



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

November 6, 2006

Dear Mr. _____

Attached is a copy of the findings of fact and conclusions of law on your hearing held November 2, 2006. Your hearing request was based on the Department of Health and Human Resources' proposal to terminate 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: 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 excess of the appropriate MNIL, the AG must meet a spenddown. (Section 10.21C of the West Virginia Income Maintenance Manual)

The information which was submitted at your hearing revealed you are required to meet a spenddown. You do not have bills to meet a spenddown for a new period of consideration (POC).

It is the decision of the State Hearing Officer to uphold the proposal of the Department to terminate 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
Diana Burroughs, DHHR

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

_____,
Claimant,

v. **Action Number: 06-BOR-2907**

**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 November 2, 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 November 2, 2006 on a timely appeal, filed September 6, 2006. It should be noted that this hearing was originally scheduled for December 11, 2006. It was rescheduled by the State Hearing Officer to November 2, 2006.

It should be noted here that the claimant's benefits have been continued pending a hearing decision.

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
Diana Burroughs, Department Hearing Representative

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 the Department is correct in the decision to discontinue the claimant=s medical card because financial requirements could not be met.

V. APPLICABLE POLICY:

Sections 10.21C, 10.21D #11, 2.4D #4 and Appendix A, Chapter 10 of the West Virginia Income Maintenance Manual

VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:

Department's Exhibits:

- D-1 Notification letter dated 08/31/06
- D-2 Sections 10.21 D #11 and 1.21 H of the WV Income Maintenance Manual

VII. FINDINGS OF FACT:

- 1) The claimant is a recipient of AFDC-Related Medicaid. Testimony at the hearing revealed that his period of eligibility (POC) ended 08/31/06 as the result of meeting an earlier spenddown. The claimant reapplied for a medical card with a new POC on 08/30/06. It was reported that the claimant did not have enough bills to meet another spenddown.
- 2) A notice was mailed 08/31/06 which reads in part: Your application for Medicaid dated 08/29/06 has been denied. Reason: You stated you do not have medical bills to meet your spenddown. The amount of your spenddown is \$5,255.70. (D-1) The claimant requested a hearing on this matter.
- 3) Testimony from the claimant revealed he was attempting to meet the spenddown. The last medical card went back to March. He had COBRA insurance through June 2006. He has since canceled the COBRA insurance. The claimant has diabetes compounded by diabetic neuropathy. In four months he can accumulate \$3000 to \$4000 in bills. When he reapplied, he was informed that the past bills could be billed to Medicaid. Now he does not have insurance and he cannot get a medical card without a spenddown. His income is \$1,066.00 a month from [REDACTED] disability. His prescriptions are \$1527 billed monthly. He would not have applied for Medicaid earlier if he had known what was going to happen in four months. He can no longer get insurance. They are still

trying to figure out what Medicaid will cover on the medical bills accumulated for the past two months.

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

The MNIL for a one person assistance group is \$200.00.

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

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 excess of the appropriate MNIL, the AG must meet a spenddown.

6) **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 the opportunity to spend the 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. Once the client presents sufficient medical expenses to meet his spenddown obligation and all other Medicaid eligibility requirements are met, the spenddown is approved.....If the client does not submit sufficient medical bills by the application processing deadline, the application is denied. Certain 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.

7) **Section 2.4D #4 of the West Virginia Income Maintenance Manual reads in part:**

Medically Needy spenddown cases are closed at the end of the POC.

VIII. CONCLUSIONS OF LAW:

- 1) The claimant reapplied for a new POC beginning September 1, 2006. He would have a spenddown.
- 2) The claimant did not have enough bills to meet a spenddown.
- 3) Policy requires that if a client does not have sufficient bills to meet a spenddown, the application is denied.
- 4) The denial of the application and closure of the case is valid.

IX. DECISION:

It is the finding of the State Hearing Officer that the claimant has to meet a spenddown in order to meet the financial requirements for the AFDC-Related Medicaid Program. The Department

is upheld in the proposal to discontinue the claimant=s medical card under the AFDC-Related Medicaid Program.

X. RIGHT OF APPEAL:

See Attachment

XI. ATTACHMENTS:

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

ENTERED this 6th Day of November, 2006.

**Margaret M. Mann
State Hearing Officer**