**Section 120.60 Community Cases**

The following subsections apply to persons or family units who reside in the community or community-based residential facilities or settings (such as a Community Living Facility, Special Home Placement, Home Individual Program or Community and Residential Alternatives (59 Ill. Adm. Code 120.10).

a) The eligibility period shall begin with:

1) the first day of the month of application;

2) the first day of any month, prior to the month of application, in which the person meets financial and non-financial eligibility requirements up to three months prior to the month of application, if the person so desires; or

3) the first day of a month, after the month of application, in which the person meets non-financial eligibility requirements.

b) Eligibility Without Spenddown for MANG

1) For MANG AABD, if the person's countable income available during the eligibility period is equal to or below the applicable MANG AABD income standard (Section 120.20) and nonexempt resources are not in excess of the applicable resource disregard (Section 120.382), the person is eligible for medical assistance from the first day of the eligibility period. The Department will pay for covered services received during the entire eligibility period.

2) For TANF MANG, if the person's countable income available during the eligibility period is equal to or below the applicable MANG standard (Sections 120.20 and 120.30), the person is eligible for medical assistance from the first day of the eligibility period. The Department will pay for covered services received during the entire eligibility period.

3) The person is responsible for reporting any changes that occur during the eligibility period that might affect eligibility for medical assistance. If changes occur, appropriate action shall be taken by the Department, including termination of eligibility for medical assistance. If changes in income, resources or family composition occur that would make the person a spenddown case, a spenddown obligation will be determined and subsection (c) of this Section will apply.

4) A redetermination of eligibility will be made at least every 12 months.

c) Eligibility with Spenddown for MANG

1) For MANG AABD community cases, if the person's countable income available during the applicable eligibility period is greater than the applicable MANG AABD income standard and/or nonexempt resources are over the applicable resource disregard, the person must meet the spenddown obligation determined for the eligibility period before becoming eligible to receive medical assistance. The spenddown obligation is the amount by which the person's countable income exceeds the MANG AABD income standard and/or the amount of nonexempt resources in excess of the applicable resource disregard (see Section 120.384).

2) For TANF MANG, if a person's countable income available during the applicable eligibility period is greater than the applicable MANG standard (see Sections 120.20 and 120.30 of this Part), the person must meet the spenddown obligation determined for the eligibility period before becoming eligible to receive medical assistance. The spenddown obligation is the amount by which the person's countable income exceeds the MANG standard.

3) A person meets the spenddown obligation by incurring or paying for medical expenses in an amount equal to the spenddown obligation. Persons also have the option of meeting their income or resource spenddown by paying or having a third-party pay the amount of their spenddown obligation to the Department.

A) Incurred expenses are expenses for medical or remedial services:

i) recognized under State law;

ii) rendered to the person, the person's family, or a financially responsible relative;

iii) for which the person is liable in the current month for which eligibility is being sought or was liable in any of the 3-month retroactive eligibility period described in subsection (a) of this Section; and

iv) for which no third party is liable in whole or in part unless the third party is a State program.

B) Incurred medical expenses shall be applied to the spenddown obligation in the following order:

i) Expenses for necessary medical or remedial services, as funded by DHS or the Department on Aging from sources other than federal funds. The expenses shall be based on the service provider's usual and customary charges to the public. The expenses shall not be based on any nominal amount the provider may assess the person. These charges are considered incurred the first day of the month, regardless of the day the services are actually provided.

ii) Payments made for medical expenses within the previous six months. Payments are considered incurred the first day of the month of payment.

iii) Unpaid medical expenses. These are considered as of the date of service and are applied in chronological order.

C) If multiple medical expenses are incurred on the same day, the expenses shall be applied in the following order:

i) Health insurance deductibles (including Medicare and other co-insurance charges).

ii) All copayment charges incurred or paid on spenddown met day.

iii) Expenses for medical services and/or items not covered by the Department's Medical Assistance Program.

iv) Cost share amounts incurred for in-home care services by individuals receiving services through the Department on Aging (DonA).

v) Expenses incurred for in-home care services by individuals receiving or purchasing services from private providers.

vi) Expenses incurred for medical services or items covered by the Department's Medical Assistance Program. If more than one covered service is received on the day, the charges will be considered in order of amount. The bill for the smallest amount will be considered first.

D) If a service is provided during the eligibility period but payment may be made by a third party, such as an insurance company, the medical expense will not be considered towards spenddown until the bill is adjudicated. When adjudicated, that part determined to be the responsibility of the person shall be considered as incurred on the date of service.

E) AABD MANG spenddown persons may choose to pay or to have a third-party pay the amount of their spenddown obligation to the Department to meet spenddown. The following rules will govern when persons or third parties choose to pay the spenddown:

i) Payments to the Department will be applied to the spenddown obligation after all other medical expenses have been applied per subsections (c)(3)(A), (B) and (C) of this Section.

ii) Excess payments will be credited forward to meet the spenddown obligation of a subsequent month for which the person chooses to meet spenddown.

iii) The spenddown obligation may be met using a combination of medical expenses and amounts paid.

4) After application for medical assistance for cases eligible with a spenddown obligation that do not have a QMB or MANG(P) member, an additional eligibility determination will be made.

A) For TANF MANG, if countable income is greater than the income standard (Section 120.30), and for AABD MANG, if countable income is greater than the income standard or countable resources are greater than the resource disregard (Section 120.382(d)), a person will not be enrolled in spenddown unless:

i) the person does not have a spenddown obligation for any month of the 12-month enrollment period;

ii) medical expenses equal the spenddown obligation for at least one month of the 12-month enrollment period; or

iii) the person is on a waiting list or would be on a waiting list to receive a transplant if he or she had a source of payment.

B) Cases that meet any of these conditions will be notified, in writing, of the spenddown obligation. The person will also be notified that his or her case will be reviewed beginning in the seventh month of the 12-month enrollment period. If the person has not had medical eligibility in one of the last six months at the time of review (including the month of review), the case will terminate unless the case contains a person who is on a waiting list or who would be on a waiting list to receive a transplant if he or she had a source of payment. A new application will be required if the person wishes continued medical assistance.

C) When proof of incurred medical expenses equal to the spenddown obligation is provided to the local office, eligibility for medical assistance shall begin effective the first day that the spenddown obligation is met. The Department will pay for covered services received from that date until the end of the eligibility period. The person shall be responsible, directly to the provider, for payment for services provided prior to the time the person meets the spenddown obligation.

5) Cases with a spenddown obligation that do not have a QMB, a MANG(P) member or a person on a waiting list or who would be on a waiting list to receive a transplant if he or she had a source of payment, will be reviewed beginning in the sixth month of enrollment to determine if they have had medical eligibility within the last three months, including the month of review. If so, enrollment will continue. If not, enrollment will be terminated and the person will be advised that if he or she wishes continued medical assistance, a reapplication must be filed. Upon reapplication, a new 12-month enrollment period will be established (assuming non-financial factors of eligibility are met). If appropriate, a new spenddown obligation will be created.

A) If the person files a reapplication prior to four months after the end of the period of enrollment, the person will be sent through a special abbreviated intake procedure making use of current case record material to verify factors of eligibility not subject to change.

B) Cases that remain eligible in the tenth month of the enrollment period or that have a QMB, a MANG(P) member or a person on a waiting list or who would be on a waiting list to receive a transplant if he or she had a source of payment, will remain enrolled and will be redetermined once every 12 months.

6) The person is responsible for reporting any changes that occur during the enrollment period that might affect eligibility for medical assistance. If changes occur, appropriate action shall be taken by the Department, including termination of eligibility for medical assistance.

7) For MANG AABD, if changes in income, resources or family composition occur, appropriate adjustments to the spenddown obligation and date of eligibility for medical assistance shall be made by the Department. The person will be notified, in writing, of the new spenddown obligation.

A) If income decreases, or resources fall below the applicable resource disregard and, as a result, the person has already met the new spenddown obligation, eligibility for medical assistance shall be backdated to the appropriate date.

B) If income or resources increase and, as a result, the person has not produced proof of incurred medical expenses equal to the new spenddown obligation, the written notification of the new spenddown amount will also inform the person that eligibility for medical assistance will be interrupted until proof of medical expenses equal to the new spenddown obligation is produced.

8) For TANF MANG, if changes in income or family composition occur, appropriate adjustments to the spenddown obligation and date of eligibility for medical assistance shall be made by the Department. The person will be notified, in writing, of the new spenddown obligation.

A) If income decreases and, as a result, the person has already met the new spenddown obligation, eligibility for medical assistance shall be backdated to the appropriate date.

B) If income increases and, as a result, the person has not produced proof of incurred medical expenses equal to the new spenddown obligation, the written notification of the new spenddown amount will also inform the person that eligibility for medical assistance will be interrupted until proof of medical expenses equal to the new spenddown obligation is produced.

9) Reconciliation of Amounts Paid-in to Meet Spenddown

A) The Department will reconcile payments received to meet an income spenddown obligation for a given month against the amount of claims paid for services received in that month and refund any excess spenddown paid to the person. Excess amounts paid for a calendar month will be determined and refunded to the person six calendar quarters later. Refund payments will be made once per quarter.

B) The Department will reconcile payments received to meet a resource spenddown obligation against the amount of all claims paid during the individual's period of enrollment for medical assistance. Excess amounts paid will be determined and refunded to the individual six calendar quarters after the individual's enrollment for medical assistance ends.

C) When payments are received to meet both a resource and an income spenddown obligation, the Department will first reconcile the amount of claims paid to amounts paid toward the resource spenddown. If the total amount of claims paid have not met or exceeded the amount paid to meet the resource spenddown by the time the individual's enrollment ends, the excess resource payments shall be handled per subsection (c)(3)(C) of this Section. Once the amount of claims paid equals or exceeds the amount paid toward the resource spenddown, the remaining amount of claims paid will be compared against the amount paid to meet the income spenddown per subsection (c)(3)(B) of this Section.

10) The Department will refund payment amounts received for any months in which the person is no longer in spenddown status and the payment cannot be used to meet a spenddown obligation. These payment amounts shall not be subject to reconciliation under subsection (c)(9) of this Section. Refunds shall be processed within six months after the case status changed.

(Source: Amended at 46 Ill. Reg. 5203, effective March 11, 2022)