STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
OFFICE OF INSPECTOR GENERAL

Bill J. Crouch
Cabinet Secretary

BOARD OF REVIEW
Berkeley County DHHR
PO Box 1247
Martinsburg, WV 25402

Jolynn Marra
Interim Inspector General

October 16, 2018

[redacted]

RE: [redacted] v. WV DHHR
ACTION NO.: 18-BOR-2444

Dear [redacted]:

Enclosed is a copy of the decision resulting from the hearing held in the above-referenced matter.

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.

You will find attached an explanation of possible actions you may take if you disagree with the decision reached in this matter.

Sincerely,

Lori Woodward
State Hearing Officer
Member, State Board of Review

Encl: Appellant's Recourse to Hearing Decision
Form IG-BR-29

cc: Kimberly Gray, BCF, [redacted] Co. DHHR

WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BOARD OF REVIEW

[redacted],

Appellant,

v. Action Number: 18-BOR-2444

WEST VIRGINIA DEPARTMENT OF
HEALTH AND HUMAN RESOURCES,

Respondent.

DECISION OF STATE HEARING OFFICER

INTRODUCTION

This is the decision of the State Hearing Officer resulting from a fair hearing for [redacted]. This hearing was held in accordance with the provisions found in Chapter 700 of the West Virginia Department of Health and Human Resources' Common Chapters Manual. This fair hearing convened on October 16, 2018, on appeal filed September 25, 2018.

The matter before the Hearing Officer arises from the September 17, 2018, decision by the Respondent to close the Appellant's Modified Adjusted Gross Income (MAGI) Medicaid benefits.

At the hearing, the Respondent appeared by Kimberly Gray, Family Support Services. The Appellant appeared *pro se*. All witnesses were sworn and the following documents were admitted into evidence.

Department's Exhibits:

- D-1 WV Income Maintenance Manual (WV IMM), Chapter 7, §7.2.5.C
- D-2 WV IMM, Chapter 4 Definitions
- D-3 Medicaid review form, dated August 13, 2018
- D-4 WV IMM, Chapter 4, §4.6.1.D (excerpt)
- D-5 WV IMM, Chapter 4, Appendix A
- D-6 WV IMM, §4.7.2.B

After a review of the record, including testimony, exhibits, and stipulations admitted into evidence at the hearing, and after assessing the credibility of all witnesses and weighing the evidence in consideration of the same, the Hearing Officer sets forth the following Findings of Fact.

FINDINGS OF FACT

1) The Appellant was a recipient of MAGI Medicaid (Adult Medicaid) benefits.

2) The Appellant submitted a medical renewal form in September 2018.

3) The Appellant is a one-person Assistance Group (AG).

4) The Appellant had a new source of income and self-attested that her income was $367.18 per week. (Exhibit D-3)

5) Based upon the Appellant's self-attestation of income, the Respondent determined her gross monthly income to be $1,578.87.

6) The income limit for Adult Medicaid eligibility for an AG of 1 is 133% of the Federal Poverty Level (FPL) which is $1,346. (Exhibit D-5)

7) The Respondent denied Adult Medicaid benefits based on the Appellant's gross income of $1,578.87 which is over 133% FPL for an AG of 1. The Respondent sent notice of the denial to the Appellant on September 17, 2018.

APPLICABLE POLICY

West Virginia Income Maintenance Manual (WV IMM), Chapter 3, §3.7, explains that the patient Protection and Affordable Care Act, amended by the Health Care and Education Reconciliation Act of 2010, enacted March 30, 2010, are together referred to as the Affordable Care Act (ACA). The ACA established the categorically mandatory coverage group known as the Adult Group. Effective January 1, 2014, Medicaid coverage is provided to individuals age 19 or older and under age 65 who are not otherwise eligible for and enrolled in another categorically mandatory Medicaid coverage group, and are not entitled to or enrolled in Medicare Part A or B. Eligibility for this group is determined using Modified Adjusted Gross Income (MAGI) methodologies established in Section 4.7.

WV IMM, Chapter 4, §4.7.4, explains that eligibility for MAGI Medicaid is determined by using the following steps:

- Step 1: Determine the MAGI-based gross monthly income for each MAGI household income group (IG).
- Step 2: Convert the MAGI household's gross monthly income to a percentage of the Federal Poverty Level (FPL) by dividing the current monthly income by 100% of the FPL for the household size. Convert the result to a percentage. If the result from Step 2 is equal to or less than the appropriate income limit (133% FPL), no disregard is necessary, and no further steps are required.
- Step 3: If the result from Step 2 is greater than the appropriate limit, apply the 5% FPL disregard by subtracting five percentage points from the converted monthly gross income to determine the household income.

- Step 4: After the 5% FPL income disregard has been applied, the remaining percent of FPL is the final figure that will be compared against the applicable modified adjusted gross income standard for the MAGI coverage groups.

The adjusted gross income is then compared to 133% of the FPL for the appropriate AG size to determine eligibility for MAGI Medicaid.

WV IMM, Chapter 4, §4.7.2.B, instructs that after the income has been determined in Step 1, determine if any adjustments/deductions are applicable and subtract them from the income determined in Step 1. The worker must incorporate allowable deductions (also known as adjustments) in the calculation of MAGI-based income. These adjustments/deductions can be found on page one of IRS form 1040.

The following items are allowed deductions from the individual's income:

- Educator expenses
- Certain business expenses of reservists, performing artists, and fee-basis government officials
- Health savings account deductions
- Moving expenses (Only for members of the Armed Forces after 12/31/2017)
- Deductible part of self-employment tax
- Self-employed Simplified Employee Pension (SEP), Savings Incentive Match Plan for Employees (SIMPLE), and qualified plans
- Self-employed health insurance deductions
- Penalty on early withdrawal of savings
- Alimony paid
- IRA deductions
- Student loan interest deductions

WV IMM, Chapter 4, Appendix A, lists the income limit for MAGI Medicaid for a one-person AG as $1,346 (133% FPL).

DISCUSSION

The Appellant was a recipient of Adult Medicaid benefits. The Adult Medicaid group is a categorically mandatory Medicaid coverage group established by the ACA. This Medicaid group coverage is provided to individuals age 19 or older and under age 65 who are not otherwise eligible for and enrolled in another categorically mandatory Medicaid coverage group. Eligibility for this group is determined using MAGI methodologies. To qualify for Adult Medicaid benefits, the gross monthly income must be below 133% FPL for the size of the AG. The income limit for an AG of one (1) is $1,346.

The Appellant submitted a Medicaid review form in September 2018. She is a one-person AG. The Respondent used the Appellant's self-attestation of her weekly gross income from her new employment of $367.18 per week to calculate an average gross monthly income of $1,578.87. Because the Appellant's income was over 133% of the FPL for an AG of 1, the Respondent terminated her Adult Medicaid benefits. Notice of denial was sent to the Appellant on September 17, 2018.

The Appellant disputed the fact that policy allows alimony payments as adjustments/deductions to the calculation of income, but not child support payments. She contended that she has very little income after employment taxes and child support payments are deducted from her gross income. However, policy mandates Adult Medicaid eligibility be determined by gross income and does not allow child support payments as a deduction to the calculations.

The Appellant's gross monthly income of $1,578.87 exceeded the Adult Medicaid income eligibility limit for a one-person AG.

CONCLUSIONS OF LAW

1) The Adult Medicaid group is a categorically mandatory Medicaid coverage group that determines applicant eligibility by using MAGI methodologies.

2) To be eligible for the Adult Medicaid group coverage, gross income must not exceed 133% of FPL for the appropriate AG size.

3) The income limit for a one-person AG for the Adult Medicaid group is $1,346.

4) The Appellant is a one-person AG with a gross monthly income of $1,578.87.

5) The Respondent correctly terminated the Appellant's Adult Medicaid benefits due to her income exceeding the income eligibility limit for her AG size.

DECISION

It is the decision of the State Hearing Officer to **UPHOLD** the Respondent's termination of Adult Medicaid (MAGI) benefits.

ENTERED this 16th day of October 2018.

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Lori Woodward, State Hearing Officer