures must be used:

1. To determine MSP eligibility for Budget Types 05, 06, 09 and 10, the Buy-In Indicator of "A" must be entered in the "BUY" field. The outcome of this budget will determine MSP eligibility and the budget should be printed and stored in the case record.
2. To calculate Medicaid eligibility for the household, remove the "A" from the "BUY" field, "transmit" and the output budget will display the correct Medicaid eligibility for the SSI-related individual. An F8 transaction will display the remainder of the household's Medicaid eligibility. The Budget Type 05, 06, 09 or 10 without the Buy-In Indicator should be stored.

It is necessary to calculate MSP and Medicaid eligibility separately, as the SSI-related budget output of the Budget Type 05 and 06, with the "A" Indicator, will not correctly determine Medicaid eligibility. It is only calculating MSP eligibility. Budget Types 05 and 06 with a Buy-In Indicator of "A" will always require the two-step process described above.

For Budget Types 09 and 10 stored after 3/15/10, with a Buy-In Indicator of "A", the Net Available Monthly Income (NAMI) amount is not calculated correctly. Once MBL corrections have been made, the two-step process mentioned above will not be required. Districts will be notified when this problem is corrected. Until notified of the correction, districts must review Budget Types 09 and 10 stored after 03/15/10, with a "From" date of 1/1/10, or later, and a Buy-In Indicator of "A", to check for any corrections that may have to be made to the NAMI amount. Removal of the Buy-In Indicator of "A" will give the correct NAMI amount.

For Budget Types 05 and 06, with an "EEC" code of "E" (Disabled Adult Child), MBL is also calculating the Medicaid eligibility incorrectly when the Buy-In Indicator of "A" is used. Until further notice, such cases will also require the two-step process mentioned above.

Note: MBL will calculate MSP and Medicaid eligibility for Budget Type 08 correctly without requiring the two-step process mentioned above.

New York City

No change is necessary. Budget Type 04 is used to determine MSP eligibility. A separate budget has always been required to determine Medicaid eligibility.