Best Practices for Medicaid Spenddown
Using the Medical Bills System

1. General Practices

   a. Know your monthly ‘spenddown’ amount.
   b. You are responsible for the amount of your spenddown. The spenddown is like an insurance deductible that you pay before the insurance ‘kicks in’. Medicaid will not cover any bills or any portion of a bill that was used to meet your spenddown amount.
   c. You submit medical bills to Medicaid to meet your spenddown.
   d. Both paid and unpaid bills can be used to meet your spenddown.
   e. Medical bills from both Medicaid providers and non-Medicaid providers can be used to meet your spenddown.
   f. When you have medical bills equal to or more than your spenddown amount in a calendar month can you submit the bills to Medicaid.
   g. Medical bills you use to meet your spenddown must be for a single calendar month.
   h. Keep track of your medical bills to figure out if you meet your spenddown in a single calendar month. Make the following notes:
      i. The amount of the bill
      ii. Whether it is paid or unpaid
      iii. Whether it is from a Medicaid provider or not
   i. Medicaid will activate your coverage once you have met your spenddown.
   j. When Medicaid is activated go only to Medicaid providers so the provider can bill Medicaid (Medicaid will not pay non-Medicaid providers.

   **CASE EXAMPLE 1**

   Lucy has a $65 monthly spenddown. She has the following medical bills:

   Lucy did not meet her spenddown in June; therefore Medicaid was not activated and will not cover any medical expenses for the month of June.

   However, she met her spenddown in July. She can submit both her paid July bill of $30 and her unpaid July bill of $35 bill to Medicaid, which meets her spenddown amount. They will activate her Medicaid coverage for July. Once her Medicaid is activated, Lucy should visit Medicaid providers to receive any additional medical services during July. However, Lucy is still responsible for the unpaid July bill of $35; Medicaid will not pay it for her.

   When July is over, Lucy must meet her spenddown once again for any future month before Medicaid can be activated.
2. **Paid Medical Bills**

   a. You can only use paid medical bills for the calendar month in which services were given and paid for.

   b. You can get multiple months of Medicaid coverage, if the paid bill is more than the monthly spenddown, whether it is from a Medicaid provider or not.

   **CASE EXAMPLE 2**

   Mark has a $115 monthly spenddown. He has the following medical bills:
   
   3. A paid bill of $230 from a Medicaid provider date April 2nd, 2019.

   Mark did not meet the spenddown in February or March. However, he did meet his spenddown in April. He can submit his paid April bill of $230 to Medicaid and they will activate his Medicaid coverage. Since the paid bill is for twice his spenddown amount he can get two months of Medicaid coverage, April and May. When May is over, Mark will have to meet his spenddown once again before Medicaid can be activated.

3. **Unpaid Medical Bills**

   a. Depending on whether the unpaid bill is from a Medicaid provider or not will determine how Medicaid treats the unpaid bill.

   b. If the unpaid bill is from a non-Medicaid provider, it will be treated the same as a paid bill and you may be able to get multiple months of coverage; they must be consecutive months.

   c. If the unpaid bill is from a Medicaid provider, Medicaid will only activate your coverage for one month.

   **CASE EXAMPLE 3**

   Louis has a $40 monthly spenddown. He has the following medical bills:
   
   1. An unpaid bill of $65 from a Medicaid provider date August 2nd, 2019.

   Louis met his spenddown for August. He can submit his August bills to Medicaid. Since the unpaid August bill of $80 from his non-Medicaid provider is twice his spenddown, his Medicaid coverage will be activated for two months, August and September. Louis, however, is responsible for this unpaid bill. Once his Medicaid is activated Louis can go to his Medicaid providers and tell them they can bill Medicaid for the unpaid August bills of $65 and the unpaid September bill of $25 and continue to see Medicaid providers in September.
4. **Tips on How to Use Unpaid Medical Bills**

   a. When patients visit their doctor and do not pay at the time they visit, try to get the provider to give you an unpaid bill as you leave the office, so you could submit the bill to Medicaid.

   b. If the provider does not provide an unpaid bill at the time you leave the office, you may still submit the bill once you get it.

   c. Medicaid will activate coverage (if the spenddown amount is met) for the month in which the service was provided.

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**CASE EXAMPLE 4**

Christa has a $90 monthly spenddown. She has the following medical bills:

- An unpaid bill of $90 from a non-Medicaid provider for January.
- An unpaid bill of $45 from a Medicaid provider for January.

However, she only gets both these bills in March. Christa has met her spenddown for January and she can bring in both these unpaid bills to Medicaid. The unpaid bill of $90 from the non-Medicaid provider will be used to meet her spenddown and Medicaid will activate her coverage for January. Christa is still responsible for the spenddown amount of $90 for the non-Medicaid provider, but she can go to her Medicaid provider and tell them to bill Medicaid for the unpaid January bill of $45.

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**CASE EXAMPLE 5**

Ted has a $110 monthly spenddown. He has the following medical bills:

- A paid bill of $30 from a pharmacist for May.
- An unpaid bill of $70 from a Medicaid provider for May, which he receives in July.
- A paid bill of $50 from a non-Medicaid provider for June.
- An unpaid bill of $30 from a Medicaid provider for June, which he receives in August.
- An unpaid bill of $60 from a Medicaid provider for June, which he receives in September.

Let’s go through this step by step by calendar month. The total of his paid May bill of $30 and his unpaid May bill of $70 is $100. So Ted did not meet his spenddown for May. It makes no difference that he received the unpaid bill in July. His Medicaid coverage cannot be activated for May. Thus, he is responsible for the $70 bill from his Medicaid provider.

The total of his paid June bill of $50, and the two unpaid June bills of $90, is more than his spenddown amount. When he has all three bills in September he can submit them to Medicaid. The paid bill of $50 and the unpaid bill of $60 ($110) will activate his June spenddown. Ted is responsible for the unpaid $60 bill to his Medicaid provider; Medicaid will not cover this bill, as he is responsible for his spenddown amount. However, since he met his spenddown he can tell the other Medicaid provider to bill Medicaid for the unpaid June $30 bill.