



State of West Virginia
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Office of Inspector General
Board of Review
1027 N. Randolph Ave.
Elkins, WV 26241

Joe Manchin III
Governor

Martha Yeager Walker
Secretary

May 10, 2006

Dear Mr. _____:

Attached is a copy of the findings of fact and conclusions of law on your hearing held May 3, 2006. Your hearing request was based on the Department of Health and Human Resources' denial of your SSI-Related Medicaid application due to excessive assets.

In arriving at a decision, the State Hearing Officer is governed by the Public Welfare Laws of West Virginia and the rules and regulations established by the Department of Health and Human Resources. These same laws and regulations are used in all cases to assure that all persons are treated alike.

Eligibility for SSI-Related Medicaid is based on current policy and regulations. Some of these regulations state as follows: Total countable assets cannot exceed \$3,000 for a two-person Assistance Group for the SSI-Related Medicaid Program. (West Virginia Income Maintenance Manual Chapter 11.3)

Information submitted at your hearing revealed that you do not qualify for SSI-Related Medicaid because your countable property assets exceed \$3,000.

It is the decision of the State Hearing Officer to **uphold** the action of the Department to deny your SSI-Related Medicaid application.

Sincerely,

Pamela L. Hinzman
State Hearing Officer
Member, State Board of Review

cc: Erika H. Young, Chairman, Board of Review
Clara Thomas, ESW, DHHR

**WEST VIRGINIA DEPARTMENT OF HEALTH & HUMAN RESOURCES
BOARD OF REVIEW**

____,

Claimant,

v.

Action Number: 06-BOR-1398

**West Virginia Department of
Health and Human Resources,**

Respondent.

DECISION OF STATE HEARING OFFICER

I. INTRODUCTION:

This is a report of the State Hearing Officer resulting from a fair hearing concluded on May 10, 2006 for _____. This hearing was held in accordance with the provisions found in the Common Chapters Manual, Chapter 700 of the West Virginia Department of Health and Human Resources. This fair hearing was convened on May 3, 2006 on a timely appeal filed March 13, 2006.

II. PROGRAM PURPOSE:

The program entitled Medicaid is set up cooperatively between the Federal and State governments and administered by the West Virginia Department of Health & Human Resources.

The SSI-Related Medicaid Program is a segment of the Medicaid Program available to individuals who meet the requirement of categorical relatedness by qualifying as either aged disabled, or blind as those terms are defined by the Social Security Administration for purposes of eligibility for SSI.

III. PARTICIPANTS:

____, Claimant
Clara Thomas, ESW, DHHR

Presiding at the hearing was Pamela L. Hinzman, State Hearing Officer and a member of the State Board of Review.

IV. QUESTIONS TO BE DECIDED:

The question(s) to be decided is whether the Department was correct in its action to deny the Claimant's SSI-Related Medicaid application.

V. APPLICABLE POLICY:

West Virginia Income Maintenance Manual Chapters 11.3 and 11.4

VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:

Department's Exhibits:

D-1 Notices of Decision

D-2 Information concerning house value/equity

D-3 West Virginia Income Maintenance Manual Chapters 11.3 and 11.4

VII. FINDINGS OF FACT:

- 1) The Claimant applied for SSI-Related Medicaid on February 14, 2006.
- 2) On February 27, 2006, the Department sent the Claimant a Notice of Decision (D-1) which informed him that his Medicaid application had been denied due to excessive assets. The denial was based on the Claimant's equity in a dwelling he owns in [REDACTED] Ms. [REDACTED] indicated that the Claimant's equity in the residence totaled around \$8,000. (Other assets listed on the Notice of Denial included vehicle assets totaling \$1,000 and liquid assets totaling \$40.)
- 3) Ms. Thomas presented Exhibit D-2, a realty listing agreement, which revealed the property's list price as \$82,000. A Summary of Accounts statement, dated January 25, 2006 and also included in Exhibit D-2, lists a principal balance of \$12,678.57 for a personal loan and a principal balance of \$61,435.39 for a mortgage loan. The Department subtracted the total of those balances, \$74,113.96, from the house's list price, \$82,000, to determine a property equity of \$7,886.04.
- 4) The Claimant testified that he and his wife own and previously resided in the house. He stated that the residence is currently vacant and for sale, and stressed that he will not make a profit from selling the home.
- 5) West Virginia Income Maintenance Manual Chapter 11.3 states that when a husband and wife are living together, the asset level for a two-person Assistance Group is used when determining combined non-excluded assets for SSI-Related Medicaid. This section lists maximum allowable assets for an Assistance Group of two (the Claimant and his wife) as \$3,000.
- 6) West Virginia Income Maintenance Manual Chapter 11.4Eb states that up to \$6,000 of an individual's equity in personal or real income-producing property is excluded if it

produces a net annual income of at least 6% of the excluded equity. The equity in those properties that do not meet the 6% rule is counted as an asset.

- 7) West Virginia Income Maintenance Manual Chapter 11.4c states that equity in property, not otherwise excluded, is counted as an asset for SSI-Related Medicaid. Chapter 11.4c(4) states:

When the client's non-excluded real property does not meet the \$6,000 or the \$6,000/6% limitation, the equity in the property is an asset.

VIII. CONCLUSIONS OF LAW:

- 1) Policy reveals that the asset limit for SSI-Related Medicaid for a two-person Assistance Group is \$3,000.
- 2) Information and testimony reveal that the Claimant and his wife own a residence in [REDACTED] that does not currently produce income.
- 3) The Department determined the Claimant's equity value in the residence to be \$7886.04.
- 4) The Claimant's total countable assets exceed the asset limit for SSI-Related Medicaid.

IX. DECISION:

It is the decision of the State Hearing Officer to **uphold** the action of the Agency to deny the Claimant's SSI-Related Medicaid application due to excessive assets.

X. RIGHT OF APPEAL:

See Attachment

XI. ATTACHMENTS:

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

ENTERED this 10th Day of May, 2006.

**Pamela L. Hinzman
State Hearing Officer**