

KEESM Revision 04-01-2016

2675.4 Benefits and Levels of Subsidy - Those eligible for subsidy will receive benefits according to countable income, assets and deemed status. The eligible person receives assistance with Medicare cost sharing - premiums, deductibles and copayments. The level of premium assistance is limited and is equal to the lesser of the following:

- The monthly Part D premium for basic prescription drug coverage or the portion of the monthly Part D premium attributable to basic prescription drug coverage for a Part D plan that has an enhanced alternative coverage; or
 - The greater of the low-income benchmark premium amount or the lowest monthly beneficiary premium for a prescription drug plan that offers basic prescription drug coverage. In **2016**, the benchmark premium amount for Kansas is **\$30.67**.
1. **Deemed Eligibles** - For deemed eligibles, the subsidy will cover the standard or basic Medicare Part D premium; the annual deductible; and the cost of all formulary and approved prescription drugs. Prescription copayments will apply as follows:
 - **Eligible for QMB, LMB or Expanded LMB Only** - **\$2.95** per generic or preferred brand and **\$7.40** for all others;
 - **Eligible for full Medicaid coverage, including a met spenddown under Medically Needy** - \$1.20 per generic or preferred brand and \$3.60 for all other prescriptions for persons with incomes at or below 100% FPL. **\$2.95** copayments per generic or preferred brand and **\$7.40** for all other prescriptions will apply to those with higher incomes (including HCBS recipients);
 - **Eligible for full Medicaid coverage and a resident of an approved institutional living arrangement (nursing facility, state hospital, ICF - MR, swing bed hospital, head injury rehabilitation facility or other approved Medicaid approved institution) for at least 30 days and persons enrolled with PACE** - no copayments apply for covered prescription drugs.
 2. **Determined Eligibles** - Determined eligibles are eligible for assistance with premiums, copayments and deductibles at a level established by their countable income and resources. The following subsidy levels and benefits apply to SSA determined eligibles:
 - **Subsidy Level 0** - Persons with countable incomes at or below 135% of poverty and countable resources which do not exceed \$7,280 for a single or \$10,930 for 2 or 3 person plans. Coverage level is equal to that of a Medicare Savings Plan eligible.
 - **Subsidy Level 1** - Persons with countable incomes at or below 135% of poverty and whose countable resources are below the resource limit which cannot exceed \$12,140 for a single or \$24,260 for 2 or 3 person plans. The standard/basic monthly premium is covered. Beneficiaries have a **\$74.00** annual

deductible and 15% co-payment per prescription. **\$2.95/\$7.40** copayments apply after the catastrophic limit is reached.

- **Subsidy Level 2** - Persons with countable incomes greater than 135% of poverty and at or below 140%, and whose countable resources are below the limit which cannot exceed \$12,140 for a single or \$24,260 for 2 or 3 person plans, 75% of the standard monthly premium is covered. Beneficiaries have a **\$74.00** annual deductible and 15% copayments per prescription. **\$2.95/\$7.40** copayments apply after the catastrophic level is reached.
- **Subsidy Level 3** - Persons with countable incomes greater than 140% of poverty and at or below 145%, and whose countable resources are below the limit which cannot exceed \$12,140 for a single or \$24,260 for 2 or 3 person plans, 50% of the standard monthly premium is covered. Beneficiaries have a **\$74.00** annual deductible and 15% copayments per prescription. **\$2.95/\$7.40** copayments apply after the catastrophic level is reached.
- **Subsidy Level 4** - Persons with countable incomes greater than 145% of poverty and below 150% below 150%, and whose countable resources are below the limit which cannot exceed \$12,140 for a single or \$24,260 for 2 or 3 person plans, 25% of the standard monthly premium is covered. Beneficiaries have a **\$74.00** annual deductible and 15% copayments per prescription. **\$2.95/\$7.40** copayments apply after the catastrophic level is reached.
- **Late Enrollment Fees** - An individual enrolling in Medicare Part D after their initial enrollment period may be subject to a late enrollment fee. The late enrollment fee is added to the monthly premium amount and is equal to 1% of the national base premium amount times the number of uncovered months since the initial enrollment period. An individual qualifying for subsidy coverage will not be subject to a late enrollment fee.

8144 Spousal Impoverishment Provisions - Under federal law, a married couple is allowed to protect a portion or all of their combined nonexempt resources and income when either the husband or wife requires care in a medical institution for at least 30 consecutive days, including situations in which the institutionalized spouse dies prior to the 30th day in the institution. As a result such protected resources and income would not be considered in determining the medical eligibility of the institutionalized spouse. The law also provides for income to be protected for dependent family members and for the consideration of only the institutionalized spouse's own income in determining his or her eligibility beginning with the first month of institutionalization.

The following policies are only applicable in those instances in which one spouse lives in the community (including HCBS arrangements) and the other spouse resides in a medical institution. They do not apply to single individuals or to married couples where both members enter an institution or remain in the community. The resource provisions apply whether or not the facility the husband or wife enters is Medicaid approved. The income provisions apply only where the facility is Medicaid approved. In addition, the income provisions are not applicable to persons in adult care homes whose financial eligibility is determined based on the spenddown provisions of [8172.2](#) (2)(b).

Length of institutionalization must be at least 30 consecutive days, except in situations in which the institutionalized spouse dies prior to the 30th day. Verification of the length of stay is required. If the length of care will not exceed the month the care begins and the two following months, these provisions would not be applied based on using the temporary stay policy referenced in [8113](#) unless beneficial to the client for eligibility purposes, or the institutionalized spouse dies prior to the 30th day in the institution.

The spousal impoverishment provisions contained in this section shall be applicable to all legally married couples, including common-law and same sex marriages. The marriage relationship exists until legally terminated. Separated and legally separated couples continue to be married and therefore may divide assets and allocate income.

8244 Spousal Impoverishment Provisions - Under federal law, a married couple is allowed to protect a portion or all of their combined nonexempt resources and income when either the husband or wife requires care in an HCBS arrangement for at least 30 consecutive days, including those situations in which the HCBS spouse dies prior to the 30th day of HCBS care. As a result, such protected resources and income would not be considered in determining the medical eligibility of the spouse in HCBS. The law also provides for income to be protected for dependent family members and for the consideration of only the HCBS spouse's own income in determining his or her eligibility beginning with the month the spouse chooses HCBS or begins receiving services, whichever is earlier.

The following policies are only applicable in those instances in which one spouse lives in the community and the other spouse will be receiving HCBS services or where both spouses are receiving HCBS. If both spouses are receiving HCBS, the couple must designate one spouse to be the LTC spouse and one to be the community spouse. Once this designation is made it cannot be changed unless there is also a change in living arrangement which requires either the husband or wife to be the LTC spouse. In these cases, the change is effective the month following the month the living arrangement changed. These provisions do not apply to single individuals or to married couples where both members remain in the community.

The spousal impoverishment provisions contained in this section shall be applicable to all legally married couples, including common-law and same sex marriages. The marriage relationship exists until legally terminated. Separated and legally separated couples continue to be married and therefore may divide assets and allocate income.