

## Access to Long-Term Services and Supports: A 50-State Survey of Medicaid Financial Eligibility Standards

This report provides a long-awaited update to existing data on Medicaid financial eligibility standards adopted by each state for older persons and adults with disability. These standards serve as an important measure of access to Medicaid long-term services and supports in individual states.

### Introduction

The Medicaid program plays a very important role in financing long-term services and supports (LTSS) for older persons and adults with disabilities.<sup>1</sup> It is unquestionably the largest payer of LTSS expenses in the United States, far outstripping spending by other private and public sources. The program finances nearly half of all LTSS spending, broadly defined.<sup>2</sup>

Most Medicaid spending for LTSS to older persons and adults with disabilities is for nursing home services. States, however, are increasingly offering home and community-based services (HCBS) to persons who would otherwise be eligible for nursing home services. These services may be offered through waiver programs or through other optional channels, such as Personal Care services under the state's Medicaid plan. This paper focuses on the eligibility criteria for HCBS waiver services, which are the largest component of HCBS spending.

Individuals must traverse a number of financial eligibility hurdles to receive Medicaid nursing home care or HCBS.<sup>3</sup> First, only individuals who fall into one of the categories of Medicaid-eligible groups may qualify for coverage. Older persons and persons with disabilities (which for

ease of exposition, we refer to as the OP/PD population from here on) are a categorically eligible group. Second, states offer different routes or pathways by which individuals may qualify for Medicaid nursing home care or HCBS. Each pathway has its own income and asset standards. Individuals must have income and assets that fall below these standards to qualify for services. Third, after becoming eligible, state rules specify how much income or asset a Medicaid recipient may retain personally, or set aside for a spouse, to maintain eligibility.

Each aspect of Medicaid's financial eligibility standards influences access to Medicaid nursing home care and HCBS. These standards determine who may qualify for Medicaid, and also likely affect the extent to which individuals seek out Medicaid for services. For instance, the monthly allowance that states permit Medicaid HCBS waiver recipients to retain for home maintenance and personal needs affects the ability of an individual to remain in the home, which, in turn, could affect the decision to seek Medicaid HCBS waiver coverage.

The financial eligibility standards adopted by each state for the OP/PD population, therefore, are an important and tangible measure of access to services in states. Some of the state variation in spending on

HCBS for this population may be attributed in part to differences in financial eligibility standards: from differences in eligibility pathways, income and asset standards, and/or post-eligibility treatment of income and assets.<sup>4</sup> States such as California, Oregon, New Mexico, and Washington currently spend more than 50 percent of their Medicaid long-term care budget for the OP/PD population on HCBS, whereas states such as Indiana, Mississippi, North Dakota, and Tennessee continue to offer very limited home and community-based options for this population.<sup>5</sup>

AARP, in partnership with the Congressional Research Service (CRS), surveyed all 50 states and the District of Columbia to obtain the most recent data on Medicaid financial eligibility standards. Most of the available state data on Medicaid financial eligibility and post-eligibility standards, particularly for HCBS, are nearly 10 years old.<sup>6</sup> The survey was conducted in 2009 and 2010 and includes the standards for HCBS waivers and nursing home services. This report provides a long-awaited update to the existing data and complements other recently released data on Medicaid financial eligibility standards.<sup>7</sup>

By and large, financial eligibility standards for Medicaid HCBS waiver and nursing home services in 2009 are similar to those that were in place in 2000.<sup>8</sup> In part, this is because many states were already at the allowable federally specified limits for certain standards and these federal limits have not changed during this time.

The most significant change appears to be in the allowance that states permit HCBS waiver recipients to retain for personal and housing expenses (the maintenance needs allowance). Six states permit waiver recipients to retain unlimited income for their maintenance

needs, with a Miller Trust. This is a significant improvement from 2000. Not all states, however, have adopted such progressive standards. Thirteen states limit the maintenance needs allowance for waiver recipients to standards that are at or below the federal poverty level, which are inadequate for persons with housing-related expenses.

There appears to be increasing parity in eligibility rules between nursing home and HCBS waiver services. Certain mandated federal rules that apply to nursing home residents, such as the financial protections afforded to community-living spouses of nursing home residents, are optional provisions under the HCBS waiver. Many states choose to extend these financial standards and protections to HCBS recipients; however, some do not.<sup>9</sup> If states are committed to deemphasizing nursing home services and expanding home and community-based options that are more aligned with the expressed preference of consumers, then a minimum first step toward that goal is to apply more uniform rules across settings.

## Methodology

Data for this paper were obtained from a 50-state survey developed by AARP and CRS. The survey instrument was developed with input and oversight from an Advisory Committee that included individuals from the Centers for Medicare and Medicaid Services (CMS), state Medicaid eligibility directors, and researchers with a robust publication record on and knowledge of Medicaid issues. The survey was fielded to state Medicaid directors in each state and the District of Columbia in November 2009. A copy of the survey instrument and the accompanying letter to state Medicaid Directors may be viewed at <http://assets.aarp.org/rgcenter/ppi/ltc/i44-survey-instrument.pdf>.

We received responses to the survey on a rolling basis between November 2009 and June 2010. We conducted follow-up interviews by phone and e-mail when data were missing, incomplete, or difficult to interpret. We also cross-referenced our survey data with recently-released data from other sources.<sup>10</sup>

Missing data or data that required additional validation were obtained from the state's program Web site or from the state's Medicaid 1915(c) HCBS waiver application form (obtained from the CMS Web site). Forty-nine states and the District of Columbia completed the survey.<sup>11</sup>

Our survey instrument identified the eligibility pathway that states used to enroll the OP/PD population into the Medicaid program. It also requested income and asset standards for each of the different eligibility pathways through which an individual may qualify for Medicaid. The eligibility pathways we identified in our survey were: Cash Assistance, 209(b) States, Poverty-Level Coverage, Medically Needy, and Special Income Standard.<sup>12</sup> Given our emphasis on access to Medicaid HCBS waiver and nursing home services, we also requested post-eligibility financial information for institutionalized individuals and persons receiving HCBS waiver services, and data on whether the state applied spousal impoverishment standards for HCBS waiver recipients.<sup>13</sup>

## Survey Results

One method by which states can affect access to nursing home services and HCBS is through their selection of the route, or pathway, by which individuals become eligible for Medicaid. Some of these pathways are mandatory (that is, required by federal law) but others are optional for older persons or adults with disabilities. Some of these pathways are<sup>14</sup>:

- Welfare-Related
- 209(b) States
- Poverty-Level Coverage
- Medically Needy
- Special Income Rule
- 1915(i) HCBS State Plan Amendment

Generally, states are required to cover individuals who qualify for federal cash assistance, such as Supplemental Security Income (SSI) payments. This is sometimes referred to as the welfare-related pathway. For ease of exposition, we refer to these states as SSI-related states. However, some states—the 209(b) states—are exempt from using the SSI rule for determining eligibility. These states have the option to exercise more restrictive eligibility criteria than the SSI criteria.

The other eligibility pathways—Poverty-Level Coverage, Medically Needy, Special Income Rule, and (more recently) 1915(i) HCBS State Plan Amendment—are optional pathways. States may choose to exercise the option to cover these additional individuals. Along with choosing the pathway, states specify the income and asset limits that correspond with each eligibility pathway.

States' choices regarding these optional pathways and standards directly affect access to Medicaid LTSS.

### Welfare-Related

#### ***Findings: Thirty-nine states and DC extend Medicaid eligibility through the SSI-related pathway.***

Generally, older persons and adults with disabilities who are eligible for SSI are also eligible for Medicaid. To be eligible for SSI in 2009 (and in 2010), individuals must not have more than \$674 a month in countable income (or \$1,011 for a couple) and no more than \$2,000 (\$3,000 for a couple) in

countable resources. These standards are specified by the SSI program, which is a federally administered program operating under uniform federal rules in each state.

In computing income and assets for SSI eligibility, the program disregards or excludes certain types of income and assets. In general, the SSI program does not count the first \$20 of income in a month, the first \$65 of earnings and one-half of earnings over \$65 received in a month, food stamps, and a number of other income items.<sup>15</sup> In the resource computation, SSI disregards the home, household goods and personal items, burial plots, and other resources.<sup>16</sup>

Because of these disregards, countable income and assets are lower than the individual's actual income and assets. The use of disregards is one lever by which states may influence eligibility for Medicaid LTSS. By choosing to disregard more or less of a person's income or asset, the state effectively raises or lowers the income or asset limit for eligibility.

States have no flexibility with the SSI group because individuals qualifying under the welfare-related pathway are subject to federal SSI standards, which do not vary across states. States have more flexibility with other pathways and may choose to apply a more liberal method of counting income and resources (that is, apply more disregards) than the SSI method. Although not presented in this paper, our survey found variation in the amount that states choose to disregard.

### **209(b) States**

***Findings: Eleven states use more restrictive eligibility standards than SSI. These are 209(b) states.***

Eleven states are permitted to impose more restrictive standards than SSI for Medicaid eligibility determination. These states, known as 209(b) states, had

more restrictive program rules in place when the SSI program was enacted in 1972 and their program rules were grandfathered under section 209(b) of the Social Security Amendments of 1972. Figure 1 highlights these states: Connecticut, Hawaii, Illinois, Indiana, Minnesota, Missouri, New Hampshire, North Dakota, Ohio, Oklahoma, and Virginia.

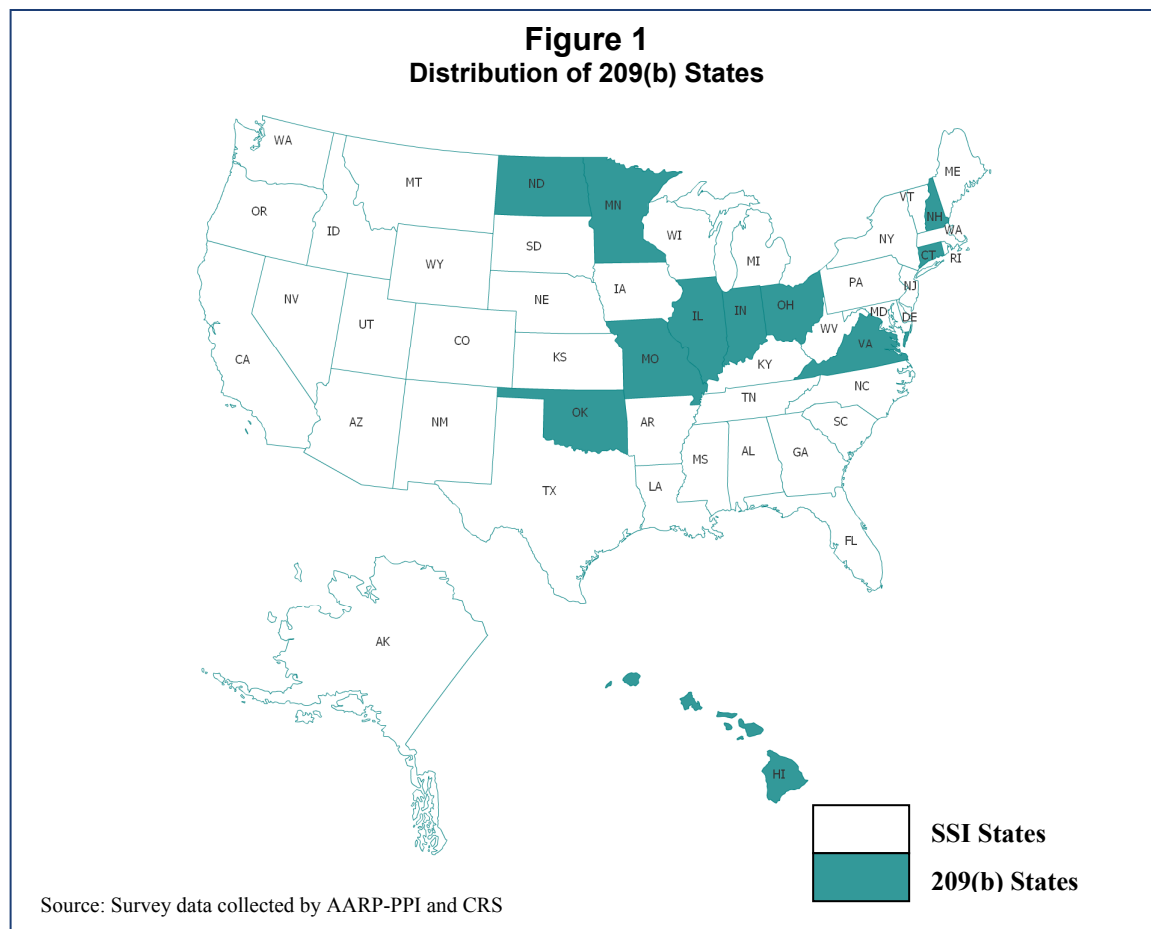
Table A1 in the appendix provides more details on the income and resource limits for each of the 209(b) states.

As Table A1 shows, the financial eligibility standards of 209(b) states are not universally more restrictive than those of SSI states; some component of their standard may even be less restrictive than the SSI standards. For instance, the resource standard for individuals in Connecticut is lower than the SSI standard (\$1,600 compared with \$2,000); however, Connecticut's income standard is higher than the SSI income standard (\$842 compared to \$674). 209(b) states may also use more or less liberal methods for counting income or assets than the SSI program.

### **Poverty-Level Coverage**

***Findings: Twenty-one states and DC choose to extend coverage to individuals whose incomes are above the SSI/209(b) level but up to the federal poverty level.***

A state may choose to extend Medicaid coverage to additional older persons and adults with disabilities who neither qualify for SSI nor meet the 209(b) standards. For instance, a state could choose to cover individuals who are receiving state-only cash assistance (such as the State Supplemental Payment). States could also choose to extend coverage to individuals whose incomes are above the SSI income threshold (around 75 percent of the federal poverty level [FPL]) but below 100 percent of FPL. Twenty-two states



have taken the option to extend Medicaid coverage to the population in this income category, also known as the poverty-level group.

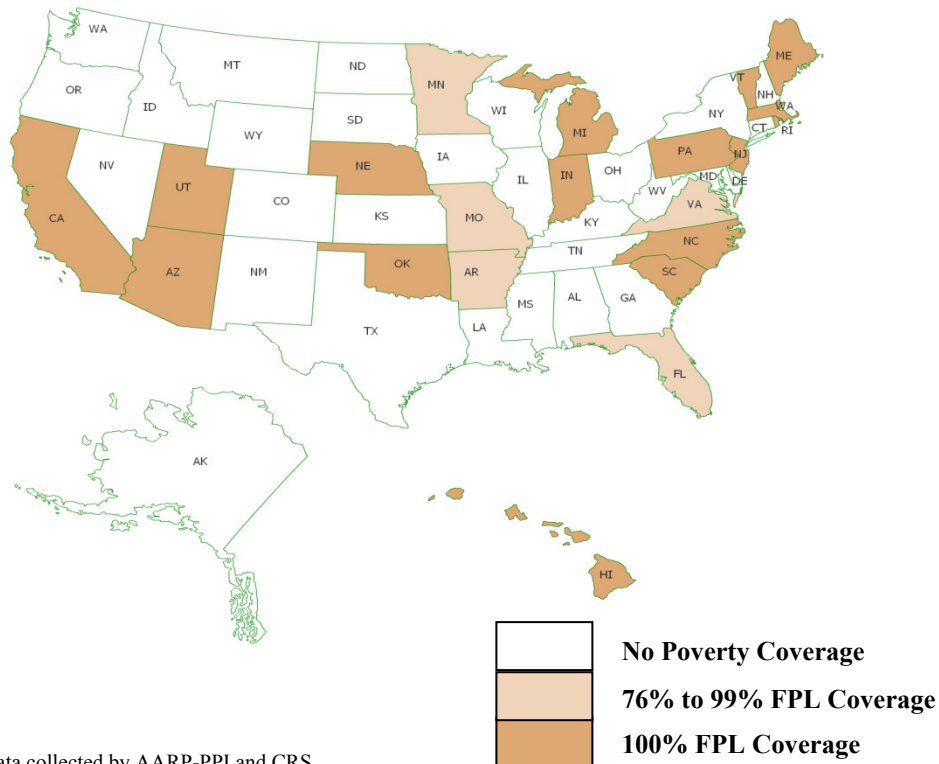
States have discretion over how high to extend eligibility. Figure 2 highlights state differences in income limit for the poverty-level group. Of the 22 states providing Poverty-Level Coverage to the OP/PD population, 5 states (Arkansas, Florida, Minnesota, Missouri, and Virginia) extend coverage only to persons with countable income between 76 and 99 percent of FPL. In 2009 (and in 2010), the monthly income limit for these states ranged from about \$675 to \$860. The remaining 17 states provide coverage up to 100 percent of FPL, which was about \$903 in 2009.<sup>17</sup> Table A2 in the appendix provides details of the income limits for each state.

### Medically Needy

**Findings: Thirty-five states and DC choose to allow older persons and adults with disability who have higher income to qualify for Medicaid if they also have high medical expenses. Of these, 24 states and DC are medically needy (MN) states and 11 are 209(b) states, which allow a spend-down process. Nineteen MN states and DC also choose to extend medically-needy coverage to older persons in nursing homes or HCBS waiver programs.**

States may choose to cover individuals with very high medical expenses but whose income exceeds the state's SSI, 209(b), or poverty-level standards—also known as the medically-needy group. Individuals qualify under this pathway if their countable income, after deducting incurred medical or LTSS expenses, is no

**Figure 2**  
**Distribution of Poverty-Level Coverage**



more than the state's income limit for the medically-needy program. By federal law, the medically-needy income limit (MNIL) may not exceed 133 percent of the state's former welfare standard.<sup>18</sup> As we see from table A3 in the appendix, the MNIL is generally much lower than the SSI income limit (\$674), averaging around \$530 for an individual in most states and falling as low as \$100 in Louisiana. Resource standards generally conform to the SSI limit of \$2,000 for an individual, although limits are higher in some states, such as \$5,000 in Florida and \$13,800 in New York State. These higher limits improve access to Medicaid as individuals do not have to deplete virtually all their assets to qualify.

The medically-needy program enables individuals with very high medical or LTSS expenses to receive assistance from Medicaid for these expenses. The computation for medically needy eligibility is as follows: suppose an older

person has a monthly income of \$1,500, which exceeds the income limit for either the SSI or the poverty-level group in her state. The MNIL for the state is \$500. To meet the state's MNIL for Medicaid coverage, she has to incur \$1,000 on medical and LTSS expenses for the month. That is, \$1,000 is her "spend-down" obligation to bring her income less medical/LTSS expenses to \$500. Once she satisfies her "spend-down" obligation, she qualifies for Medicaid. 209(b) states are required to offer a similar "spend-down" computation as a condition for maintaining more restrictive eligibility standards than SSI. Individuals may spend down to the 209(b) income level to qualify for Medicaid.

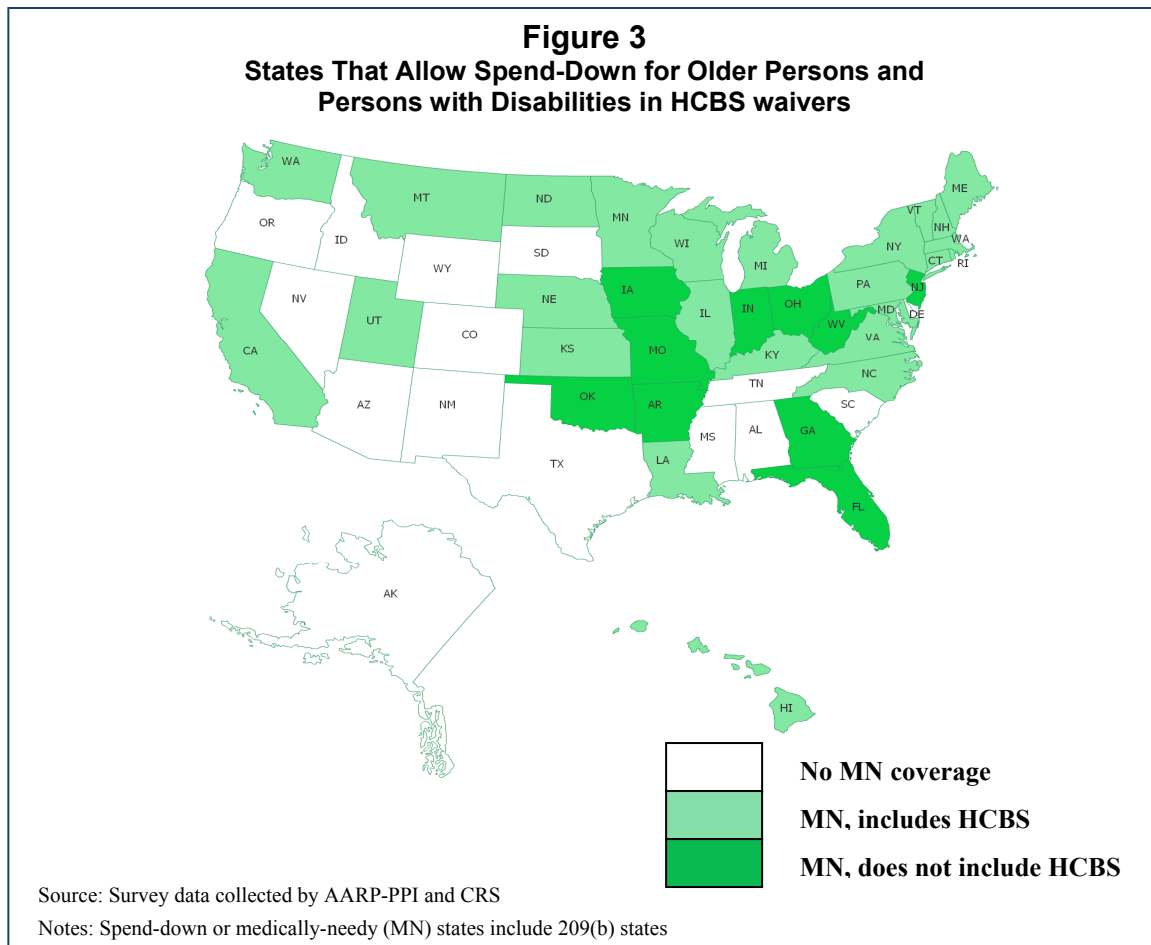
For persons living in the community, the MNIL may be regarded as the amount of income the individual may retain to maintain living expenses. Table A3,

however, shows that in some states this amount may be very low and insufficient to meet monthly housing and personal expenses, such as payment of rent or mortgage, utilities, property taxes, and food. Some states provide for additional allowance for persons receiving Medicaid HCBS waiver services to cover these higher expenses that are not typically associated with living in a nursing home. The amount of the maintenance of needs allowance can make a crucial difference in whether the individual is able to support herself in the community. We return to this discussion of post-eligibility standards later in the paper.

Given the high cost of LTSS for persons with high level-of-care needs (either living in a nursing home or in the

home/community), the medically-needy program is particularly beneficial to the OP/PD population with nursing home level of care needs. Most states that exercise the medically-needy option choose to extend the option to cover nursing home and HCBS waiver services for older persons or adults with disabilities or who are blind. Not all do, however. Arkansas, Florida, Georgia, Iowa, and West Virginia do not extend coverage for both institutional and community-based care. Furthermore, Massachusetts extends medically needy coverage only to older persons.

Figure 3 highlights the 34 states that exercise the medically-needy option. This count includes the eleven 209(b) states which must allow spend-down. Figure 3 also distinguishes between



medically-needy programs that include the OP/PD population in HCBS waiver programs, and those that do not.

In determining eligibility, states use a specific time frame for calculating medical expenses. The time frame ranges from one month to six months and it is the basis on which states determine the individual's spend-down obligation to be Medicaid eligible. If the spend-down period is one month, the state computes the spend-down obligation based on its MNIL and the individual's income for the month. If that obligation is \$500, it means the individual needs to spend \$500 in order to be eligible for Medicaid. If the spend-down period is six months, the state computes the spend-down obligation for six months. In this case, the spend-down obligation would be \$3,000 (\$500 x 6 months), so the individual must spend \$3,000 before she becomes eligible for Medicaid. The difference in the time frame for computing medical expenses should not affect total out-of-pocket expenditures for individuals with constant and recurring expenses; however, it might be relevant for individuals with nonrecurring or nonconstant expenses. These individuals may benefit more with a shorter time frame. Table A3 shows how states vary in the time frame used to assess medical and LTSS expenses.

### **Special Income Rule**

***Findings: Thirty-nine states and DC apply a special income limit (typically 300 percent of SSI) for the OP/PD population in nursing homes and an additional four states apply a special income limit only for HCBS waiver programs. About half of special income states permit a Miller Trust.***

Given the enormous financial burden of nursing home expenses, the Special Income Rule—sometimes called

institutional pathway or the 300 percent rule—gives states the option to cover individuals who require at least 30 days of nursing home care and whose income is too high to qualify for Medicaid otherwise. States may choose to set the income eligibility level up to 300 percent of the SSI benefit amount or \$2,022 per month in 2009 (and in 2010) for an individual. Most states choosing to apply the Special Income Rule for nursing home residents select the maximum amount: 300 percent of SSI. The exceptions are Alaska, Delaware, and Missouri, which limit eligibility to individuals with income up to 246 percent of SSI, 250 percent of SSI, and \$1,113 respectively.

States that do not exercise the medically needy option have the option to extend eligibility through the Special Income Rule. Under the Special Income Rule, individuals qualify for Medicaid so long as their income does not exceed the state's special income limit (SIL) and their resources fall within the SSI standard. If their income is even \$1 over the limit, that individual would not qualify for Medicaid services.

However, if a state chooses to offer the Special Income Rule and it does not have a medically-needy program, federal law requires that state to permit an Income Cap Trust (more commonly known as a Miller Trust). A Miller Trust is a trust used specifically to meet the state's income threshold for Medicaid eligibility. In Miller Trust states, individuals with "excess" income -- that is income that exceeds the Special Income Limit -- may assign the "excess" to the Trust. Monies in the trust may be used only to pay for specific costs, such as the support of a community spouse. The remainder of the income in the trust must be used to pay Medicaid, either annually or at the death of the beneficiary.



A Miller Trust ensures that individuals with high nursing home expenses have access to Medicaid coverage even if their income exceeds the Special Income Limit.

The federal law that links the state's application of the special income rule to its medically-needy coverage implies that any assessment of access based on financial eligibility standards must account for all the pathways adopted by the state. Focusing only on a single eligibility pathway would provide an incomplete picture of the state's overall accessibility, particularly since states have the option to select any number of optional eligibility pathways.

In fact, states may choose to establish both Special Income and medically-needy pathways. In total, 39 states and the District of Columbia apply a Special Income Rule for nursing home residents and an additional four states apply the rule only to HCBS waiver recipients. Twenty-three states allow a Miller Trust for HCBS waiver recipients, whereas 21 do not.

The choice of whether to permit a Miller Trust affects the income threshold: the 21 states (including the District of Columbia) that do not permit one effectively have a lower income standard than states that do. Similarly, the amount that is allowed in the Miller Trust also affects the income threshold. Of the 23 states with a Miller Trust, the majority of states do not impose a cap on the amount that may be transferred to the trust; whereas, six states impose limits or

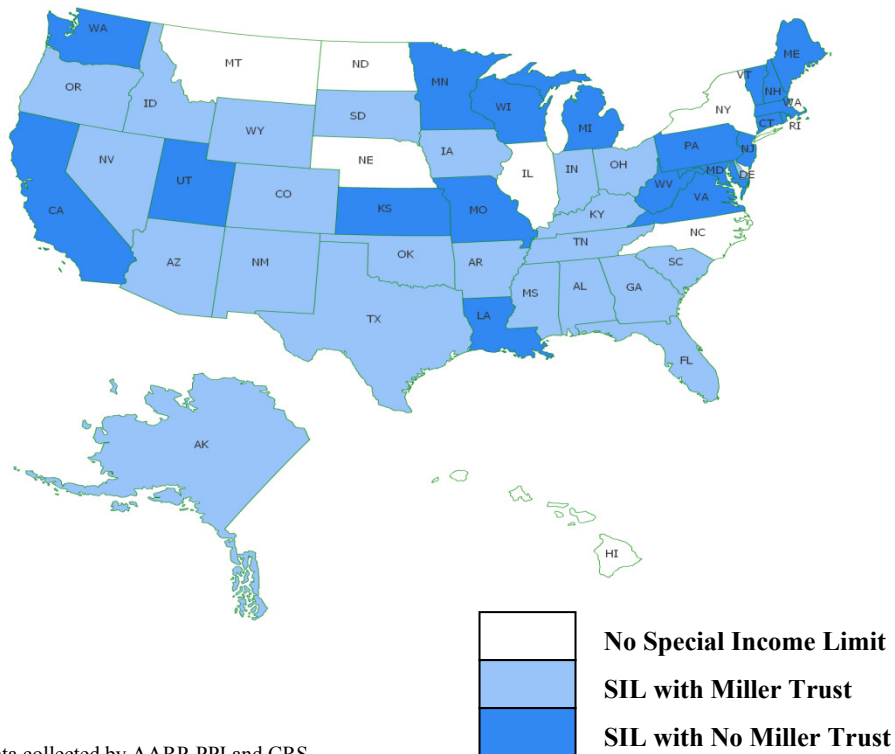
special provisions. Effectively, these six states have a lower income limit; although, it is unclear how many individuals are restricted by the limit. Table A4 in the appendix lists the income limits for each of these Special Income states.

Given the paper's particular focus on access to HCBS waiver programs, figure 4 highlights cross-state differences in standards for HCBS waiver recipients. There are three groups of states: those that apply the Special Income Rule and allow a Miller Trust for HCBS waiver recipients, those that have a Special Income Rule but do not permit a Miller Trust, and those that do not furnish HCBS waiver services to individuals under the SIL.

#### **1915(i), State Plan Amendment Group**

The Deficit Reduction Act of 2005 established a new optional eligibility group through which states may enroll individuals for HCBS. Under Section 1915(i) of the Social Security Act, states have the option to offer Medicaid HCBS through a state plan amendment. The newly enacted Patient Protection and Affordable Care Act (ACA) of 2010 broadened this provision to confer full Medicaid benefits to certain Medicaid eligible groups. It is still too early to know how many states will exercise this option. As of this writing, only five states (Colorado, Iowa, Nevada, Washington, and Wisconsin) have exercised the 1915(i) state plan amendment option to offer HCBS to targeted populations.<sup>19</sup>

**Figure 4**  
**Distribution of States with Special Income Limit (SIL) and**  
**Miller Trust for HCBS Waiver Recipients**



Source: Survey data collected by AARP-PPI and CRS

## Protections for Spouses Living at Home

***Findings: In 2009, five states failed to offer the spouses of HCBS waiver recipients the full level of income and/or asset protection afforded the spouses of nursing home residents. In addition, 12 states allowed only the minimum income allowance for community spouses.***

Special rules apply to married couples when one spouse requires nursing home care and applies for Medicaid. Eligibility rules that apply in this instance are meant to protect the spouse living at home from impoverishment. Medicaid requires a single person to spend-down his or her assets to the state's resource level, which is generally \$2,000. Applying a similar rule to married couples and their combined assets when one spouse continues to

remain at home imposes an undue hardship for the community-living spouse. Consequently, Medicaid allows the community spouse to retain a greater portion of the couple's assets than that allowed single persons. This amount is referred to as the Community Spouse Resource Allowance.

Under federal rules, the couple's assets are combined and the spouse is allowed to retain the higher of half of the combined assets, up to a maximum of \$109,560 (in 2009 and 2010), or the state's standard. The state's standard can be no lower than \$21,912 in 2009 (and 2010). States may set a standard anywhere between \$21,912 and \$109,560. If the state chooses a standard of \$25,000, then \$25,000 is the effective minimum resource level that the community spouse may retain. The computation of how much the spouse may retain is as follows. Suppose the

state's limit is \$25,000. If half of the couple's combined assets are below \$25,000, then the community spouse must be allowed to retain up to \$25,000; in this case, the community spouse may retain more than half. If, on the other hand, half of the combined assets is \$30,000, then the community spouse must be allowed to retain \$30,000.

After establishing the Community Spouse Resource Allowance, all remaining assets must then be applied toward the cost of the individual's care in a nursing home. The maximum and minimum Community Spouse Resource Allowance is indexed to inflation.

Medicaid also applies special consideration to married couples' incomes to protect the community spouse when the other spouse enters a nursing home. The incomes of both spouses are not combined during eligibility assessment. The income of the community spouse is attributed entirely to the community spouse and is not made available to the nursing home resident. Income that is received jointly is divided equally between both spouses. States are required to establish a minimum Maintenance of Needs Allowance (MMNA) for the community spouse, which ranged from \$1,821 to \$2,739 in 2009 (and 2010). If the income of the community spouse is less than the state's spousal allowance, the nursing home resident may assign some of his or her income to the community spouse to make up the difference. States may allow the community spouses to retain more than the minimum amount if shelter costs are high or additional dependents are living at home; however, it can be no higher than \$2,739 for 2009 (and 2010). Exceptions can be made by court order or under exceptional circumstances.

Table A5 in the appendix shows the protected income and resources for

community spouses. The majority of states select the maximum resource amount as the state's minimum. Twelve states allow only the minimum income allowance for community spouses, however.

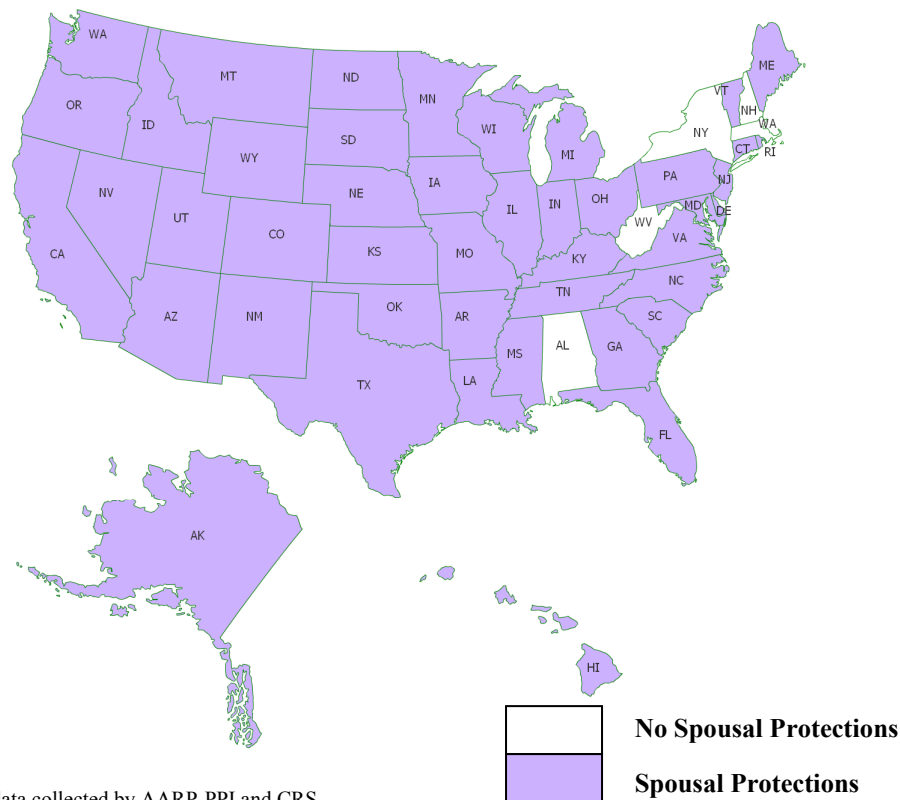
States are required to apply these spousal protection rules to married couples when one spouse is in a nursing home. These rules are a critical tool for avoiding the impoverishment of the community spouses of nursing home residents. However, states are not required to apply the same protections to spouses of persons receiving Medicaid HCBS waiver services. HCBS waiver programs are required to allow some protections for the community spouse's maintenance needs, but federal rules do not require similar protections as those required for spouses of Medicaid nursing home residents. The lack of adequate spousal protections could deter many individuals from seeking Medicaid HCBS and effectively limits access to HCBS. Figure 5 indicates that Alabama, Massachusetts, New Hampshire, New York, and West Virginia fail to offer the spouses of waiver recipients the full level of income and/or asset protection afforded the spouses of nursing home residents.

Beginning in January 2014, however, states are required to apply the same spousal protections for HCBS recipients as they do for nursing home residents. The statute requires parity in protections for only five years, and it is unclear if states or the federal government will choose to extend these spousal protections beyond the five-year requirement.

### **Post-Eligibility Treatment of Income**

If an individual becomes eligible for Medicaid coverage through the Special Income Rule, Medicaid requires the

**Figure 5**  
**Distribution of States Extending Spousal Impoverishment Protections to HCBS Waiver Recipients**



Source: Survey data collected by AARP-PPI and CRS

individual to share in the cost of the services they receive. This applies to individuals in a nursing home and to those receiving HCBS waiver services. These post-eligibility rules determine how much income the individual may retain and how much must be applied toward the cost of care. Rules vary, however, depending on whether the individual is in a nursing home or receiving HCBS.

#### **Personal Needs Allowance for Nursing Home Residents**

**Findings: States generally provide limited Personal Needs Allowance for nursing home residents, ranging from \$30 to \$70 in 2009.**

For persons residing in a nursing home, Medicaid allows the resident to retain only a small amount of income each

month, called a Personal Needs Allowance (PNA). Federal law establishes a minimum PNA of \$30 a month for an individual (\$60 for couples). States may set higher levels. As we see from table A6 in the appendix, states vary somewhat in the PNA chosen but the level is universally limited.

If the resident is single, the resident may set aside the PNA, a family allowance, and any medical expenses incurred by the nursing home resident. Amounts beyond that are applied to the cost of care, and Medicaid pays the remainder of the nursing home cost. If the resident is married, however, in addition to the PNA, a family allowance, and any medical expenses incurred by the nursing home resident, the resident may also set aside the community spouse's

monthly income allowance.<sup>20</sup> The remainder is then applied to the cost of care. Medicaid residents may use the PNA to pay for clothing, reading materials, telephone, television or radio for personal use, special foods, or toiletries that are in excess of those provided by the facility.

SSI recipients who are expected to remain in the nursing home for more than three months and for whom Medicaid pays more than half of their costs in the nursing home are also subject to the PNA requirements and must contribute their cost of care. SSI recipients who expect to return to the community within three months, however, are exempt from the cost-sharing requirement and may retain their income.

#### Maintenance Needs Allowance for HCBS Recipients

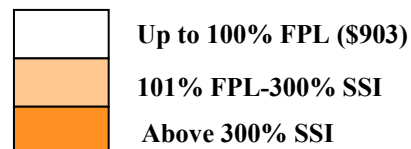
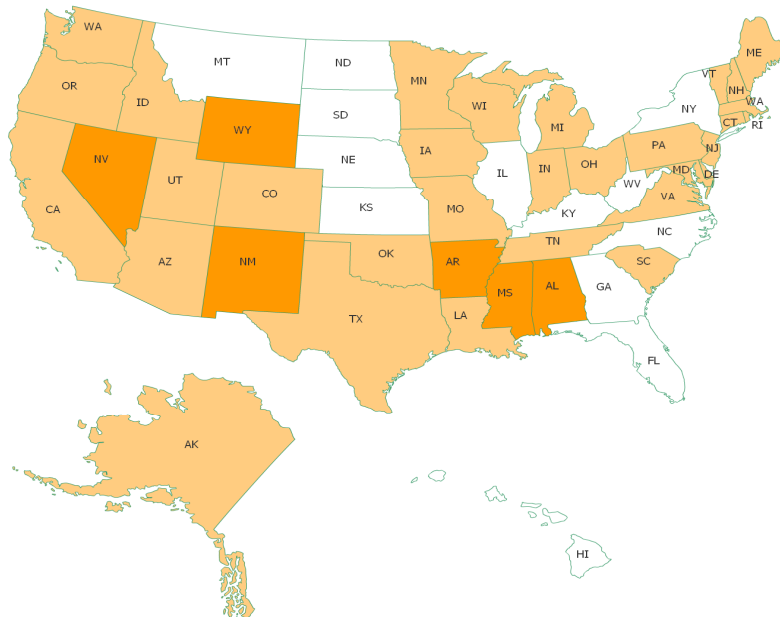
**Finding: Maintenance Needs Allowance (MNA) for HCBS waiver recipients vary**

**tremendously across states. Six states allow waiver participants to retain unlimited income, while 13 states set MNA at or below 100% of the FPL (\$903 in 2009).**

The maintenance needs allowance (MNA) is the equivalent of the PNA, but applies to HCBS waiver recipients. Individuals with income in excess of the state's MNA are subject to cost-sharing, just as nursing home residents are when their income exceeds their PNA.

The MNA varies tremendously across states. As noted earlier, the MNA enables an individual to afford the costs associated with living at home or in the community, such as food, utilities, taxes, home repairs, and any rent or mortgage payments. If the MNA is inadequate, the individual may be hard-pressed to remain in the community and may have to resort to residing in an institution. This allowance is one critical

**Figure 6**  
**Variation in Maintenance Needs Allowance for HCBS Recipients**



Source: Survey data collected by AARP-PPI and CRS

measure of access to HCBS waiver services in the state.

Figure 6 shows the MNA in each state. Six states allow waiver recipients to retain an unlimited amount with a Miller Trust. Thirty-one states and the District of Columbia allow recipients to retain enough income to keep them out of poverty. Thirteen states, however, fail to provide for an adequate allowance for HCBS waiver participants. These states have an MNA that is at or below 100% of the FPL, which was \$903 in 2009 (\$1,128 for Hawaii). States that allow higher MNA recognize that certain costs are inherent in community living, and that additional resources over the amount allowed for persons in nursing homes are necessary to cover these costs and remain in the community.

## Discussion

This paper focuses on an important dimension of access to Medicaid nursing home services and HCBS: state Medicaid financial eligibility standards. In particular, this paper focuses on the extent to which financial eligibility standards for older persons and adults with disabilities vary across states and the implications for accessing LTSS.

Because Medicaid is a federal-state program, states must establish eligibility pathways and resource limits that conform to federal guidelines. States are required to extend eligibility to certain required groups, such as the SSI-eligible population; consequently, they have limited influence over access for this population. However, states can choose to extend coverage to an expanded population, and they also determine the income and asset limits for eligibility and post-eligibility for these optional groups. It is along these dimensions that states have considerable leeway to influence access to both nursing home and HCBS waiver services.

As the paper highlighted, states choose different pathways through which to enroll the OP/PD population: Poverty-Level Coverage, Medically-Needy, adoption of Special Income Rule and, in the future, possibly the 1915(i) HCBS state plan amendment. The choice of pathways affects who becomes eligible for Medicaid. States that choose Poverty-Level Coverage provide access to a larger pool of persons than those that do not. Similarly, states that adopt the Special Income Rule and permit the assignment of excess income to a Miller Trust for HCBS waiver recipients, as opposed to states that do not, are effectively making a decision about access to Medicaid HCBS.

Our survey found areas in which states could improve access to nursing home and HCBS through changes to their financial eligibility standards. At a minimum, states should apply eligibility rules for HCBS waiver recipients that are similar to the rules for nursing home residents. This would remove some of the incentives that inadvertently direct individuals to nursing home care rather than HCBS. States could also take more affirmative steps to improve access to HCBS. One such step would be to reevaluate the allowance that HCBS recipients are permitted to retain for housing and personal needs. Adequate resources are essential for individuals to remain in their home. Many states, however, continue to permit only the most basic level for these recipients. From an individual's perspective, establishing more realistic MNA for HCBS recipients would enable more persons to remain in their home for longer. From a state's perspective, this approach may delay or avert the need for Medicaid nursing home services. In the long run, providing HCBS in lieu of nursing home care may be a more cost-effective approach to financing LTSS for the state.<sup>21</sup>

## Appendix

<b>Table A1</b>				
<b>Income and Asset Standards for 209(b) States</b>				
	<b>Individual</b>		<b>Couple</b>	
	Income	Resource	Income	Resource
Connecticut	\$842	\$1,600	\$1,286	\$2,400
Hawaii	\$1,039	\$2,000	\$1,397	\$3,000
Illinois	\$903 <sup>1</sup>	\$2,000	\$1,011 <sup>1</sup>	\$3,000
Indiana	\$674	\$1,500	\$1,011	\$2,250
Minnesota	\$482	\$3,000	\$602	\$6,000
Missouri	\$768	\$1,000	\$1,033	\$2,000
New Hampshire	\$688	\$1,500	\$1,012	\$1,500
North Dakota	\$750	\$3,000	\$1,008	\$6,000
Ohio	\$589	\$1,500	\$1,011	\$2,250
Oklahoma	\$716	\$2,000	\$1,054 if one spouse is eligible; \$1,095 if both spouses are eligible	\$3,000
Virginia	\$722	\$2,000	\$972	\$3,000
Source: Based on survey data collected by AAPR-Public Policy Institute and the Congressional Research Service				
Notes: 1. Data from <a href="http://www.illinoislegalaid.org/index.cfm?fuseaction=home.dsp_content&amp;contentID=1380">http://www.illinoislegalaid.org/index.cfm?fuseaction=home.dsp_content&amp;contentID=1380</a>				

<b>Table A2</b>		
<b>Poverty Level Coverage and Income Limit</b>		
	<b>Any Poverty Level Coverage</b>	<b>Poverty Level Income Limit</b>
Alabama	No	
Alaska	No	
Arkansas	Yes	80%
Arizona	Yes	100%
California	Yes	100%
Colorado	No	
<i>Connecticut</i>	No	
Delaware	No	
District of Columbia	Yes	100%
Florida	Yes	88%
Georgia	No	
<i>Hawaii</i>	Yes	100%
Idaho	No	
<i>Indiana</i>	No	
<i>Illinois</i>	Yes	100%
Iowa	No	
Kansas	No	
Kentucky	No	
Louisiana	No	
Maine	Yes	100%
Maryland	No	
Massachusetts	Yes (for aged only)	100%
Michigan	Yes	100%
<i>Minnesota</i>	Yes	95%
Mississippi	No	
<i>Missouri</i>	Yes	85%
Montana	No	
Nebraska	Yes	100%
Nevada	No	
<i>New Hampshire</i>	No	
New Jersey	Yes	100%
New Mexico	No	
New York	No	
North Carolina	Yes	100%
<i>North Dakota</i>	No	
<i>Ohio</i>	No	
<i>Oklahoma</i>	Yes	100%
Oregon	No	
Pennsylvania	Yes	100%
Rhode Island	Yes	100%
South Carolina	Yes	100%
South Dakota	No	
Tennessee	No	
Texas	No	
Utah	Yes	100%



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<b>Table A2 (continued)</b>		
	<b>Any Poverty Level Coverage</b>	<b>Poverty Level Income Limit</b>
Vermont	Yes	100%
<i>Virginia</i>	Yes	80%
Washington	No	
West Virginia	No	
Wisconsin	No	
Wyoming	No	
Source: Based on survey data collected by AAPR-Public Policy Institute and the Congressional Research Service		
Notes: Italicized states are 209(b) states		

<b>Table A3</b> <b>Income and Asset Limits of Medically-Needy States</b>							
	<b>Medically Needy Coverage</b> For HCBS Waiver Cover MN? Recipients		<b>Income Limit</b> Single Couple		<b>Asset Limits</b> Single Couple		<b>Budget Period for Spend-Down Computation</b>
Alabama <sup>1</sup>	---						
Alaska	---						
Arkansas	Yes	No	\$108	\$217	\$2,000	\$3,000	3 months
Arizona	---						
California	Yes	Yes	\$600	\$934	\$2,000	\$3,000	1 month
Colorado	---						
Connecticut	Yes	Yes	\$611	\$778	\$1,600	\$2,400	6 months
Delaware	---						
District of Columbia	Yes	Yes	\$577	\$607	\$4,000	\$6,000	no more than 6 months <sup>2</sup>
Florida	Yes	No	\$180	\$241	\$5,000	\$6,000	1 month
Georgia	Yes	No	\$317	\$375	\$2,000	\$3,000	1 month
Hawaii	Yes	Yes	\$469	\$632	\$2,000	\$3,000	1 month
Idaho	---						
Illinois	Yes	Yes	\$903	\$1,214	\$2,000	\$3,000	1 month
Indiana	---						
Iowa	Yes	No	\$483	\$483	\$10,000	\$10,000	2 months
Kansas	Yes	Yes	\$475	\$475	\$2,000	\$3,000	6 months
Kentucky	Yes	Yes	\$217	\$267	\$2,000	\$4,000	1, 2, or 3 months <sup>3</sup>
Louisiana	Yes	Yes	\$100	\$192	\$2,000	\$3,000	3 months
Maine	Yes	Yes	\$903	\$1,215	\$2,000	\$3,000	6 months
Maryland	Yes	Yes	\$350	\$392	\$2,500	\$3,000	6 months
Massachusetts	Yes	Aged only	\$522	\$650	\$2,000	\$3,000	6 months
Michigan	Yes	Yes <sup>15</sup>	\$903	\$1,215	\$2,000	\$3,000	1 month
Minnesota	Yes	Yes	\$467	\$583	\$3,000	\$6,000	6 months
Mississippi	---						
Missouri	---						
Montana	Yes	Yes	\$625	\$625	\$2,000	\$3,000	1 month
Nebraska	Yes	Yes	\$903	\$1,215	\$4,000	\$6,000	1 month
Nevada	---						
New Hampshire	Yes	Yes	\$591	\$675	\$2,500	\$4,000	1 or 6 months <sup>12</sup>
New Jersey	Yes	No <sup>16</sup>	\$367	\$434	\$4,000	\$6,000	6 months
New Mexico	---						
New York	Yes	Yes	\$767	\$1,117	\$13,800	\$20,100	6 months
North Carolina	Yes	Yes <sup>17</sup>	\$242	\$317	\$2,000	\$3,000	6 months
North Dakota	Yes	Yes	\$750	\$1,008	\$3,000	\$6,000	1 month
Ohio	---						
Oklahoma	---						
Oregon	---						

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**Table A3 (continued)**

	<b>Medically Needy Coverage</b>		<b>Income Limit</b>		<b>Asset Limits</b>		<b>Budget Period for Spend-Down Computation</b>
	Any?	For HCBS Waiver Recipients	Single	Couple	Single	Couple	
Pennsylvania <sup>7</sup>	Yes	Yes	\$425	\$442	\$2,400	\$3,200	6 months
Rhode Island	Yes	Yes	\$800	\$842	\$4,000	\$6,000	6 months
South Carolina	---						
South Dakota	---						
Tennessee <sup>10</sup>	---						
Texas	---						
Utah	Yes	Yes	\$903	\$903	\$2,000	\$3,000	1 month
Vermont	Yes	Yes	\$991	\$991	\$2,000	\$3,000	1 or 6 months <sup>4</sup>
<i>Virginia</i>	Yes	Yes	\$421	\$508	\$2,000	\$3,000	1 month <sup>5</sup>
Washington	Yes	Yes	\$674 <sup>11</sup>	\$674 <sup>11</sup>	\$2,000	\$3,000	Depends <sup>6</sup>
West Virginia	Yes	No <sup>8</sup>	\$200 <sup>14</sup>	\$275 <sup>14</sup>	\$2,000	\$3,000	Data not available
Wisconsin	Yes	Yes	\$592	\$592	\$2,000	\$3,000	6 months
Wyoming	---						

Source: Based on survey data collected by AAPR-Public Policy Institute and the Congressional Research Service

Notes: 1. Alabama data from Kaiser's Fact Sheet on Medicaid Financial Eligibility and Alabama's 1915(c) HCBS waiver application form, available at: [http://www.medicaid.alabama.gov/documents/Program-LTC/Archive/3D-1a-2-CMS.Waiver.Request\\_Revised\\_6-11-09.pdf](http://www.medicaid.alabama.gov/documents/Program-LTC/Archive/3D-1a-2-CMS.Waiver.Request_Revised_6-11-09.pdf)

2. The spend-down eligibility unit will determine the budget period based on what is in the best interest of the applicant.

3. 1, 2, or 3 months depending on what is in the best interest of the client.

4. 1 month for long-term care; 6 months for community Medicaid.

5. 6 months; but 1 month for medically-needy institutionalized.

6. The retroactive base period may be 1, 2, or 3 months, depending on the client's circumstances and eligibility. The prospective base period may be either 3 or 6 months and is the client's option.

7. The income limits for individuals and couples are \$2,550/semi-annually and \$2,650/semi-annually, respectively.

8. Data from West Virginia's Department of Health and Human Services' webpage. Medically-needy coverage is available only to nursing home residents and not to HCBS waiver recipients. Source: [http://www.wvdhhr.org/bcf/family\\_assistance/medicaid.asp](http://www.wvdhhr.org/bcf/family_assistance/medicaid.asp)

9. Italicized states are 209(b) states, which are required to allow spend-down.

10. Tennessee's medically-needy program only extends to children and pregnant women.

Source: [http://www.tennessee.gov/humanserv/adfam/med\\_3.html](http://www.tennessee.gov/humanserv/adfam/med_3.html)

11. Data from Washington state's Department of Social and Health Services. Source: <http://hrs.a.dshs.wa.gov/eligibility/overview/MedicalOverviewMN.htm>

12. 1 or 3 months, is the client's option.

13. New York state's resource amount confirmed at:

[http://www.health.state.ny.us/health\\_care/medicaid/publications/docs/gis/09ma026.pdf](http://www.health.state.ny.us/health_care/medicaid/publications/docs/gis/09ma026.pdf)

14. For nursing home residents, each spouse is considered one person and MNIL for one-person is applied. Data from [http://www.wvdhhr.org/bcf/policy/imm/IMManualChanges/556/ch10\\_apa.pdf](http://www.wvdhhr.org/bcf/policy/imm/IMManualChanges/556/ch10_apa.pdf)

15. Data available at:

<http://www.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Michigan&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1216811&intNumPerPage=10>

16. Data available at:

<https://www.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=New%20Jersey&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1219295&intNumPerPage=10>

17. Data available at:

<http://www4.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=none&filterByDID=0&sortByDID=4&sortOrder=ascending&itemID=CMS1216755&intNumPerPage=30>

<b>Table A4</b> <b>States with Special Income Limits and Miller Trust</b>			
	Special Income Level	Miller Trust for Nursing Home and HCBS waivers	
		Any Miller Trust	Maximum Amount Allowed
Alabama	300% <sup>1</sup>	Yes <sup>1</sup>	Data not available
Alaska	246% <sup>2</sup>	Yes	Unlimited
Arkansas	300%	Yes <sup>6</sup>	Unlimited
Arizona	300%	Yes	Urban areas: \$5,808.25/month; rural areas: \$5,158.40/month <sup>3</sup>
California	300% for HCBS waivers	No	---
Colorado	300%	Yes	Up to regional private pay rate
Connecticut	300%	No	---
Delaware	250%	Yes	Unlimited
District of Columbia	300%	No	---
Florida	300%	Yes	Unlimited
Georgia	300%	Yes	Unlimited
Hawaii	---	---	---
Idaho	300%	Yes	Unlimited
Illinois	---	---	---
Indiana	300% for OP/PD waiver <sup>8</sup>	Yes <sup>8</sup>	Data not available
Iowa	300%	Yes	Unlimited
Kansas	300%	No	---
Kentucky	300%	Yes	Unlimited
Louisiana	300%	No	---
Maine	300%	No	---
Maryland	300%	No	--
Massachusetts	300% for HCBS waivers	No	---
Michigan	300%	No	---
Minnesota	300%	No	---
Mississippi	300%	Yes	Unlimited, with provisions <sup>4</sup>
Missouri	\$1,113 for OP/AL waivers <sup>9</sup>	No	---
Montana	---	---	---
Nebraska	---	---	---
Nevada	300%	Yes	Unlimited
New Hampshire	300%	No	---
New Jersey	300%	No	---

Table A4 (continued)			
	Special Income Level	Miller Trust for Nursing Home and HCBS waivers	
		Any Miller Trust	Maximum Amount Allowed
New Mexico	300%	Yes	Unlimited
New York	---	---	---
North Carolina	---	---	---
<i>North Dakota</i>	---	---	---
<i>Ohio</i>	300%	Yes <sup>10</sup>	Data not available
<i>Oklahoma</i>	300%	Yes	\$3,000
Oregon	300%	Yes	\$6,494
Pennsylvania	300%	No	---
Rhode Island	300%	No	---
South Carolina	300%	Yes	Unlimited
South Dakota	300%	Yes	Unspecified, with provisions <sup>5</sup>
Tennessee	300%	Yes	Unlimited
Texas	300%	Yes	Unlimited
Utah	300%	No	---
Vermont	300%	No	---
<i>Virginia</i>	300%	No	---
Washington	300%	No	---
West Virginia	300%	No	---
Wisconsin	300%	No	---
Wyoming	300%	Yes	Unlimited

Source: Based on survey data collected by AAPR-Public Policy Institute and the Congressional Research Service

Notes: 1. Data on special income limit are from the state's 1915(c) HCBS waiver application form. Data on Miller Trust for HCBS recipients are inferred from information on the personal needs allowance provided in the 1915(c) application form, which is available at: [http://www.medicaid.alabama.gov/documents/Program-LTC/Archive/3D-1a-2-CMS.Waiver.Request\\_Revised\\_6-11-09.pdf](http://www.medicaid.alabama.gov/documents/Program-LTC/Archive/3D-1a-2-CMS.Waiver.Request_Revised_6-11-09.pdf).

2. \$1656/month in 2009

3. These amounts are the average private pay rates for nursing facilities in Arizona and are established each year, effective every October 1.

4. If income is sufficient to pay private pay, no trust would be granted

5. There is no specific maximum amount, however, if income placed in the trust exceeds the amount paid out of the trust for medical services, the excess is subject to penalties under the transfer of assets provisions.

6. Data for Arkansas' HCBS eligibility standards from the state's 1915(c) HCBS waiver application form available at: <https://www.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Arkansas&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1229162&intNumPerPage=10>

7. Italicized states are 209(b) states.

8. Data from Indiana's 1915(c) waiver application form at <https://www.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Indiana&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1216805&intNumPerPage=10>

9. Data from Missouri's 1915(c) waiver application for assisted living (AL) for OP/PD population at <https://www.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Missouri&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1217755&intNumPerPage=10> and form 1915(c) waiver application for Older Persons (including those with physical disabilities) waiver at <https://www.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Missouri&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1217557&intNumPerPage=10>

10. Data from Ohio's 1915(c) HCBS wavier application at <https://www.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Ohio&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1224835&intNumPerPage=10>

<b>Table A5</b>			
<b>Spousal Impoverishment Standards and Spousal Protections for HCBS Recipients</b>			
	<b>Spousal Income Allowance</b>	<b>Minimum Community Resource Standard (Maximum: \$109,560)</b>	<b>Spousal Protections For HCBS Recipients</b>
Alabama	\$1,821 <sup>1</sup>	\$25,000 <sup>1</sup>	No <sup>2</sup>
Alaska	\$2,739	\$109,560	Yes
Arkansas	\$1,821	\$21,912	Yes
Arizona	\$1,821 - \$2,739	\$21,912	Yes
California	\$2,739	\$109,560	Yes
Colorado	\$2,739	\$109,560	Yes
<i>Connecticut</i>	\$1,821 - \$2,739	\$21,912	Yes
Delaware	\$1,821 - \$2,739	\$25,000	Yes
District of Columbia	\$2,739	\$21,912	Yes
Florida	\$1,821	\$109,560	Yes
Georgia	\$2,739	\$109,560	Yes
<i>Hawaii</i>	\$2,739	\$109,560	Yes
Idaho	\$1,821 - \$2,739	\$21,912	Yes
<i>Illinois</i>	\$2,739	\$109,560	Yes
<i>Indiana</i>	\$2,739 (includes shelter allowance)	\$21,912	Yes
Iowa	\$2,739	\$109,560	Yes
Kansas	\$1,821 - \$2,739	\$21,912	Yes
Kentucky	\$1,821 - \$2,739	\$21,912	Yes
Louisiana	\$2,739	\$109,560	Yes
Maine	\$1,821	\$109,560	Yes
Maryland	\$1,821 - \$2,739	\$21,912	Yes
Massachusetts	\$2,739	\$109,560	No <sup>3</sup>
Michigan	Maximum of \$2,739	\$21,912	Yes
<i>Minnesota</i>	\$1,821 - \$2,739	\$31,094	Yes
Mississippi	\$2,739	\$109,560	Yes
<i>Missouri</i>	\$1,821 - \$2,739	\$21,912	Yes
Montana	\$1,821	\$21,912	Yes
Nebraska	\$2,739	\$21,912	Yes
Nevada	\$1,821. With court order, \$2,739	Minimum \$21,912. With court order, \$109,560	Yes
<i>New Hampshire</i>	\$1,821 - \$2,739	\$21,912	No
New Jersey	\$2,739	\$25,000	Yes
New Mexico	\$1,821	\$109,560	Yes
New York	\$2,739	\$74,820.	No
North Carolina	\$1,821	\$21,912	Yes
<i>North Dakota</i>	\$2,267	\$21,912	Yes
<i>Ohio</i>	\$2,739	\$21,912	Yes
<i>Oklahoma</i>	\$2,739	\$21,912	Yes
Oregon	\$1,821	\$109,560	Yes

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Table A5 (continued)			
	Spousal Income Allowance	Minimum Community Resource Standard (Maximum: \$109,560)	Spousal Protections For HCBS Recipients
Pennsylvania	\$1,821 - \$2,739	\$21,912	Yes
Rhode Island	\$2,739	\$109,560	Yes
South Carolina	\$2,739	\$66,480	Yes
South Dakota	\$1,821	\$21,912	Yes
Tennessee	\$2,739	\$109,560	Yes
Texas	\$2,739	\$21,912	Yes
Utah	\$1,821	\$21,912	Yes
Vermont	\$1,821	\$109,560	Yes
<i>Virginia</i>	\$1,821	\$21,912	Yes
Washington	\$1,821 - \$2,739	\$48,639	Yes
West Virginia	\$1,821 - \$2,739 <sup>4</sup>	Data not available	No <sup>5</sup>
Wisconsin	\$2,428 plus shelter costs in excess of \$728.50	\$21,912	Yes
Wyoming	\$2,739	\$109,560	Yes

Source: Based on survey data collected by AAPR-Public Policy Institute and the Congressional Research Service

Notes: 1. Data from Alabama Medicaid Agency webpage, available at: [http://www.medicaid.state.al.us/documents/apply/2B-Qualifying/2.2\\_Medicaid\\_EandD\\_handout\\_Revised\\_1-20-10.pdf](http://www.medicaid.state.al.us/documents/apply/2B-Qualifying/2.2_Medicaid_EandD_handout_Revised_1-20-10.pdf)

2. Data from Alabama's 1915(c) HCBS waiver application form, available at: [http://www.medicaid.alabama.gov/documents/Program-LTC/Archive/3D-1a-2-CMS.Waiver.Request\\_Revised\\_6-11-09.pdf](http://www.medicaid.alabama.gov/documents/Program-LTC/Archive/3D-1a-2-CMS.Waiver.Request_Revised_6-11-09.pdf)

3. Data from Massachusetts 1915(c) HCBS waiver application form, available at: <https://www.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Massachusetts&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1219293&intNumPerPage=10>

4. Data from West Virginia's Department of Health and Human Resources document, available at: <http://www.wvdhhr.org/oig/bor/decision%20categories/ltc%20hearings/2010%20ltc/LTC-2142-0110.pdf>

5. Data from West Virginia's 1915(c) HCBS waiver application form, available at: <http://www.wvdhhr.org/bms/obehaltcare/marcus%20waiver.htm>

6. Italicized states are 209(b) states.

<b>Table A6</b> <b>Personal Allowances for Nursing Home Residents and HCBS Recipients</b>			
	<b>Nursing Home</b>	<b>HCBS Recipients</b>	
	Personal Needs Allowance	Maintenance Needs Allowance (MNA)	Methodology Used to calculate MNA
Alabama	\$20; \$120 if VA benefits are reduced to \$90	Unlimited with a Miller Trust*	Total income as determined under post-eligibility process, which includes income in a Miller Trust
Alaska	\$75; \$90 for veterans	\$1,656	\$1,656
Arkansas	\$40	Unlimited with a Miller Trust*	Total income as determined under post-eligibility process, which includes income in a Miller Trust
Arizona	\$101 <sup>1</sup>	\$2,022*	300% SSI. No cost-share, unless individual has a Miller Trust. Then, amounts accumulated in Miller Trust reverts to the state when the patient dies
California	\$35	Varies, but no more than \$2,022 <sup>9</sup>	Sum of (1) income standard used to determine eligibility/share of costs; plus (2) any amount of income disregarded during section 1902(a)(10)(A)(ii)(VI)—HCBS waiver—eligibility
Colorado	\$50; \$90 for veterans; \$30 for SSI recipients	\$2,022*	300% SSI if not in an Alternate Care Facility
Connecticut	\$69	\$1,805	200% FPL
Delaware	\$44	\$1,685	250% SSI
District of Columbia	\$70	\$2,022	300% SSI
Florida	\$35	\$674*	100% SSI
Georgia	\$50	\$674	100% SSI
Hawaii	\$50	\$1,128	100% FPL if living at home; \$469 if living in a community care foster family home. <sup>4</sup>
Idaho	\$40	If paying rent: \$1,011; if no rent: \$674*	If paying rent: 150% SSI; if no rent: 100% SSI
Illinois	\$30	\$674*	100% SSI
Indiana	\$52	\$2,022*	300% SSI
Iowa	\$50	\$2,022+trust fees <sup>10</sup>	300% SSI <sup>10</sup>
Kansas	\$62	\$727*	\$727
Kentucky	\$40	\$694	100% SSI plus \$20
Louisiana	\$38	\$2,022	300% SSI
Maine	\$40	\$1,128	125% FPL
Maryland	\$71	\$2,022	300% SSI
Massachusetts	\$73 <sup>2</sup>	\$2,022*	300% SSI
Michigan	\$60	\$2,022*	300% SSI
Minnesota	\$89	\$935	\$935
Mississippi	\$44	Unlimited with a Miller Trust*	Total income as determined under post-eligibility process, which includes income in a Miller Trust
Missouri	\$30	\$1,113*	The state's SIL for HCBS waivers <sup>7</sup>
Montana	\$50	\$625*	MNIL



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Table A6 (continued)			
	Nursing Home Personal Needs Allowance	HCBS Recipients	
		Maintenance Needs Allowance (MNA)	Methodology Used to calculate MNA
Nebraska	\$50	\$903*	100% FPL
Nevada	\$35	Unlimited with a Miller Trust*	Total income as determined under post-eligibility process, which includes income in a Miller Trust
<i>New Hampshire</i>	\$56	Varies by living arrangement	See Footnote 11
New Jersey	\$35	Up to \$2,022*	SSI+state supplement if in Assisted Living or Adult Family Care. Otherwise, 300% SSI.*
New Mexico	\$63	Unlimited with a Miller Trust*	Total income as determined under post-eligibility process, which includes income in a Miller Trust
New York	\$50	\$787	MNIL plus a \$20 income disregard
North Carolina	\$30	\$903 single; \$1,215 couple	\$903 single; \$1,215 couple
North Dakota	\$50	\$750	MNIL
<i>Ohio</i>	\$40	\$1,314	65% of 300% SSI for an individual <sup>8</sup>
<i>Oklahoma</i>	\$50	\$1,011	No cost-sharing; \$1,011 for persons in ADvantage Waiver in assisted living center
Oregon	\$30; \$90 if receiving VA benefits <sup>3</sup>	\$1,822	\$1,822
Pennsylvania	\$45/month	\$2,022	300% SSI
Rhode Island	\$50	\$923	\$922.50
South Carolina	\$30; \$100 in a work therapy program	\$2,022*	300% SSI
South Dakota	\$60	\$694	100% SSI plus \$20 <sup>6</sup>
Tennessee	\$50	\$1,348	200% SSI
Texas	\$60	\$2,022	300% SSI
Utah	\$45	\$903+allowances <sup>12</sup>	See Footnote 12
Vermont	\$48	\$991	MNIL
<i>Virginia</i>	\$40	Up to \$2,022 <sup>13</sup>	Varies, not to exceed 300% SSI <sup>13</sup>
Washington	\$41.62 for state funded clients; \$70.00 for veterans; \$57.28 all others.	Up to \$2,022 <sup>14</sup>	Varies, not to exceed the state's SIL (300% SSI). <sup>14</sup>
West Virginia	50; \$90 for persons entitled to \$90 reduced VA pension <sup>5</sup>	\$674	100% SSI
Wisconsin	\$45	Up to \$2,022 <sup>15</sup>	Varies, not to exceed 300% SSI <sup>15</sup>
Wyoming	\$50	Unlimited with a Miller Trust*	Total income as determined under post-eligibility process, which includes income in a Miller Trust

Source: Based on survey data collected by AAPR-Public Policy Institute and the Congressional Research Service

Notes: \* denotes that these states enroll individuals with income up to 300% of SSI in HCBS waiver services and they also permit Miller Trust, which implies that the MNA level is above \$2,022 (300% SSI). Data for these entries are from the state's Aged (and Disabled) HCBS waiver application forms, available for each individual state at: <http://www.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/list.asp>

**Table A6 (continued)**

1. Data from ALTCS webpage. Source: <http://www.arizonaseniorlaw.com/altcs-va/>
2. Data from MassHealth webpage. Exact PNA is \$72.80. Source: <http://www.mass.gov/Eeohhs2/docs/masshealth/el2009/el-191.pdf>
3. Data from Oregon Department of Human Services. Source: <http://apps.state.or.us/caf/arm/B/461-160-0620.htm>
4. Data from interview with Hawaii Medicaid official and from [http://hawaii.gov/dhs/main/har/har\\_current/1721.pdf](http://hawaii.gov/dhs/main/har/har_current/1721.pdf). 100% FPL for Hawaii is \$13,530/yr (or, \$1,128/month) for a single person.
5. Data from [http://www.wvdhhr.org/bcf/policy/imm/IMManualChanges/525/ch17\\_9.pdf](http://www.wvdhhr.org/bcf/policy/imm/IMManualChanges/525/ch17_9.pdf)
6. Data from South Dakota's Department of Social Services webpage, available at: <http://dss.sd.gov/medicaleligibility/longtermcare/elderly.asp>. If working an additional \$400 per month wages.
7. Participants residing in assisted living facilities pay for their room and board. Missouri will use 100% of the SSI Benefit rate plus \$30 for their allowance. Of this amount, \$30 is designated for the use of the participant. The remainder of the allowance is designated for payment towards the participant's room and board costs. The state assures that any income remaining after the amounts protected for necessary medical or remedial care is applied to the cost of home and community based services.
8. Data from Ohio's 1915(c) HCBS waiver application at <https://www.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Ohio&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1224835&intNumPerPage=10>
9. California's allows individuals with income up to 300% SSI to qualify for HCBS waivers. Individuals who qualify through this pathway could retain up to 300% SSI for MNA.
10. 300% of the SSI benefit and, for consumers who have a trust described in 1917(d)(4) of the Social Security Act (Miller Trust), an additional amount, not to exceed \$10 per month without court approval, can be set aside to pay for trust administrative fees.
11. The maintenance needs is determined as follows: \$1600/month is allowed for living expenses for participants living in their own homes. \$1000/month is allowed for living expenses for participants who live in the homes of their caregivers. Up to \$300 is allowed for court-ordered guardianship services. \$56 plus the cost of room and board is allowed for the monthly personal needs of participants living in residential care facilities or adult family care homes. This amount is established by law as the minimum personal needs allowance (RSA 167:27-a), and is periodically adjusted by the Department.
12. The maintenance needs is determined as follows: Up to \$125 of any earned income and a general disregard of 100% of the FPL for one person; plus shelter cost deduction for mortgage & related costs (property taxes, insurance, etc.) or rent, not to exceed \$300; plus the standard utility allowance Utah uses under Section 5(e) of the Food Stamp Act of 1977. Total shelter costs cannot exceed \$300 plus the standard utility allowance. If other family members live with the waiver client, an additional amount in recognition of higher expenses that a waiver client may have to meet the extra costs of supporting the other family members will be considered. The additional amount is the difference between the allowance for a family member defined in Section 1924(d)(1)(C) of the Social Security Act and the allowance for a family member defined in 42 CFR435.726(c)(3). Source:
13. The maintenance needs is determined as follows: The basic maintenance needs for an individual is equal to 165% of the SSI payment for one person. Due to expenses of employment, a working individual shall have an additional income allowance. For an individual employed 20 hours or more per week, earned income shall be disregarded up to a maximum of both earned and unearned income up to 300% of SSI; for an individual employed at least 8 hours but less than 20 hours per week, earned income shall be disregarded up to a maximum of both earned and unearned income up to 200% of SSI. If the individual requires a guardian or conservator who charges a fee, the fee, not to exceed an amount greater than 5% of the individual's total monthly income, is added to the maintenance needs allowance. However, in no case shall the total amount of the maintenance needs allowance (basic allowance plus earned income allowance plus guardianship fees) for the individual exceed 300% of SSI. Source: <http://www4.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Virginia&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1216568&intNumPerPage=10>
14. The maintenance needs is determined as follows: a) 100% of the Federal poverty level as a personal needs allowance, b) An allowance for the payment of guardianship fees of the individual under a Superior Court order of guardianship as allowed under the WAC, c) Earned income for the first \$65 plus one-half of the remaining earned income, d) total needs will not exceed SIL for the maintenance needs of the waiver participants. Source: <http://www4.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Washington&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1232685&intNumPerPage=10>
15. The maintenance need allowance is determined as follows: The basic needs allowance, indexed annually by the percentage increase in the state's SSI-E payment; plus an allowance for employed individuals equal to the first 65 dollars of earned income and ½ of remaining earned income; plus special exempt income which includes court ordered support amounts (child or spousal support) and court ordered attorney and /or guardian fees; plus a special housing amount that includes housing costs over \$350 per month. The total of these 4 allowances cannot exceed 300% of the SSI federal benefit. Source: <http://www4.cms.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=dual,%20data&filterValue=Wisconsin&filterByDID=2&sortByDID=2&sortOrder=ascending&itemID=CMS1216840&intNumPerPage=10>

## Acknowledgements

We thank Julie Stone from CRS for collaborating with us on collecting the data. We thank our advisory committee for their expert input and assistance in developing the survey instrument. The members were: Lisa Alecxih, Brian Burwell, Marybeth McCaffrey, Joanne McDonald, Robert Mollica, Roy Trudel, and Joshua Weiner. We thank Helen Brown for her tireless work developing the online survey instrument and Scott Talaga for validating the data. We are grateful to the Medicaid TAG committee for its assistance and we thank Wendy Fox-Grage, Enid Kassner, Susan Reinhard, Rhonda Richards, and Roy Trudel for their invaluable comments on the paper. Finally, we would like to express our sincere thanks to all the state Medicaid Directors and individuals from each state agency who generously offered their time and assistance in completing this survey.

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<sup>1</sup> The Medicaid program is, in fact, a broader program offering health and LTSS to more categories of individuals with limited resources than discussed in this paper. In addition to covering older persons and individuals with physical disabilities, Medicaid also covers persons who are blind, pregnant women and children, individuals with developmental disabilities or mental retardation and, beginning in 2014, certain low-income childless adults.

<sup>2</sup> In 2005, the Medicaid program financed 49 percent of total LTSS spending. The remaining share of LTSS spending was financed by the Medicare program (20%), out-of-pocket (18%), by private health and long-term care insurance (7%), and other private and public sources (6%). These data include home health care, which is a covered Medicare benefit. For more details about these statistics, see *2005 National Spending for Long-Term Care*, Long-Term Care Financing Project Fact Sheet, at <http://lrc.georgetown.edu/pdfs/natspendfeb07.pdf>

<sup>3</sup> In addition to satisfying the state's financial eligibility criteria, individuals must also satisfy the state's functional eligibility criteria to receive nursing home care or HCBS.

<sup>4</sup> Other factors may contribute to the difference in state HCBS spending, such as differences in political will, use of a global budget, infrastructure that supports HCBS, functional standards for HCBS, to name a few. This paper does not focus on these other factors.

<sup>5</sup> Data from B. Burwell, K. Sredl, and S. Eiken, *Medicaid Long-Term Care Expenditures FY 2008*, (Thomson Reuters, 2009) at [http://www.hcbs.org/moreInfo.php/topic/205/doc/2793/Medicaid\\_Long\\_Term\\_Care\\_Expenditures\\_FY\\_2008](http://www.hcbs.org/moreInfo.php/topic/205/doc/2793/Medicaid_Long_Term_Care_Expenditures_FY_2008).

<sup>6</sup> The most recent data on Medicaid financial eligibility standards (which does not include updated HCBS standards) can be found at Kaiser Commission on Medicaid and the Uninsured, *Medicaid Financial Eligibility: Primary Pathways for the Elderly and People with Disabilities* (Kaiser Family Foundation, Washington, DC: February 2010). The earlier data are in J. L. Stone, *Medicaid: Eligibility for the Aged and Disabled*, (Washington, DC: Congressional Research Service, July 2002); E. Kassner, *Medicaid Financial Eligibility for Older People: State Variations in Access to Home and Community-Based Waiver and Nursing Home Services*, (Washington, DC: AARP Public Policy Institute, April 2000); B.K. Bruen, J. M. Weiner, and S. Thomas, *Medicaid Eligibility Policy for Aged, Blind, and Disabled Beneficiaries* (Washington, DC: AARP Public Policy Institute, November 2003).

<sup>7</sup> Kaiser Commission on Medicaid and the Uninsured, *Medicaid Financial Eligibility: Primary Pathways for the Elderly and People with Disabilities* (Washington, DC: Kaiser Family Foundation, February 2010).

<sup>8</sup> We refer to the standard for determining the dollar value rather than the actual dollar value. For example: the special income limit remains at 300% of SSI although the dollar value of 300% of SSI has increased over time. Standards from 2000 can be found in J. L. Stone *Medicaid: Eligibility for the Aged and Disabled*, and E. Kassner, *Medicaid Financial Eligibility for Older People*.

<sup>9</sup> Fewer states apply inconsistent standards today than in 2000; the remaining states must apply similar standards starting in 2014 to comply with the recently enacted 2010 Patient Protection and Affordable Care Act.

<sup>10</sup> Specifically, we cross-reference our results with those published by Kaiser Commission on Medicaid and the Uninsured, *Medicaid Financial Eligibility*.

<sup>11</sup> Alabama did not complete the survey despite repeated attempts to contact them.

<sup>12</sup> We did not survey states on eligibility for the persons receiving state cash assistance. Data for that group are available at [http://www.ssa.gov/policy/docs/progdesc/ssi\\_st\\_asst/2008/ssi\\_st\\_asst08.pdf](http://www.ssa.gov/policy/docs/progdesc/ssi_st_asst/2008/ssi_st_asst08.pdf).

<sup>13</sup> The survey instrument also collected financial eligibility standards applicable to the Medicare Savings Program and other specific groups. We do not report these results here as this is not the focus of the paper.

<sup>14</sup> This is not an exhaustive list. For instance, states may choose to extend eligibility to persons who are receiving only state-provided cash assistance (State Supplemental Payments), those who are eligible for the Medicare Savings Program, and individuals with terminal illness receiving hospice care, among others. These other eligibility pathways are beyond the scope of this paper.

<sup>15</sup> See <http://www.ssa.gov/ssi/text-income-ussi.htm> for a list of items that are disregarded in the income computation for SSI.

<sup>16</sup> See <http://www.ssa.gov/ssi/text-resources-ussi.htm> for a list of items that are disregarded in the resource computation for SSI.

<sup>17</sup> These numbers include 209(b) states.

<sup>18</sup> That is, the former Aid to Families with Dependent Children standard.

<sup>19</sup> Data available at <http://www.hhs.gov/asl/testify/2010/06/t20100622a.html>

<sup>20</sup> More details of spousal impoverishment rules protections may be found at [http://www4.cms.gov/MedicaidEligibility/09\\_SpousalImpoverishment.asp](http://www4.cms.gov/MedicaidEligibility/09_SpousalImpoverishment.asp)

<sup>21</sup> H. S. Kaye, M. LaPlante, and C. Harrington, "Do Non-Institutional Long-Term Care Services Reduce Medicaid Spending?" *Health Affairs* 28, no. 1 (January/February 2009).

Insight on the Issues I-44, September, 2010

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