



State of West Virginia
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Office of Inspector General
Board of Review
150 Maplewood Avenue
Lewisburg, WV 24901

Joe Manchin III
Governor

Martha Yeager Walker
Secretary

August 11, 2006

Dear Mr. _____:

Attached is a copy of the findings of fact and conclusions of law on your hearing held July 25, 2006. Your hearing request was based on the Department of Health and Human Resources' action to deny benefits under the AFDC-Related Medicaid Program.

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 the AFDC-Related Medicaid Program is based on current policy and regulations. Some of these regulations state as follows: To receive a Medicaid card, the Income Group's monthly countable income must not exceed the amount of the MNIL. If the income exceeds the MNIL, the AG has an opportunity to spend the income down to the MNIL by incurring medical expenses. These expenses are subtracted from the income for the 6-month POC, until the income is at or below the MNIL for the Needs Group size. If the client does not submit sufficient medical bills by the application processing deadline, the application is denied. (Section 10.21D #11 of the West Virginia Income Maintenance Manual)

The information which was submitted at your hearing revealed that you did not have enough medical expenses to meet a spenddown.

It is the decision of the State Hearing Officer to uphold the action of the Department to deny benefits under the AFDC-Related Medicaid Program.

Sincerely,

Margaret M. Mann
State Hearing Officer
Member, State Board of Review

cc: Erika H. Young, Chairman, Board of Review
Beverly McKinney, DHHR

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

_____,
Claimant,

v. **Action Number: 06-BOR-1924**

**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 July 25, 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 July 25, 2006 on a timely appeal, filed April 17, 2006.

It should be noted here that the claimant's benefits have been denied.

II. PROGRAM PURPOSE:

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

The Medicaid categorically related to Aid to Families with Dependent Children Program is designed to provide medical assistance to eligible families with children from the fetal stage to age 18. These dependent children must be deprived of parental support due to the death, continued absence, incapacity, or unemployment of the parents. In addition, the family must meet financial eligibility criteria.

III. PARTICIPANTS:

_____, Claimant
Beverly McKinney, Department Hearing Representative

Cheryl McKinney, State Hearing Officer, Observing

Presiding at the hearing was Margaret M. Mann, 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 or not the Department is correct in the decision to deny the claimant's application for Medicaid as the eligibility requirement of spenddown could not be met.

V. APPLICABLE POLICY:

Sections 10.21C, 10.21D and Appendix A. Chapter 10 of the West Virginia Income Maintenance Manual

VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:

Department's Exhibits:

- D-1 Form IG-BR-40 Appointment Letter
- D-2 Form IG-BR-29 Hearing/Grievance Record Information
- D-3 Hearing Request
- D-4 Medicaid Denial Notice
- D-5 Sections 1.21 and 10.21 of the West Virginia Income Maintenance Manual
- D-6 Department's Summary

VII. FINDINGS OF FACT:

- 1) The claimant applied for Medicaid on 03/13/06. The claimant's gross monthly income is \$851.00 from Social Security. There are three in the Assistance Group (AG). There was a spenddown of \$3,366.00.
- 2) The claimant was not able to meet a spenddown.
- 3) A denial notice was mailed 04/13/06 which reads in part: Your application for Medicaid dated 03/13/06 has been denied. Reason: You failed to verify the amount of your medical bills. The amount of your spenddown is \$3366.00. The following information was not verified: Medical bills..... (D-4) A hearing was requested on this matter. (D-3)
- 4) The spenddown was calculated as follows: \$851 less \$290 (Medically Needy Income Limit for 3) equals \$561. \$561 x 6 (period of consideration is six months) equals a spenddown of \$3366.

5) Testimony from the claimant revealed that the income the Department is considering is correct. He has insurance but the co-pays add up. He had no medical bills to bring in for the spenddown.

6) **Section 10.21C of the West Virginia Income Maintenance Manual reads in part:**

For AFDC-Related Medicaid, countable income is determined as follows:

Step 1: Determine the Income Group's total non-excluded gross earned income. Do not count the income of a child's sibling or count any child's income for his parent(s).

Step 2: Subtract the AFDC Medicaid Standard Work Deduction for each working person.

Step 3: Subtract the AFDC Medicaid Dependent Care Deduction up to the maximum amounts.

Step 4: Add the non-excluded gross unearned income of the Income Group to the amount remaining from Step 3.

Step 5: Determine the appropriate MNIL for the Needs Group.

Step 6: Compare the result of Step 4 to the amount in Step 5.

If the net countable income is equal to or less than the appropriate MNIL, the AG is eligible without a spenddown. If it is in excess of the appropriate MNIL, the AG must meet a spenddown.

7) **Appendix A, Chapter 10 of the West Virginia Income Maintenance Manual reads:**

The MNIL for a three person assistance group is \$290.00.

8) **Section 10.21D #11 of the West Virginia Income Maintenance Manual reads in part:**

To receive a Medicaid card, the Income Group's monthly countable income must not exceed the amount of the MNIL. If the income exceeds the MNIL, the AG has an opportunity to spend the income down to the MNIL by incurring medical expenses. These expenses are subtracted from the income for the 6-month POC, until the income is at or below the MNIL for the Needs Group size. If the client does not submit sufficient medical bills by the application processing deadline, the application is denied.

VIII. CONCLUSIONS OF LAW:

1) Policy dictates that if the income exceeds the MNIL, the AG has an opportunity to spend the income down to the MNIL by incurring medical expenses. If the client does

not submit sufficient medical bills by the application processing deadline, the application is denied.

- 2) The claimant had a spenddown of \$3366.
- 3) The claimant did not have enough medical expenses to meet the spenddown.
- 4) The denial of the application is valid.

IX. DECISION:

It is the finding of the State Hearing Officer that the Department is upheld in the decision to deny the claimant's application for AFDC-Related Medicaid.

X. RIGHT OF APPEAL:

See Attachment

XI. ATTACHMENTS:

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

ENTERED this 11th Day of August, 2006.

**Margaret M. Mann
State Hearing Officer**