



State of West Virginia  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Office of Inspector General  
Board of Review  
200 Davis Street  
Princeton, WV 24740

Joe Manchin III  
Governor

Martha Yeager Walker  
Secretary

October 20, 2006

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

Dear Ms. \_\_\_\_\_:

Attached is a copy of the findings of fact and conclusions of law on your hearing held October 2, 2006. Your hearing request was based on the Department of Health and Human Resources' proposal to terminate your SSI Medicaid benefits and approve you for SSI Related Medical coverage with 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 SSI Medicaid Program is based on current policy and regulations. Some of these regulations state as follows: The Social Security Administration (SSA) makes the determination of need for SSI. Receipt of SSI is the only eligibility factor. (Section 9.10 of the West Virginia Income Maintenance Manual).

The information which was submitted at your hearing revealed that your SSI Medicaid was closed because you no longer receive SSI. The Department is required to evaluate for all coverage groups prior to closure. After this evaluation, the Department found you eligible for SSI Related Medicaid with a spenddown.

It is the decision of the State Hearing Officer to **uphold** the proposal of the Department to terminate your benefits under the SSI Medicaid Program and approve you for SSI Related Medicaid with a spenddown.

Sincerely,

Cheryl McKinney  
State Hearing Officer  
Member, State Board of Review

cc: Erika H. Young, Chairman, Board of Review  
Beverly McKinney, [REDACTED] DHHR  
Harold Chatting, [REDACTED] DHHR

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

\_\_\_\_\_,  
**Claimant,**

v.

**Action Number: 06-BOR-2877**

**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 2, 2006 for [REDACTED]. 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 October 2, 2006 on a timely appeal, filed August 17, 2006.

It should be noted here that the claimant's benefits have not been continued pending a hearing decision.

**II. PROGRAM PURPOSE:**

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

The amendment to the Social Security Act which established SSI and subsequent rules and regulations gave the states the same options regarding Medicaid coverage for SSI recipients. West Virginia elected to cover all SSI recipients and to accept SSA's determination process for SSI Medicaid. Consequently there is no application or eligibility determination process for SSI Medicaid. Instead the Department depends upon SSA for the information needed to open and close SSI Medicaid cases.

**III. PARTICIPANTS:**

\_\_\_\_\_ - Claimant  
Harold Chatting - Department Hearing Representative

Presiding at the Hearing was Cheryl McKinney, 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 is correct in the decision to discontinue the claimant's eligibility for SSI Medicaid due to claimant no longer being a recipient of SSI and evaluate her eligibility for SSI Related Medical coverage with a spenddown.

**V. APPLICABLE POLICY:**

Sections 9.10-C, 10.22 and 16.6-A of the West Virginia Income Maintenance Manual

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

**Department's Exhibits:**

- DHS-1 Notification letter dated September 5, 2006 sent to claimant
- DHS-2 Copy of IG-BR-29 notice to Hearing Officer
- DHS-3 Copy of IM-FH-1 Hearing request form signed by claimant 8-15-06
- DHS-4 Notification letter dated 8-16-06 sent to claimant
- DHS-5 Copy of Income Maintenance Manual Section 10.22
- DHS-6 Department's Summary of events and copy of Rapids calculation screen ESED

**Claimant's Exhibits:**

None submitted

**VII. FINDINGS OF FACT:**

- 1) Claimant reported to the Department's Customer Service Center on August 15, 2006 that she had been approved for Social Security Benefits in the amount of \$590.00 monthly.
- 2) The Department entered the information and sent claimant a letter dated August 16, 2006 indicating a decrease in her food stamp benefits and advising her that her SSI Medicaid would stop August 2006. The letter indicated the reason for this medical closure was due to income being more than the net income limit for claimant to receive benefits. In the calculations section (page 4) of the notification letter regarding SSI Related Medicaid no income values were entered. (DHS-4)

- 3) Claimant requested a hearing by completing the IM-FH-1 form and submitting it to the Department on August 17, 2006. She indicated the reason for requesting the hearing was due to denial of Medicaid due to the start of RSDI. (DHS-3)
- 4) A Rapids screen showed that on August 15, 2006 claimant's income of \$590.00 was entered into the system to determine eligibility for SSI Related Medical. The system determined she would be eligible but have a spenddown to meet every 6 months in the amount of \$2220.00. (DHS-6)
- 5) The Department testified they verified with a representative from the Social Security Administration (SSA) that they are counting \$222.10 monthly as income for claimant due to someone assisting in paying her bills. They also verified that claimant's SSI eligibility ended August 2006.
- 6) Claimant testified that she lives in a house owned by her brother and currently is not required to pay rent. She stated this is why SSA is counting \$222.10 monthly as income available to her. She also testified that she had been told by SSA that if she were paying rent to her brother she may be eligible for her SSI again. She stated she plans to start paying her brother rent beginning when she receives her next social security check.
- 7) The claimant testified that she had been informed about her eligibility for the spenddown medical coverage but this does not help her. She testified that she only receives \$590.00 monthly and her medicine alone costs \$521.98 each month. This leaves her with \$68.02 monthly to pay her bills. She testified she had to decide whether to buy her medicine or pay her bills and she chose to pay her bills.
- 8) Income Maintenance Manual Section 9.10-C states in relevant part:

## SSI RECIPIENTS

### C. THE NEEDS GROUP

SSA makes the determination of need for SSI. Receipt of SSI is the only eligibility factor.

- 10) Income Maintenance Manual Section 16.6-A states in relevant part:

The amendment to the Social Security Act which established SSI and subsequent rules and regulations gave the states some options regarding Medicaid coverage for SSI recipients. West Virginia elected to cover all SSI recipients and to accept SSA's determination of eligibility for SSI as the sole eligibility determination for Medicaid. West Virginia is, then, referred to as a "1634 state" based on the section of the Social Security Act which allows this.

Consequently, there is no application or eligibility determination process for SSI Medicaid. Instead the Department depends upon SSA for the information needed to open and evaluate continuing eligibility for SSI Medicaid cases.

11) Income Maintenance Manual Section 10.22-C states in relevant part:

#### SSI-RELATED MEDICAID

##### C. DETERMINING ELIGIBILITY

Countable income is determined as follows:

Step 1: Determine the total non-excluded gross unearned income and subtract the \$20 Disregard, if applicable.

Step 2: Determine the total non excluded earned income. Subtract the following in order:

- Remainder of SSI \$20 Disregard
- SSI \$65 Earned Income Disregard
- SSI Impairment-Related Expenses
- One-half of Remaining Earned Income
- SSI Work-Related Expense Deductions (Blind persons only)
- Earnings Diverted to a PASS

Step 3: Add unearned income from Step 1

Step 4: Subtract unearned income diverted to a PASS account, the Death Benefits deduction and, for children, the child support disregard.

Step 5: Compare the amount in Step 4 to the MNIL for the appropriate number of persons.

If the net countable monthly 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.

- 12) Income Maintenance Manual Section 16.3,A states in relevant part:

**CONSIDERATION OF ALL MEDICAID COVERAGE GROUPS:**

The client cannot be expected to know which Medicaid coverage to apply for. In no instance is Medicaid coverage under one coverage group to be stopped without consideration of Medicaid eligibility under all other coverage groups. This is done before the client is notified that his Medicaid eligibility will end.

**VIII. CONCLUSIONS OF LAW:**

- 1) The receipt of SSI is the only eligibility factor for SSI Medicaid.
- 2) The claimant is no longer a recipient of SSI; therefore, she does not meet the eligibility criteria for the program. The Department applied policy correctly in closing claimant's SSI Medicaid case.
- 3) The Department properly evaluated claimant for SSI Related Medical coverage upon closure of her SSI Medical coverage and found her eligible for spenddown medical coverage. Claimant was notified of her eligibility for this type of medical coverage.

**IX. DECISION:**

It is the decision of the State Hearings Officer to **uphold** the agency's action to terminate your SSI Medicaid coverage effective September 2006 and evaluate your eligibility for SSI Related Medical spenddown coverage.

**X. RIGHT OF APPEAL:**

See Attachment

**XI. ATTACHMENTS:**

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

**ENTERED this 20<sup>th</sup> Day of October, 2006.**

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**Cheryl McKinney  
State Hearing Officer**