



State of West Virginia
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Office of Inspector General
Board of Review
P. O. Box 1736
Romney, WV 26757

Joe Manchin III
Governor

Martha Yeager Walker
Secretary

October 24, 2006

Dear Mr. _____:

Attached is a copy of the findings of fact and conclusions of law on your hearing held October 11, 2006. Your hearing request was based on the Department of Health and Human Resources' action to deny Medicaid WV Children's Health Insurance Program, (WV CHIPS) benefits.

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 WV CHIP Program is based on current policy and regulations. In order to qualify for CHIP benefits, the regulations state that the countable family income must be equal to or less than 200 percent of the Federal Poverty Level. Policy goes on to state that a child is eligible as a WV CHIP child if the child does not have individual or group health insurance coverage. (WV Income Maintenance Manual Sections and 7.14)

The information submitted at your hearing reveals that you were notified of the denial of CHIP benefits due to coverage provided under your employee health insurance plan. The Department notified you that you could provide proof that the children in question were no longer covered by your employer's Health Insurance plan. This information was not provided.

It is the decision of the State Hearing Officer to **uphold** the action of the Agency to deny your application for WV CHIP benefits.

Sincerely,

Sharon K. Yoho
State Hearing Officer
Member, State Board of Review

cc: Erika H. Young, Chairman, Board of Review
Cathy Hoeck, ESW, DHHR

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

_____,
Claimant,

v.

Action Number: 06-BOR-2902

**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 11, 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 October 11, 2006 on a timely appeal filed July 25, 2006.

II. PROGRAM PURPOSE:

The program entitled WV CHIP is set up cooperatively between the Federal and State governments and administered by the West Virginia Department of Health & Human Resources.

Medical coverage under the WV Children's Health Insurance Program (**WV CHIP**) is health insurance administered through the Public Employees Insurance Agency (PEIA) with benefits provided by Acordia National for children from age 1 through age 18. WV CHIP is a means-tested insurance program for which the Department determines eligibility and provides information to PEIA for administration.

III. PARTICIPANTS:

_____, Claimant
Cathy Hoeck, I.M. Worker, DHHR

Presiding at the hearing was Sharon K. Yoho, 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 was correct in its decision to deny the Claimant's application for WV CHIP benefits.

V. APPLICABLE POLICY:

WV Income Maintenance Manual Chapter, 7.14
WV DHHR Common Chapters Manual, Chapter 700

VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:

Department's Exhibits:

- D-1 Notice of Decision dated July 20, 2006
- D-2 Notice of information needed dated June 9, 2006
- D-3 WV Income Maintenance Manual Chapter 7.14
- D-4 Case comments dated July 19, 2006
- D-5 Application for CHIP dated May 16, 2006

VII. FINDINGS OF FACT:

- 1) On May 16, 2006 the Department received an application for CHIP coverage for the Claimant's Children.
- 2) The claimant has two children who are US Citizens, which could qualify for CHIP coverage.
- 3) The Department evaluated the application and determined that the children were covered under the claimant's employee Blue Cross Blue Shield health insurance. The Department also determined that the cost of this health insurance was more than 10% of the claimant's annual salary. The caseworker spoke with the claimant over the phone about the possibility of his dropping the two children from the Blue Cross Blue Shield coverage.
- 4) The Department issued a notice on June 9, 2006 of information needed to determine eligibility. This notice advised the claimant that he would need to provide proof that his employee Health Insurance no longer covered the two children in question. The claimant did not provide this proof.
- 5) The Department issued a denial notice dated July 20, 2006. This notice advised that, "Your current health insurance plan does not qualify you for WV Children's Health Insurance (CHIP) coverage based on the acceptable health insurance plans outlined by the WV CHIP board."

- 6) WV Income Maintenance Manual, Chapter 7.14.A – Specific WV CHIP Requirements states that a child is eligible as a WV CHIP child, when all of the following conditions are met when - “The child does not have individual or group health insurance coverage.”
- 7) WV Income Maintenance Manual, Chapter 7.14, Appendix A provides a definition of Health Insurance Coverage as Benefits consisting of medical care, provided directly, through insurance or reimbursement, or otherwise, and including items and services paid for as medical care under any hospital or medical service policy or certificate, hospital or medical service plan contract, or HMO contract, offered by a health insurance issuer.
- 8) WV Income Maintenance Manual, Chapter 7.14.D.3 (Excessive Cost of Family Coverage) states – Good cause for terminating non-excepted health insurance coverage exists when the annual cost of the family coverage is 10% or more of the family’s total gross non-excluded annual income. The total cost of family coverage includes basic coverage and any optional dental or optical coverage, even when paid separately from the basic coverage. When a good cause determination is made due to premium cost exceeding 10% of the family’s gross income, special application processing procedures may apply.

VIII. CONCLUSIONS OF LAW:

- 1) Policy found in the 7.14 provides circumstances under which a child is not eligible for Medicaid through the WV Chip Program. This includes ineligibility if the child has individual or group health insurance coverage. The Claimant reported on his application that his children have medical insurance through Blue Cross Blue Shield and acknowledged continuing coverage on the record at this hearing. In accordance with the definitions provided in Appendix A of Chapter 7.14 of the WVIMM, the Claimant’s children are recipient of group health insurance.
- 2) The Department demonstrated that Good Cause could be given for canceling a private medical insurance since, “the annual cost of the family coverage is 10% or more of the family’s total gross non-excluded annual income.” This policy does not allow for the continuation of private medical insurance in conjunction with WV CHIP.
- 3) The claimant did not provide proof that his two children, who are US Citizens, had been dropped from his employee Health Insurance coverage. The Department was correct to deny CHIP benefits.

IX. DECISION:

It is the decision of the State Hearing Officer to **uphold** the action of the Department to deny the Claimant’s application for WV CHIP benefits.

X. RIGHT OF APPEAL:

See Attachment

XI. ATTACHMENTS:

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

ENTERED this 24th Day of October 2006.

**Sharon K. Yoho
State Hearing Officer**