

(14) **SUBSIDIZED ADOPTION PAYMENTS.** When determining eligibility for medical assistance, payments for subsidized adoptions shall be disregarded.

(15) **ADJUSTMENT OF THE SSI-RELATED CATEGORICALLY NEEDY INCOME LIMIT DUE TO LIVING ARRANGEMENT.** The SSI-related categorically needy monthly income limit for an applicant who is living with another person (or for an applicant couple) shall be adjusted according to the following procedure.

(a) Subtract the federal allowable shelter maximum (one-third of the federal standard payment amount) from the sum of the social security administration's federal standard payment amount and the state supplemental payment amount.

(b) To the result in par. (a) above, add the amount of actual shelter costs up to a maximum of one-third the federal standard payment amount.

(16) **SPEND-DOWN REQUIREMENTS FOR ALL PERSONS WHO ARE NOT RESIDING IN INSTITUTIONS.** (a) Medical expenses to be considered for spend-down purposes include all costs for medical services and goods that could be covered by medical assistance, plus health insurance premiums. Only those medical expenses which are incurred during the spend-down period can be used to meet the spend-down requirement.

(b) No medical costs that are incurred and are to be paid or have been paid by a person other than the applicant(s) or members of the fiscal test group shall be counted for the spend-down. No expenses for which a third party is liable (such as medicare, private health insurance, or court-ordered medical support obligation) shall be used to meet the spend-down requirement.

(c) The spend-down period shall begin on the first day of the month in which all eligibility factors (except income) were met, but no earlier than the first of the month 3 months before the month of application. However, at the recipient's option, it can begin on the first of any of the months 3 months prior to the month of application if all eligibility factors (except income) were met in that month. A recipient's decision to choose an optional beginning date shall be recorded in the county agency's case record. For persons who were receiving medical assistance and are now reapplying, the spend-down period cannot cover the time during which they were receiving medical assistance.

(d) The spend-down shall run for 6 months from the beginning of the spend-down period.

(e) If the amount of the monthly excess income changes before the spend-down is achieved, an adjustment shall be made. When the size of the medical assistance group changes, the monthly income limit shall be adjusted appropriately to the size of the new group, and the spend-down amount shall be adjusted accordingly. If any change is reported that may affect eligibility, the eligibility of the entire medical assistance group may be redetermined and, if it turns out to be a spend-down situation, a new spend-down period shall be established.

1. The medical assistance group is eligible as of the date on which the incurred medical expenses reach the spend-down amount. In some situ-

ations the applicant will still be responsible for some bill(s) or parts of bills incurred on that day.

2. Once the spend-down has been met, the MA group shall remain eligible for the balance of the 6-month spend-down period, unless it is determined that assets have increased enough to make the MA group ineligible, or that a change in circumstances has caused someone in the MA group to become ineligible for non-financial reasons.

a. If the entire group is determined ineligible, then the MA certification shall be discontinued, with the proper notice.

b. If only part of the MA group is determined ineligible for non-financial reasons, only the ineligible person's MA certification shall be discontinued, with the proper notice. The other person or persons in the MA group continue eligible until the end of the 6-month period.

c. If the size of the MA group increases (for example, a child is born into the family or child under 18 comes from a specialized school) that child is eligible for benefits during the spend-down period.

**History:** Cr. Register, December, 1979, No. 288, eff. 2-1-80; reprinted to correct error, Register, December, 1981, No. 312, eff. 1-1-82.

**HSS 103.03 Assets.** (1) **MONEY FROM THE SALE OF PROPERTY.** Money from the sale of property shall be treated as an asset. An exception to this principle exists when property used as a home is sold and the proceeds are placed in escrow in contemplation of purchase of another home. Proceeds in escrow shall be disregarded as assets for a maximum of one year.

(2) **THE HOMESTEAD PROPERTY OF AN INSTITUTIONALIZED MEDICAL ASSISTANCE APPLICANT OR RECIPIENT.** The homestead property of an institutionalized person is not counted as an asset when any one of the following conditions is satisfied:

(a) The institutionalized person's homestead property is currently occupied by the institutionalized person's child who is under age 18, or who is 18 years or older and who is developmentally disabled, or who is a spouse.

(b) The institutionalized person intends to return to the home and the anticipated absence from the home, as verified by a physician, is less than 12 months.

(c) The anticipated absence is for more than 12 months but there is a realistic expectation, as verified by a physician, that the person will be likely to return to the homestead. That expectation must include a determination of the availability of home health care services which would enable the recipient to return home.

(d) If neither (a), (b), nor (c) above is met, the property is no longer the principal residence and becomes non-home property.

(3) **NON-HOME PROPERTY OF APPLICANT OR RECIPIENT.** (a) If the value of the non-home property, together with all assets, does not exceed the asset limit, an otherwise eligible person may receive MA and retain the property.