



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

Bill J. Crouch
Cabinet Secretary

BOARD OF REVIEW
Raleigh County District
407 Neville Street
Beckley, WV 25801

Jolynn Marra
Interim Inspector General

November 7, 2018

[REDACTED]

RE: [REDACTED] v. WV DHHR
ACTION NO.: 18-BOR-2496

Dear Ms. [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,

Kristi Logan
State Hearing Officer
Member, State Board of Review

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

cc: Margaret Fain, [REDACTED] County DHHR

WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BOARD OF REVIEW

[REDACTED],

Appellant,

v.

Action Number: 18-BOR-2496

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 was convened on October 24, 2018.

The matter before the Hearing Officer arises from the September 24, 2018, decision by the Respondent to deny the Appellant's application for SSI-Related (Spendeddown) Medicaid.

At the hearing, the Respondent appeared by Margaret Fain, Economic Service Supervisor. The Appellant appeared *pro se*. The witnesses were sworn and the following documents were admitted into evidence.

Department's Exhibits:

- D-1 Case Comments from February 2018 through September 2018
- D-2 Account Balances and Payment History from [REDACTED], and [REDACTED] Agency Notice dated January 24, 2018
- D-3 Bill for Services from [REDACTED] for March 24, 2017 and May 23, 2017
- D-4 Statement from [REDACTED] for April 19, 2017 and Notice of Debt Collection from [REDACTED] dated April 30, 2018
- D-5 Account Statement from [REDACTED] for April 19, 2017
- D-6 Statement of Account Balance from [REDACTED] dated March 24, 2018
- D-7 Summary of Account from [REDACTED] for May 1, 2018

- D-8 Payment Request from [REDACTED] for November 10-13, 2017 and Receipts for May 1, 2018 and May 14, 2018
- D-9 Notice of Collection from [REDACTED] dated May 4, 2018

Appellant's Exhibits:

- A-1 Summary of Charges from [REDACTED] dated August 27, 2018

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 submitted an online application for Medicare Premium Assistance benefits on March 7, 2018.
- 2) The application was denied due to excessive income.
- 3) The Appellant applied for SSI-Related Medicaid on June 7, 2018, and provided medical bills to meet a spenddown.
- 4) The Supplement to Application for Healthcare Coverage Form (DFA-SLA-S1) was not submitted with the Appellant's Medicaid application and one was mailed to the Appellant on June 19, 2018 for completion.
- 5) Form DFA-SLA-S1 was received by the Respondent on July 10, 2018.
- 6) The Respondent requested verification of the Appellant's bank account balance on July 10, 2018.
- 7) The Appellant provided verification of her bank account balance on July 19, 2018.
- 8) The Respondent notified the Appellant on September 24, 2018, that her application for SSI-Related Medicaid had been denied when the spenddown amount of \$7,926.18 had not been met.

APPLICABLE POLICY

West Virginia Income Maintenance Manual §1.3.4.A.3 states the DFA-SLA-S1 is the supplement used in addition to the DFA-SLA-1 or DFA-SLA-2 to collect additional information required to determine eligibility for Medicaid coverage groups on a basis other than Modified Adjusted Gross Income (MAGI).

West Virginia Income Maintenance Manual §4.14.3 states that countable income for SSI-Related Medicaid is determined by subtracting any allowable disregards and deductions from the total countable gross income. Countable income is determined as follows:

Step 1: Determine the total countable gross unearned income and subtract the \$20 disregard, if applicable.

Step 2: Determine the total countable 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 Plan to Achieve Self-Support (PASS)
- SSI student child earned income disregard

Step 3: Add the result from Step 1 to the result from Step 2.

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

The result is the total monthly countable income.

Step 5: Compare the amount in Step 4 to the SSI Maximum Payment Level, indicated in Appendix A for the appropriate number of persons.

If the net countable monthly income is equal to or less than the appropriate SSI Maximum Payment Level, the assistance group (AG) is eligible and no further steps are necessary.

If the net countable monthly income is above the appropriate SSI Maximum Payment Level, continue with Step 6.

Step 6: Compare the amount in Step 4 to the Medically Needy Income Level (MNIL) for the appropriate number of persons.

If the net countable monthly income is equal to or less than the appropriate MNIL, the assistance group (AG) is eligible without a spenddown. If it is in excess of the appropriate MNIL, the AG must meet a spenddown.

West Virginia Income Maintenance Manual §4.14.4.J states that to be eligible for Medicaid, the Income Group's (IG) monthly countable income must not exceed the amount of the MNIL. If the income exceeds the MNIL, the AG has an opportunity to spend the income down to the MNIL by incurring medical expenses. These expenses are subtracted from the income for the six-month POC, until the income is at, or below, the MNIL for the Needs Group (NG) size.

The Worker must determine the amount of the client's spenddown at the time of application based on information provided by the client. DFA-6A is attached to the verification checklist (DFA-6) that notifies the client that an eligibility decision cannot be made until he meets his spenddown by providing proof of medical expenses.

The application is denied when the applicant indicates there are no medical bills or anticipated medical expenses in the 30-day application period that may be used to meet the spenddown for the Medicaid AG member(s).

West Virginia Income Maintenance Manual §4.14.4.J.4 states the following 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.

- A current payment on, or the unpaid balance of an old bill, incurred outside the current period of consideration (POC), is used as long as that portion of the bill was not used in a previous POC during which the client became eligible. No payment or part of a bill that is used to make a client eligible may be used again. **Old unpaid bills, which are being collected by an agency other than the medical provider, may be used when the expense is still owed to the provider. If the expense has been written off by the provider, it is no longer considered the client's obligation, and is, therefore, not an allowable spenddown expense** (emphasis added).
- Medical bills that were previously submitted, but were not sufficient to meet the spenddown, are used again in a new POC. When only a portion of the old bill, incurred outside the current POC, is used to meet spenddown, any remaining portion of the bill for which the client is still liable may be used to meet spenddown in a new POC. In addition, when the client submits an old bill and then withdraws his application, the old bill may be used again if he reapplies.

West Virginia Income Maintenance Manual Chapter 4 Appendix A lists the MNIL limit for a one-person assistance group as \$200.

DISCUSSION

Pursuant to policy, an SSI-Related Medicaid applicant's net countable income must not exceed the Medically Needy Income Level (MNIL) for the size of the assistance group. If the net countable income exceeds the MNIL, the assistance group has an opportunity to spend the income down to the MNIL by incurring medical expenses. These expenses are subtracted from the income for the six-month period of consideration (POC), until the income is at or below the MNIL. This process is referred to as meeting a spenddown.

The Appellant applied for SSI-Related Medicaid in June 2018, and her spenddown amount was determined to be \$7,926.18. The Appellant's application was denied when she failed to provide outstanding medical bills in the amount of her spenddown.

The Respondent contended that some of the medical bills the Appellant provided to meet her spenddown had already been sent to collections, and therefore were no longer owed to the medical provider (Exhibits D-2, D-4 and D-9). The Respondent purported that of the bills provided, approximately \$1,400 could be used to meet the Appellant's spenddown.

The Appellant testified that at the time she applied for Medicaid, her medical bills had not been sent to collections, and there were numerous delays in processing her application. The Appellant stated she owed the [REDACTED] Hospital ([REDACTED]) over \$7,000 when she first applied and provided additional bills from the hospital totaling \$633.22, which were incurred in July and August 2018.

In reviewing the medical bills that were submitted with the Appellant's June 7, 2018, application, the following bills could have been used to meet her spenddown:

- [REDACTED] \$278.03 (dates of service March 24, 2017 and May 23, 2017)
- [REDACTED] \$40.98 (bills submitted for September 20, 2017, January 4, 2018 and January 22, 2018 had been sent to a collection agency, dates of service March 2, 2018, May 1, 2018 and May 7, 2018 had been paid by the Appellant)
- [REDACTED] \$446.39 (dates of service November 2, 2017, November 10, 2017, November 28, 2017 and December 19, 2017)
- [REDACTED] \$1,051 (dates of service November 10 through November 13, 2017)
- [REDACTED] \$35.82 (date of service April 19, 2017)

Bills that were submitted from [REDACTED] and [REDACTED] were from third-party collection agencies, and therefore could not be used. It should be noted the notices of collections for these medical provides were dated prior to the Appellant's application. The Appellant's total bills that could have been applied to meet her spenddown were \$2,485.44. Although the Appellant contended that she owed over \$7,000 to [REDACTED], she did not provide verification of this amount at application or during the hearing.

The Appellant had insufficient medical bills to meet her spenddown amount of \$7,926.18. The Respondent acted in accordance with policy in the denial of her June 7, 2018 SSI-Related Medicaid application.

CONCLUSIONS OF LAW

- 1) The Appellant's countable net income exceeded the MNIL limit for a one-person assistance group, and therefore was required to meet the spenddown provision found in policy.
- 2) The Appellant's spenddown was determined to be \$7,926.18.
- 3) The Appellant failed to provide sufficient medical bills to meet her spenddown.
- 4) The Respondent was correct to deny the Appellant's application for SSI-Related Medicaid.

DECISION

It is the decision of the State Hearing Officer to uphold the decision of the Respondent to deny the Appellant's application for SSI-Related Medicaid.

ENTERED this 7th day of November 2018

**Kristi Logan
State Hearing Officer**