

Department of Public Health  
and Human Services

Section:  
MEDICALLY NEEDED

MEDICAL ASSISTANCE

Subject:  
Overview

**Supersedes:** MA 700 (11/01/00)

► **References:** 42 CFR 435.301, .320, .322, .324, .403, .811, .831, .840, .845; ARM 37.82.101, .1101, .1102, .1106, .1107, .1110 & .1111

GENERAL RULE--Medically needy applicants who are reasonably certain to incur medical expenses equal to or greater than the amount of their incurment obligation will have eligibility determined. Medically needy coverage will be provided to Medicaid applicants who:

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1. meet an SSI categorical eligibility requirement of aged, blind or disabled (see MA 200, general rule);
  2. meet all other Aged, Blind, Disabled Medicaid non-financial eligibility criteria (see the MA 300 section);
  3. have countable resources within the resource limit (see MA 400); and
  4. fulfill their incurment obligations by:
    - a. incurring medical expenses equal to the incurment obligation amount (medical expense option, see MA 703-1);
    - b. making cash payment to the Department of Public Health and Human Services (cash option, see MA 702-1); or
    - c. using a combination of incurred medical expenses and cash payment.

**NOTE:** For each month of medically needy coverage, applicants/recipients must meet all eligibility criteria.

**MEDICALLY  
NEEDY ELIGIBLE**

An applicant is eligible for medically needy coverage after meeting:

1. all non-financial eligibility criteria;
2. the resource criteria; and
3. the incurment obligation has been **established**.

**BENEFIT  
AUTHORIZATION**

Medically needy benefits will be **authorized** (i.e. Medicaid eligibility issued) after:

1. The assistance unit has incurred medical expenses equal to the incurment obligation amount; or
2. The Department of Public Health & Human Services' Fiscal Bureau has received a check or money order for the assistance unit's payment due (incurment) amount.

**NOTE:** The Fiscal Bureau will complete the Medicaid authorization process in the eligibility system after the payment is received at Fiscal Bureau.

**DATE COVERAGE  
BEGINS**

Medical expenses will be paid:

1. from the date the incurment obligation is met through month end when an applicant chooses to use medical expenses to meet the incurment obligation; or
2. from the first through the last day of the coverage month when an applicant meets the incurment obligation by making cash payment.

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