An "essential spouse" is defined in section 1905(a) of the Act as one who is living with the individual; whose needs were included in determining the amount of cash payment to the individual under OAA, AB, APTD, or AABD; and who is determined essential to the individual's well-being.

- (b) The agency must continue Medicaid if—
- (1) The aged, blind, or disabled individual continues to meet the December 1973 eligibility requirements of the applicable State cash assistance plan; and
- (2) The essential spouse continues to meet the conditions that were in effect in December 1973 under the applicable cash assistance plan for having his needs included in computing the payment to the aged, blind, or disabled individual.

§ 435.132 Institutionalized individuals who were eligible in December 1973.

The agency must provide Medicaid to individuals who were eligible for Medicaid in December 1973, or any part of that month, as inpatients of medical institutions or residents of intermediate care facilities that were participating in the Medicaid program and who—

- (a) For each consecutive month after December 1973—
- (1) Continue to meet the requirements for Medicaid eligibility that were in effect under the State's plan in December 1973 for institutionalized individuals; and
 - (2) Remain institutionalized; and
- (b) Are determined by the State or a professional standards review organization to continue to need institutional care.

§ 435.133 Blind and disabled individuals eligible in December 1973.

The agency must provide Medicaid to individuals who—

- (a) Meet all current requirements for Medicaid eligibility except the criteria for blindness or disability;
- (b) Were eligible for Medicaid in December 1973 as blind or disabled individuals, whether or not they were receiving cash assistance in December 1973; and

(c) For each consecutive month after December 1973, continue to meet the criteria for blindness or disability and the other conditions of eligibility used under the Medicaid plan in December 1973.

§ 435.134 Individuals who would be eligible except for the increase in OASDI benefits under Pub. L. 92–336 (July 1, 1972).

The agency must provide Medicaid to individuals who meet the following conditions:

- (a) In August 1972, the individual was entitled to OASDI and— $\,$
- (1) He was receiving OAA, AB, APTD, or AABD; or
- (2) He would have been eligible for one of those programs except that he had not applied, and the Medicaid plan covered this optional group; or
- (3) He would have been eligible for one of those programs if he were not in a medical institution or intermediate care facility, and the Medicaid plan covered this optional group.
- (b) The individual would currently be eligible for SSI or a State supplement except that the increase in OASDI under Pub. L. 92–336 raised his income over the limit allowed under SSI. This includes an individual who—
- (1) Meets all current SSI requirements except for the requirement to file an application; or
- (2) Would meet all current SSI requirements if he were not in a medical institution or intermediate care facility, and the State's Medicaid plan covers this optional group.

[43 FR 45204, Sept. 29, 1978, as amended at 45 FR 24883, Apr. 11, 1980]

§ 435.135 Individuals who become ineligible for cash assistance as a result of OASDI cost-of-living increases received after April 1977.

- (a) If an agency provides Medicaid to aged, blind, or disabled individuals receiving SSI or State supplements, it must provide Medicaid to individuals who—
 - (1) Are receiving OASDI;
- (2) Were eligible for and receiving SSI or State supplements but became ineligible for those payments after April 1977; and