
MEDICALLY NEEDY REGULATIONS

12/01/02

**MA-2120: MEDICALLY NEEDY REGULATIONS{ XE "MEDICALLY NEEDY REGULATIONS" }
12/01/02**

I. INTRODUCTION TO MEDICALLY NEEDY (M)

Medically Needy is a Medicaid classification for aged, blind, or disabled individuals whose countable income and/or resources exceed the categorically needy limits. Medically Needy coverage extends Medicaid to needy aged, blind, and disabled individuals who have too much income/resources to receive SSI, but not enough to pay for medical care. This section defines the requirements to determine eligibility as Medically Needy. Always evaluate aged, blind or disabled individuals who are financially ineligible as Categorically Needy under Medically Needy regulations.

II. POLICY RULES FOR MEDICALLY NEEDY{ XE "MEDICALLY NEEDY POLICY RULES" }

A. Meet the Eligibility Requirements in [MA-2000](#), Non-SSI Eligibility Regulations

B. Medically Needy Income Limits{ XE "Medically Needy Income Limits" }

When an individual/couple's countable income exceeds the categorically needy income limit, compare his income to the MN income limits. Refer to [MA-2260](#), Financial Eligibility Regulations

C. Resource Limit{ XE "Medically Needy Resource Limit" }

The resource limit for individuals/couples under MN is the same as the Categorically Needy resource limits. Refer to [MA-2260](#), Financial Eligibility Regulations.

D. Reduction of Resources{ XE "Medically Needy, Reduction of Resources" }

The resource limit and countable resources are the same as Categorically Needy. However, for Medically Needy eligibility an individual whose countable resources exceed the resource limit as of the "first moment of the month" can establish eligibility on the day of the month that the value of countable resources is reduced within the allowable limits. Refer to [MA-2230](#), Financial Resources.

E. Deductible{ XE "Deductible" }

Only individuals evaluated as Medically Needy can have a deductible.

1. When the net countable income for an individual/couple exceeds the medically needy income limit, the individual/couple has a deductible.
2. The deductible is met by incurring medical expenses equal to the amount of the excess income.

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3. The deductible is based on income in a 6 month certification period. An exception is when an individual applies for Medicaid as MN before his SSI Medicaid terminates. In this situation, the deductible is based on income beginning with the month after SSI Medicaid terminates through the end of the 6 month certification period. Refer to [MA-1000](#), SSI Medicaid – Automated Process, for instructions on SSI Medicaid terminations.

See [MA-2360](#), Medicaid Deductible, for rules and procedures to establish deductible and allowable expenses to be applied to the deductible.

F. Classification{ XE "Medically Needy Classification" }{ XE "Classification for Medically Needy" }

The classification in EIS is “M”, or “B”, if the individual is dually eligible.

Refer to the EIS Manual for special Medically Needy codes for aliens.

G. Certification/Authorization{ XE "Medically Needy, Certification/Authorization" }{ XE "Certification/Authorization, Medically Needy" }

The ongoing c.p. for cases evaluated as MN is always 6 months.

1. The 6 month c.p. begins with the month of application.
2. Authorization begins the date all eligibility criteria are met. In cases of excess resources and/or deductible that is the date countable resources are reduced to the resource limit or the date the deductible is met, whichever is later.

Refer to [MA-2350](#), Certification/Authorization, for further instructions.

H. Buy-In{ XE "Medically Needy, Buy-In" }{ XE "Buy-In, Medically Needy" }

For MN cases, the buy-in effective date is the first day of the second month following authorization for Medicaid.

Refer to [MA-2410](#), Buy-In, for procedures.