



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

November 30, 2006

Dear Ms. _____:

Attached is a copy of the findings of fact and conclusions of law on your hearing held November 29, 2006. Your hearing request was based on the Department of Health and Human Resources' action to apply a spenddown to your Medicaid case.

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-Related Medicaid Program is based on current policy and regulations. Some of these regulations state as follows: 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 Section 10.22)

Information submitted at the hearing revealed that you do not have sufficient medical bills to meet a spenddown.

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

Sincerely,

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

cc: Erika H. Young, Chairman, Board of Review
Lisa Tanner, ESW, DHHR

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

_____,
Claimant,

v.

Action Number: 06-BOR-3129

**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 30, 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 29 2006 on a timely appeal filed October 10, 2006. The hearing was originally scheduled for October 25, 2006, but was rescheduled at the Claimant's request.

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

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.

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:

_____, Claimant
Lisa Tanner, Economic Service Worker, 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 Agency was correct in denying the Claimant's Medicaid benefits based on failure to meet a spenddown.

V. APPLICABLE POLICY:

West Virginia Income Maintenance Manual Section 10.22, 11

VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:

Department's Exhibits:

- D-1 Hearing request
- D-2 Verification checklist
- D-3 Notice of Decision dated October 12, 2006
- D-4 West Virginia Income Maintenance Manual Section 10.21
- D-5 West Virginia Income Maintenance Manual Section 10, Appendix A/income data
- D-6 MRT Evaluation DFA-RT-3M
- D-7 West Virginia Income Maintenance Manual Section 12.13
- D-8 West Virginia Income Maintenance Manual Section 10.22

Claimant's Exhibits:

- C-1 Bankruptcy information
- C-2 Medical billing statements

VII. FINDINGS OF FACT:

- 1) The Claimant completed a redetermination for SSI-Related Medicaid in September 2006 and was determined to be ineligible for Medicaid because she had insufficient medical bills to meet a spenddown. The Claimant, who informed her worker that she did not have sufficient bills, was issued a verification checklist (D-2) on October 10, 2006 explaining the spenddown process and informing her of the spenddown amount.
- 2) On October 12, 2006, the Claimant was sent a Notice of Decision (D-3) which states, in part:

Action: Your SSI Related Medicaid for the Aged/Blind and Disabled will stop. You will not receive this benefit after October 2006.

Reason: Income is more than the net income limit for you to receive benefits.

- 3) Exhibit D-3 indicates that a monthly spenddown of \$150.70 was calculated, which equates to a spenddown of \$904.20 for the six-month Period of Consideration. Deductions from the unearned income included a \$20 monthly disregard and \$200, the Medically Needy Income Level for a one-person benefit group as listed on Exhibit D-5. The Economic Service Worker testified that this income consists of unemployment compensation of \$210.70 per month and child support arrearages of \$160 per month (D-5).
- 4) The Claimant presented copies of medical billing statements (C-2), however, the bills failed to provide sufficient verification to meet the spenddown because the Claimant was covered by Medicaid when the bills were incurred. It is unclear whether the Claimant owes any portion of the balances since Medicaid should have been billed for the charges.
- 5) West Virginia Income Maintenance Manual Section 10.22 D, 11 (D-8) 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 until the POC expires. 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.

- 6) West Virginia Income Maintenance Manual Section 10.22, 11 (a) states that, when medical bills are received, the worker must determine that the expenses are not payable by a third party.
- 7) West Virginia Income Maintenance Manual Section 10.22D, 11 (a) states:

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) Policy states that if the household's countable income exceeds specified levels (MNIL), a spenddown must be met prior to SSI-Related Medicaid participation. Medicaid coverage may only be established from the date the medical expense which met the spenddown was incurred to the end of the 6-month Period of Consideration. If the client does not submit sufficient medical bills to satisfy the established spenddown within 30 days (application processing deadline) the application is denied.
- 2) Evidence reveals that the Claimant has a spenddown of \$904.20 and had informed her worker that she does not presently have sufficient medical bills to satisfy the spenddown requirement. While the Claimant provided some medical billing information during the hearing, the documents fail to indicate if any of the balances are (or will be) owed by the Claimant following Medicaid billing. Policy states that bills subject to payment by a third party cannot be used toward a spenddown. Therefore, the Department acted correctly in denying the Claimant's SSI-Related Medicaid benefits.

IX. DECISION:

It is the decision of the State Hearing Officer to **uphold** the proposal of the Agency to close the Claimant's SSI-Related Medicaid benefits.

X. RIGHT OF APPEAL:

See Attachment

XI. ATTACHMENTS:

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

ENTERED this 30th Day of November, 2006.

**Pamela L. Hinzman
State Hearing Officer**