



## What is a spenddown and why do I have one?

### **What Medicaid Recipients Participating in the Adults with Developmental Disabilities Home and Community-Based Waiver Need to Know**

In order to qualify to enroll in and begin receiving services from the Adults with Developmental Disabilities (DD) waiver, enrollment in Medicaid is required. See: <https://www.illinoislifespan.org/wp-content/uploads/2022/07/LFAP-Medicaid-general-questions-fact-sheet.July-2022.pdf> Individuals on the PUNS waiting list (including those who have received pre-selection letters) are NOT enrolled in the Adults with DD waiver until their Medicaid applications have been accepted and confirmed.

Most Adults who are DD Waiver participants typically meet the income and asset eligibility for Medicaid without difficulty. If, however, a person has too much earned or unearned income, the Illinois Department of Healthcare and Family Services (HFS) has a solution to help these people obtain eligibility for Medicaid -called a spenddown: <https://www2.illinois.gov/hfs/info/Brochures%20and%20Forms/Brochures/Pages/HFS591SP.aspx#:~:text=What%20is%20the%20Spenddown%20Program,for%20other%20HFS%20Medical%20Programs.>

The 2653 Form: <https://www.dhs.state.il.us/page.aspx?item=44976> is used to achieve Medicaid eligibility. This form is called the HFS Notice of DHS Community-Based Services, used to subtract the monthly cost of the waiver services from the person's income. Most of the time, this is all that is needed for an Adult with DD Waiver participant to "meet" their spenddown.

A parent/guardian or self-advocate must check with their Independent Service Coordination (ISC) representative to make sure that a current 2653 form is on file with the State.

For individuals enrolled in a DD waiver, DHS and HFS have an automated, centralized process to keep people in spenddown met status based on a file transfer of waiver cost information once the initial form is processed.

However, this paper HFS-2653 continues to be necessary for:

- Individuals who are receiving countable non-waiver developmental disabilities services.
- New waiver individuals to put the individual in spenddown-met status initially (it takes at least three months for the centralized process to begin).
- Waiver individuals for whom the automated central process does not work.

The Notice of DHS Community-Based Services form/HFS-2653 (commonly known as the Spenddown form) must be completed by a provider agency or the Home-Based Services Employer of Record. The Estimated Monthly cost to be filled in on this form can be found on the DHS/DDD Rate sheets, which is the second page of the DDD Award Letter. The provider must forward a copy of the form to the ISC agency. It is the ISC agency's responsibility to provide assistance and information as needed to the provider agency or the Home-Based Services Employer of Record. The ISC is not required to send this form into DHS, but should maintain the Notice of DHS Community-Based Services form/HFS 2653 in the individual's file.

*\*Communicate with your ISC representative if you have questions or need more information regarding a spenddown for an Adults with DD Waiver participant.\**

Occasionally, a person enrolled in the Adults with DD waiver will still have a monthly spenddown amount required in order to maintain Medicaid coverage. If this is the case, HFS will contact you by letter, stating the amount spenddown amount due and explaining how to submit your payment.

Please note that during the current Public Health Emergency, HFS has temporarily stopped collecting the monthly spenddown amount:

**Important- this fact sheet applies ONLY to adults age 18 and over who are enrolled in the Adults with Developmental Disabilities Waiver**

**(Some other children and adults who have Medicaid health insurance may qualify for a spenddown specific to their situation. See for more information:**

**<https://www2.illinois.gov/hfs/info/Brochures%20and%20Forms/Brochures/Pages/HFS591SP.aspx#:~:text=What%20is%20the%20Spenddown%20Program,for%20other%20HFS%20Medical%20Programs.>**