

HOUSE RESEARCH

Bill Summary

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Subject: MA Asset Limit and Spend-down Standard

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Overview

The bill increases the Medical Assistance (MA) asset limit and excess income (spend-down) standard for persons who are aged, blind, or disabled. The MA spend-down allows persons otherwise eligible for MA whose income exceeds the MA income limit (100 percent of the federal poverty guidelines for the aged, blind, or disabled) to qualify for the program by incurring medical expenses that equal or exceed the amount by which their income exceeds the MA excess income standard. Section 2 makes the excess income standard for the aged, blind, or disabled equal, after a three-year phase-in, to the MA income limit for that eligibility group and also equal to the current excess income standard for families and children.

Section

- 1** **Asset limitations for aged, blind, or disabled individuals.** Amends § 256B.056, subd. 3. Increases the MA asset limit for persons who are aged, blind, or disabled, from \$3,000 to \$6,000 for a household of one and from \$6,000 to \$12,000 for a household of two. Also increases from \$200 to \$400 the amount added to the asset limit for each additional dependent. Provides an effective date of July 1, 2007.
- 2** **Excess income standard.** Amends § 256B.056, subd. 5c. Increases the MA excess income (spend-down) standard for persons who are aged, blind, or disabled from 75 percent of the federal poverty guidelines (FPG) to 85 percent of FPG, effective July 1, 2007, and increases this standard by five percentage points over each of the next three years, so that the excess income standard equal 100 percent of FPG effective July 1, 2010. (100 percent of FPG is

Section

\$9,804/year for a household of one and \$13,212/year for a household of two.)