



State of West Virginia  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Office of Inspector General  
Board of Review  
P. O. Box 2590  
Fairmont, WV 26555-2590

Joe Manchin III  
Governor

Martha Yeager Walker  
Secretary

October 12, 2006

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Mr. \_\_\_\_\_:

Attached is a copy of the findings of fact and conclusions of law on your hearing held September 28, 2006. Your hearing request was based on the Department of Health and Human Resources' action to deny your application for SSI-Related Medicaid based on a spenddown.

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 Medicaid program is determined based on current regulations. One of these regulations reveals that individuals who otherwise meet eligibility requirements but who have income in excess of the established standard will be ineligible for medical coverage unless this excess is insufficient to meet their medical needs. These individuals are required to spenddown@ this excess amount in order to qualify for coverage. For Medicaid purposes, a 6 month period of consideration (POC) is utilized to project countable income. If medical bills sufficient to satisfy the established spenddown are not submitted by the application processing deadline (30 days from application) the application is denied. (West Virginia Income Maintenance Manual ' 10.22 & 1.22)

The information which was submitted at your hearing reveals that the Department calculated your spenddown correctly and that you failed to submit medical bills to satisfy the required spenddown amount. As a result, the Department correctly denied your application for SSI-Related Medicaid.

It is the decision of the State Hearings Officer to **uphold** the action of the Department in denying your application for SSI-Related Medicaid.

Sincerely,

Thomas E. Arnett  
State Hearing Officer  
Member, State Board of Review

cc: Chairman, Board of Review  
Linda Zeigler, ESW, DHHR

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

\_\_\_\_\_,

**Claimant,**

v.

**Action Number: 06-BOR-2749**

**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 October 12, 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 September 28, 2006 on a timely appeal filed August 9, 2006.

**II. PROGRAM PURPOSE:**

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

SSI Related Medicaid 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:**

\*Hearing was convened via Video Conference Technology  
\_\_\_\_\_, Claimant  
Linda Zeigler, ESW, DHHR

Presiding at the Hearing was Thomas E. Arnett, State Hearing Officer and a member of the State Board of Review.

**IV. QUESTIONS TO BE DECIDED:**

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

**V. APPLICABLE POLICY:**

West Virginia Income Maintenance Manual ' 1.22 and 10.22 (A), (B) and (D)  
42 CFR ' 435.831 Code of Federal Regulations:

**VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:**

**Department's Exhibits:**

- D-1 Case Comments from RAPIDS (computer system) for 8/3/06
- D-2a Verified Social Security Income Amount
- D-2b Verified Veterans benefit amount.
- D-3 Verification Checklist dated 8/3/06
- D-4 Notice of Decision dated 8/4/06
- D-5 WVIMM 10.22
- D-6 WVIMM, Chapter 10, Appendix A

**Claimant's Exhibits:**

\_\_\_\_\_ -1 OFS-6A and supporting calculations

**VII. FINDINGS OF FACT:**

- 1) The Claimant completed an application for SSI-Related Medicaid on August 3, 2006 and was provided a Verification Checklist (Exhibit D-3) that required him to provide medical bills in the amount of 5457.00. Documentation found in Exhibit D-1 reveals that the Claimant reported that he did not have enough medical bills to meet the spenddown amount.
- 2) On or about August 4, 2006, the Claimant was notified via a Notice of Decision (Exhibit D-4) that his application for Medicaid was denied. This notice states, in pertinent part:  

Action: Your 8/3/06 application for Medicaid dated 8/3/06 has been denied.

Reason: You stated you do not have medical bills to meet your spenddown.
- 3) According to Exhibit D-1, the Assistance Group, hereinafter AG, consists of one member (the Claimant). The Claimant's monthly income was verified as follows: Exhibit D-2a - Social Security \$1017.50, and Exhibit D-2b - Veterans benefits of \$112. The Claimant's total monthly unearned income amount is \$1129.50.

- 4) In order to determine the spenddown amount, policy provides that the Claimant is eligible for a \$20 unearned income disregard and the protected income for a 1-person AG (MNIL) is \$200. The spenddown calculations for the Claimant are as follows: \$1129.50 (monthly income) less the \$20 unearned income disregard, less the \$200 protected income limit for a 1-person AG. The remaining monthly income amount is \$909.50 x 6-months (the length of the POC), which results in a spenddown amount of \$5457.00.
- 5) The Claimant's appeal is to contest the amount of the spenddown calculated by the Department. The Claimant submitted Exhibit \_\_\_\_\_-1 to show that he has completed spenddown calculations which reflect a different spenddown amount.

However, the Claimant's calculations are not compatible with existing policy. In accordance with the directions found on the OFS-6A, the Claimant's calculations should reflect the following:

$\begin{array}{r} \$1129.50 \text{ (monthly unearned income)} \\ \times \quad 6 \text{ (months)} \\ \hline \$6777 \end{array}$	$\begin{array}{r} \$220 \text{ (income limit for one)} \\ \times \quad 6 \text{ (months)} \\ \hline \$1320 \text{ (income limit for 6-mos)} \end{array}$
$\$6777 \text{ (Your income for 6 months)}$	$\$1320 \text{ (income limit for 6-mos)}$

$$\$6777 \text{ (Income for 6 mos.)}$$
  

$$-\$1320 \text{ (Income limit for 6 mos)}$$
  
**\$5457.00** – The same spenddown amount calculated by the Department

- 6) West Virginia Income Maintenance Manual, Chapter 10.22 (C)(11):  
Countable (Medicaid) income is determined by subtracting any allowable disregards and deductions... from the total non-excluded gross income.
- 7) West Virginia Income Maintenance Manual, Chapter 10.22 (D) states - To receive a medical card, the monthly countable income of the needs group must not exceed the amount of the MNIL (Medically Needy Income Level). If the income of the needs group exceeds the MNIL, the client has an opportunity to spend@ his income down to the MNIL by incurring medical expenses. These expenses are subtracted from the client=s income for the 6 month Period of Consideration (POC), until his income is at or below the MNIL for the needs group size, or until the POC expires.  
Once the client presents sufficient medical expenses to meet his spenddown obligation...medical expenses are entered in the data system according to the date incurred, i.e., oldest expense first.  
... eligibility begins on the date that medical bills bring the spenddown amount to \$0.  
... medical expenses, which are not subject to payment by a third party and for which the client will not be reimbursed, are used to reduce or eliminate the spenddown.
- 8) West Virginia Income Maintenance Manual, Chapter 10.22 (A) & (B):  
Medically Needy cases have a fixed Period of Consideration (POC) and the total income for the 6 month period is used to determine the spenddown amount. The disregard for unearned income is \$20 monthly and the protected income level for a 1 person benefit group (MNIL) is \$200 monthly. The Claimant's income, less \$200 (MNIL), less \$20 (unearned income deduction), multiplied by 6 (the POC) determines the amount of the spenddown.

- 9) West Virginia Income Maintenance Manual, Chapter 10.21 (C)(11) (a) states that if the client does not submit sufficient medical bills by the application processing deadline (30 days) (to satisfy the spenddown amount), the application is denied.

**VIII. CONCLUSIONS OF LAW:**

- 1) The Department correctly applied current policy for the SSI-Related Medicaid spenddown procedure at the time of the Claimant's August 3, 2006 application. The Claimant's spenddown amount for the 6-month POC was correctly determined by the Department to be \$5457.
- 2) The Claimant indicated at the time of his application that he did not have enough medical bills to meet the spenddown amount and he did not submit any medical bills for review at the hearing.
- 3) Whereas the Claimant's spenddown amount was calculated correctly and the Claimant failed to submit medical bills sufficient to satisfy the spenddown amount, the Department has acted within existing policy and regulations in denying the Claimant's application for SSI-Related Medicaid.

**IX. DECISION:**

It is the decision of the State Hearings Officer to **uphold** the action of the Department in denying your application for SSI-Related Medicaid.

**X. RIGHT OF APPEAL:**

See Attachment

**XI. ATTACHMENTS:**

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

**ENTERED this 12<sup>th</sup> Day of October 2006.**

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**Thomas E. Arnett  
State Hearing Officer**