

Medicaid spend-down in New York State

In New York State, if you need Medicaid coverage and your income is above the Medicaid limit, you may be eligible for the Medicaid spend-down program (also called the Medicaid Excess Income program). This program allows you to deduct certain medical expenses—such as bills from doctors' visits, prescription drugs, over-the-counter medications, or insurance premiums—from your income so that you can qualify for Medicaid.

To be eligible for the Medicaid spend-down, you must:

- Be age 65+ or disabled
- Have high health care costs (see below for more information)
- Have assets below \$33,038 for individuals (\$44,796 for couples). Assets are resources such as savings and checking accounts, stocks, bonds, and retirement accounts.

How the spend-down works

Your spend-down will be the difference between your monthly income and the Medicaid eligibility limit, \$1,856 for individuals (\$2,509 for couples) in 2026. You qualify for Medicaid coverage each month you use medical expenses that reduce your usable income to a level at or below the Medicaid eligibility limit.

Example: Your monthly income is \$2,156.

\$2,156	(your monthly income)
<u>–\$1,856</u>	(Medicaid monthly income limit for individuals)
\$ 300	(your spend-down amount)

Note: You may be able to subtract certain expenses from your income. Check with a Medicaid counselor to find out what's counted as income.

Each month you have enough medical expenses to meet your spend-down, you will have Medicaid coverage.

- Medicare will pay first for covered services, and Medicaid will pay second for qualifying costs, such as Medicare cost-sharing (excluding the amount you spent out of pocket to get Medicaid).
- Medicaid may pay for services Medicare does not cover, such as routine vision, dental, and hearing care.
- You will automatically qualify for Extra Help the first month that you meet your spend-down until the end of the calendar year (even if you do not meet your spend-down each month). Extra Help is a federal program that helps pay for some to most of the out-of-pocket costs of Medicare prescription drug coverage.

If you do not meet your spend-down amount, you will not have Medicaid coverage for that month. You can still get Medicaid coverage later if you meet your spend-down during another month. You can also choose to spend a lot at once to get Medicaid coverage for more than one month at a time. For example, if you spend a total of three times your monthly spend-down amount, you can get Medicaid coverage for three consecutive months.

Outpatient and inpatient Medicaid

Each month you meet your spend-down, you are eligible for **outpatient** Medicaid coverage. For **inpatient** Medicaid coverage, you must meet six times your monthly spend-down amount before Medicaid pays. For example, if you need inpatient Medicaid coverage and your monthly spend-down is \$100, you must meet a spend-down of \$600 for coverage. Afterward, you will have Medicaid coverage (for both inpatient and outpatient needs) for **six months**.

Steps for using the spend-down

1. Calculate your spend-down.

Remember, your spend-down is the difference between your monthly income and the Medicaid monthly income limit (see example on page 1).

2. Decide how you will reach your spend-down.

You can reach your spend-down by either:

- Sending a check to your Medicaid office each month for your spend-down amount
- Or, showing your Medicaid office proof of **paid** or **unpaid** medical expenses equal to or greater than your spend-down amount

Remember, medical expenses that can be used to meet your spend-down include bills for doctors' visits, prescription drugs, over-the-counter medications, and insurance premiums, among others. If you get assistance with your drug costs from New York's EPIC (Elderly Pharmaceutical Insurance Coverage) program, the amount EPIC pays for your prescriptions also counts toward your spend-down. Be sure to contact EPIC and request a printout that you can give to your Medicaid office.

For more information or to apply, contact your local Medicaid office. You can also call the New York State Department of Health's Medicaid helpline at 800-541-2831.

Definitions

Inpatient: Patient who has been formally admitted into the hospital by a doctor.

Outpatient: Patient who has not been formally admitted as an inpatient.