

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

Bill J. Crouch Cabinet Secretary

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October 28, 2021



RE: v. WVDHHR ACTION NO.: 21-BOR-1987

Dear Ms.

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

In arriving at a decision, the Board of Review 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 that may be taken if you disagree with the decision reached in this matter.

Sincerely,

Angela D. Signore State Hearing Officer State Board of Review

Enclosure: Appellant's Recourse

Form IG-BR-29

cc: William Smalley, Connect Child Care Resource & Referral

WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES BOARD OF REVIEW

Appellant,

v. ACTION NO.: 21-BOR-1987

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 This hearing was held in accordance with the provisions found in Chapter 700 of the West Virginia Department of Health and Human Resources' (WV DHHR) Common Chapters Manual. This fair hearing was convened on September 23, 2021, on an appeal filed August 25, 2021.

The matter before the Hearing Officer arises from the July 20, 2021 determination by the Respondent to terminate the Appellant's Child Care Program benefits and establish a repayment claim for benefits received by the Appellant from January 2021 through July 2021. The question of whether the Child Care Resource & Referral (CCR&R) was correct in determining that the Appellant was not eligible for a medical exception is *de novo* in this proceeding.

At the hearing, the Respondent appeared by William Smalley, Case Manager, Connect Child Care Resource & Referral. The Appellant appeared *pro se*. All witnesses were sworn and the following documents were admitted into evidence.

Department's Exhibits:

of Live Birth for

- D-1 WV DHHR Child Care Parent Notification of Redetermination Letter, dated July 01, 2021

 D-2 Electronic Mail (E-mail) correspondence from William Smalley to dated July 08, 2021

 D-3 WV DHHR Essential Child Care Review Packet completed by signed July 09, 2021; Vensure Employer Services Direct Deposit Pay for WV American Water Billing Statement; and Copy of WV Certificate
- D-4 WV DHHR Child Care Parent Notification of Denial or Closure Letter, dated July 13, 2021

D-5 BB&T Account Statement for , dated June 2021; and Letter of Medical Circumstances signed by and Last Day of Employment, dated July 15, 2021; Social Security Office Benefit Award Letter, Year 2021 WV DHHR Medical Verification from D-6 regarding dated July 15, 2021 E-mail correspondence between William Smalley, Teauna Bennett, Shantae Williams, D-7 and Regarding Essential Employee Redetermination and Medical Policy Exception dated July 2021 WV DHHR Child Care Parent Notification of Denial or Closure Letter, dated July 20, D-8 2021 D-9 WV DHHR Child Care Subsidy Policy, September 1, 2020 WV DHHR Request for Hearing Conference signed by , dated July 28, D-10 2021 Letter of Repayment signed by Teauna Bennett, dated August 23, 2021 D-11 **Appellant's Exhibits:** Letter of Repayment signed by Teauna Bennett, dated August 23, 2021; Repayment A-1 Agreement, unsigned; and List of Overpayment Amounts – January 2021 through July 2021 YMCA of Out of School Program Flyer A-2 YMCA Summer Day Camp Enrollment Form for A-3 signed by , dated May 27, 2021 YMCA Summer Day Camp Enrollment Packet for A-4 signed by , dated June 08, 2021 YMCA Time Card Detail for , dated January 08, 2021 through July 20, A-5 2021 YMCA Child Care Cost Calculation for , dated January 10, 2021 through A-6 July 20, 2021 WV DHHR Medical Verification from regarding A-7 dated July 15, 2021 WV DHHR Medical Verification from A-8 regarding , dated August $0\overline{5}$, 2021Visit Care Summaries for , dated February 06, 2021 through A-9 August 04, 2021 Upcoming Appointment/Visit List for , dated July and August 2021 A-10 A-11 Progress Notes and Condition of Admission, dated September 02 and September 03, 2021) Transaction Details for A-12 , dated July 26, 2021; and Discharge Diagnosis for dated May 31, 2021 A-13 Itemization of Hospital Services for dated June 21, 2021 A-14 Emergency Department Notes for

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August 07, 2021

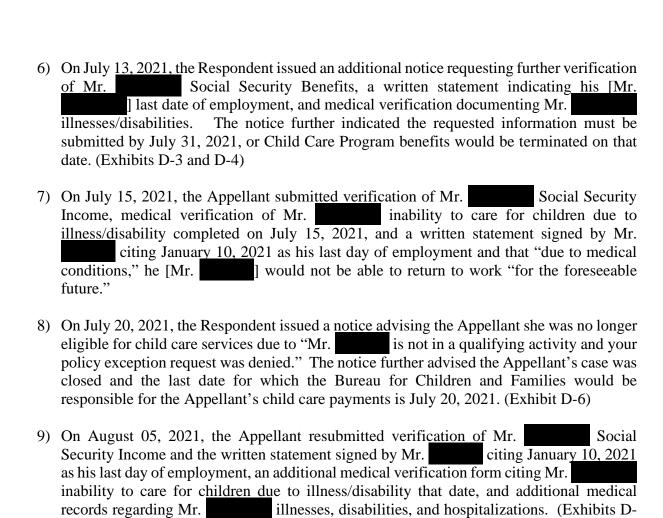
| A-15 | Heart Failure Hospital Discharge for | |
|------|---|-----------------------------------|
| | dated July 06, 2021 | |
| A-16 | Heart Failure Hospital Discharge Progress Notes for | |
| | , dated July 13, <u>20</u> 21 | |
| A-17 | Discharge Summary for | , dated May 29, 2021 |
| A-18 | Physical Therapy Examination for dated July 28, | |
| | 2021 | · |
| A-19 | Discharge Summary for | <u>, dat</u> ed February 06, 2021 |
| A-20 | Progress Note for | , dated February 10, 2021 |
| A-21 | Progress Note for | , dated March 18, 2021 |
| A-22 | Progress Note for | , dated June 07, 2021 |
| A-23 | Progress Note for | , dated June 10, 2021 |
| A-24 | Progress Note for | , dated June 14, 2021 |
| A-25 | Progress Note for | , dated June 29, 2021 |
| A-26 | Progress Note for | , dated July 05, 2021 |
| A-27 | Progress Note for | <u>,</u> dated July 22, 2021 |
| A-28 | Progress Note for | dated July 29, 2021 |
| A-29 | Progress Note for | , dated August 05, 2021 |

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 following Findings of Fact are set forth.

FINDINGS OF FACT

- 1) Enhanced funding provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act stipulated that income limits could be waived for subsidized Child Care services for essential workers during the healthcare crisis.
- 2) To be eligible for Child Care Program benefits, both parents in the household must participate in a qualifying activity or be eligible for a policy exception. (Exhibit D-9)
- 3) The Appellant and her spouse, ______, met the definition of essential workers and were not required to meet the income limit to receive subsidized Child Care services managed by Connect, a Child Care Resource and Referral Agency (CCR&R.)
- 4) On July 01, 2021, the Respondent issued a Child Care Parent Notification of Redetermination Letter. The notification indicated that the included redetermination form must be completed and returned to the Respondent by July 15, 2021, or Child Care Program benefits would be terminated effective July 31, 2021. (Exhibit D-1)
- 5) On July 09, 2021, the Appellant submitted the completed redetermination for Child Care Program benefits forms to the Respondent, along with a request for an illness/disability exception to the policy requirement that both parents in the household participate in a qualifying activity in order to be eligible for child care services. (Exhibit D-2)

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5, D-7, and A-7 through A-29)
10) The Appellant failed to report a change in circumstances within the five (5) day time frame as established by policy.

11) The Appellant's minor child was under the age of six (6) on January 10, 2021. (Exhibit D-3)

12) Since January 10, 2021, Mr. has experienced a back injury, Type 1 diabetes with insulin pump, COVID-19, heart failure and kidney failure – both of which require organ transplants, reduced ejection fraction of the heart, ischemic cardiomyopathy, coronary artery disease, congestive heart failure, and sleep apnea which affect his ability to perform major life activities including self-care, caring for others, working, and independently providing child care. (Exhibits A-7 through A-29)

13) On an unknown date, the Appellant's spouse, social Security Benefits. (Exhibits D-2 and D-3)

APPLICABLE POLICY

Code of Federal Regulations 45 CFR § 155.500 provides, in part:

De novo review means a review of an appeal without deference to prior decisions in the case.

Code of Federal Regulations 45 CFR § 155.535 provides, in part:

- (e) *Information and evidence to be considered*: The appeals entity must consider the information used to determine the appellant's eligibility as well as any additional relevant evidence presented during the course of the appeals process, including at the hearing.
- (f) *Standard of review*: The appeals entity will review the appeal *de novo* and will consider all relevant facts and evidence adduced during the appeals process.

CARES Act, Public Law 116-136, March 27, 2020 reads, in part:

To provide funding for Child Care assistance to health care sector employees, emergency responders, sanitation workers, and other workers deemed essential during the response to coronavirus by public officials, without regard to the income eligibility requirements.

West Virginia Child Care Subsidy Policy & Procedures Manual (WVCCSPP) § 2.5.4.11 provides, in part:

Reporting changes in circumstances within five days. Failure to report changes to the agency may result in case closure, repayment of services used for time not approved, and/or 30-day penalty closure before services can be reopened. Income changes during the twelve (12) period will not impact a parent's continuing eligibility for care unless the parent requests a redetermination due to decreases in income that might result in reduced fees. However, the parent(s) shall report the following changes in circumstances to the provider and to the agency, as appropriate:

- C. Changes in employment place of employment or days and hours worked.
- E. Loss of employment or termination from educational or training programs.

WVCCSPP § 3.2.3 provides, in part:

If both parents, or a parent and step-parent are in the home, child care services cannot be approved for work or training related needs unless both are participating in a qualifying activity, such as working or attending school/training.

WVCCSPP § 4.0 provides, in part:

To be eligible for child care assistance, families must demonstrate a need for care. In general, that means that the head of household must be involved in a qualifying activity that prevents the parent from providing care and supervision of the children in the household during the time the parent is participating in the activity. If there are two parents in the home, both must be involved in a qualifying activity.

WVCCSPP § 4.7.2 provides, in part:

In certain extraordinary situations child care may be approved for children under the age of six years in the following circumstances: a family member's release from hospitalization; a recent determination of a temporary or permanent disability of a parent; physician ordered bed rest during pregnancy; medical treatment for a terminal illness. Exceptions are granted in order to give the family time to prepare and plan for coping with the illness and the effects of treatment and finding alternate child care arrangements/assistance.

WVCCSPP § 4.7.2.2 provides, in part:

A disability exception approval will not exceed 6 months. This category of policy exception is for one time only per child care case or same family. The exception is granted in order to give the family time to prepare and plan for coping with the disability and finding alternate child care arrangements/assistance in cases of newly determined temporary or permanent disability of the parent, the documentation shall include, but not be limited to:

- A. An official disability determination by a state or federal agency with a determination date that is within three months of the child care application or redetermination.
- B. A treatment plan and the medical statement by a licensed physician which describes how this condition prevents the care of children.
- C. A disability exception approval will not exceed 6 months.

WVCCSPP § 6.1.1 provides, in part:

The financial eligibility of each family receiving child care services shall undergo a status check periodically.

WVCCSPP § 6.5.2 provides, in part:

In unusual, extraordinary circumstances, exceptions to eligibility policy can be requested. Exceptions will be granted on an individual basis and only in situations where the circumstances of the client are so different from the norm that the policy

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is unfair or inappropriate when applied to the individual client. Consideration is given to factors such as the age of the child, the child's ability for self-care, the amount of supervision or hands-on care required for the child, and if there are other household members present who can aid in the supervision of the child. When an exception request is made, CCR&R case managers shall inform parents the approval is not guaranteed. The parent and provider must establish private payment arrangements to ensure that the provider is paid during the time the exception request is reviewed.

WVCCSPP § 6.5.2.5 provides in part:

When an illness exception to eligibility policy is denied, the case manager shall notify the parents in writing that the exception was not approved, and the parent is responsible for payment to the provider.

WVCCSPP § 6.6 provides in part:

Any notification of negative action must be in writing on the Parent Notification Letter (DAY-0177 or DAY-0179) The form letter shall include the specific negative action, with citation of specific policy and a description of any action, if applicable, on behalf of the client that resulted in the negative action. Negative actions affecting the recipients of child care, other than the denial of an application, cannot be taken until 13 calendar days after the client has been notified.

WVCCSPP §§ 11.2-11.2.1.3 provides in part:

Adequate notice of a decision affecting benefits shall be mailed or provided in writing in a fact to face contact. Notices shall be mailed at least thirteen (13) days before the effective date of any action or decision which may be adverse to the client. The notice must include:

- The action or proposed action to be taken
- The reasons for the action provided in terms readily understandable by the applicant
- Citation of relevant policy sections supporting the action or proposed action.

West Virginia Supplemental Child Care Assistance Policy & Procedures Manual (WVSCCAP) § 5.1.1 provides, in part:

The continued eligibility of each family receiving Supplemental Child Care Assistance services shall undergo a status check periodically, normally completed before the end of the eligibility period for each program.

WVSCCAP § 8.3.2.3 provides, in part:

When a parent continues to use child care services when the need no longer exists (e.g., parent has lost job or quit school, non-working/non-school attending biological parent has moved into the home), the case will be closed, and no further payment made. As soon as the CCR&R case manager is aware that the client is using services when the need no longer exists, the case manager should:

- A. Immediately call the child care provider and tell them that effective the next business day, the agency will no longer be responsible for payment.
- B. Send an immediate closure notice to the parent, advising them of the status of their case and the need for repayment.
- C. The Recipient shall repay to the agency any child care monies paid on their behalf during the period of ineligibility.

DISCUSSION

The Respondent contended that the Appellant was not participating in a qualifying activity and was not eligible to receive a medical/disability exception to the policy. The Appellant did not contest that Mr. was not participating in a qualifying activity. Instead, the Appellant protested the Respondent's denial of the policy exception request and contended that she should have been eligible pursuant to the documentation provided by Mr. Physicians. The Respondent had to prove by a preponderance of evidence that the Appellant did not meet the policy requirements to receive a medical/disability exception from participation in a qualifying activity.

The Respondent testified that on July 01, 2021, a Notification of Redetermination for Child Care Program benefits was issued to the Appellant. The notification instructed that the included forms must be completed and returned to the Respondent by July 15, 2021, or Child Care Program benefits would be terminated effective July 31, 2021. On July 09, 2021, the Appellant submitted the completed redetermination for Child Care Program benefits forms to the Respondent along with a request for an illness/disability exception to the policy requirement that both parents in the household participate in a qualifying activity in order to be eligible for child care services. Subsequent to the Appellant's submission, the Respondent issued an additional notice requesting further verification of Social Security Benefits received by Mr. a written statement indicating Mr. last date of employment, and medical verification of Mr. illness/disability. The notice indicated that the information must be received by July 31, 2021, or the Appellant's Child Care Program benefits would be terminated effective that date.

On July 15, 2021, the Appellant submitted verification of Mr. Social Security Income, medical verification of Mr. inability to care for children due to illness/disability, and a written statement signed by Mr. citing January 10, 2021, as his last day of employment. The statement further provided that "due to medical conditions," he [Mr. able to return to work "for the foreseeable future." The Respondent testified that on July 20, 2021, a Notification of Closure letter was issued advising the Appellant that her request for a policy exception was denied; and, because Mr. was not participating in a qualifying activity, she was no longer eligible for Child Care Program benefits effective that date. It should be noted that the Respondent's policy specifies that adverse actions require issuance of notification which includes: the specific negative action, a description of that action, policy citation the action is based on, and be issued to the client thirteen calendar days prior to the effective date of the adverse action. The Respondent's July 2021 notice of termination of benefits failed to meet the requirements outlined in the policy.

On July 28, 2021, the Appellant requested a Pre-Hearing Conference that was completed on August 02, 2021. At the time of the conference, the Respondent discussed with the Appellant the reason for case closure and informed her of the Department's request for repayment of Child Care benefits paid on behalf of the Appellant for the months of January 2021 through July 2021. The Respondent informed the Appellant of a repayment totaling \$4,835.00. However, on August 23, 2021, the Respondent established a repayment claim for Child Care benefits paid on behalf of the Appellant in the amount of \$4,175.00 from January 2021 through July 2021. The Appellant contested the Child Care repayment and argued that not only were there conflicting amounts requested by the Respondent, but the amounts calculated are much higher than the total cost of care as reflected by the Child Care Provider's listed rates. Additionally, the Appellant contested the number of days calculated by the Respondent. The Respondent testified that because the Appellant received enhanced child care funding provided by the CARES Act, provider payments were set at a Tier 3 rate in order to provide daycare facilities with additional funding due to the hardships created by the COVID-19 pandemic. The Respondent further explained that because of this, payments to providers were not calculated by the number of days a child was in attendance. Instead, providers were paid for the full month of attendance even if the child only attended one (1) day. When questioned about the differing repayment amounts listed within the Repayment agreement issued to the Appellant on August 23, 2021, the Respondent testified that the CCR&R has the ability to reduce payment amounts owed in order to lessen the burden for a client. In the Appellant's case, the Respondent continued, the differing amounts are due to a \$660.00 reduction in payment of the Appellant's total amount due.

The Appellant additionally disputed the Respondent's decision to deny the illness/disability exception to the policy requirement that both parents in the household participate in a qualifying activity in order to be eligible for child care services. She reasoned that due to Mr. health conditions, an exception should have been granted. The Appellant testified that on January 10, 2021, Mr. sustained a back injury. After his back injury, he also contracted COVID-19 and was hospitalized through February 06, 2021. The Appellant further testified that because of the seriousness of Mr. COVID-19, and his history of diabetes, heart failure, kidney failure, and other disabilities, Mr. is experiencing severe long-term effects from COVID-19, which resulted in the need for heart and kidney transplants. The Appellant attested that because Mr. heart and kidney failure are now so severe, he has been in hospitals locally, at with both inpatient and outpatient stays numerous times since

January 2021. The Appellant testified that two (2) medical verifications were submitted on behalf of Mr. illnesses/disabilities, and both were denied. The Appellant further testified that because of the number of times and days her husband has been hospitalized since the injury sustained on January 10, contacting the CCR&R within the five (5) day time frame established by policy was overlooked. The Appellant further added that the Department's allegation of misusage of funds was not intentional, but due to the severity of her husband's condition.

In extraordinary circumstances, requests for illness or disability related exceptions from the policy requirement that both parents participate in qualifying activities may be granted. These exceptions are granted on an individual basis and only in situations where the circumstances of the client are so different from the norm that the policy is unfair or inappropriate when applied to the individual client. Policy exceptions are required to be reviewed by the CCR&R supervisor for approval and then forwarded to the Division of Early Care and Education. Policy specifies that to be eligible for a medical/disability policy exception, the Appellant had to have a recent state or federal determination of a temporary or permanent disability, been discharged from a hospitalization or inpatient/outpatient surgery or be receiving treatment for a terminal illness. The policy further stipulates that a change in circumstances, such as a change of employment or the loss of employment are to be reported within five (5) days. A failure to report these changes to the agency may [emphasis added] result in case closure, repayment of services used for time not approved, and/or a 30-day penalty closure before services can be reopened.

The evidence demonstrated Mr. met the exception criteria by having a recent federal determination of disability and recent hospitalization. The evidence additionally corroborated Mr. last date of employment as January 10, 2021. Between the dates of January 10 through <u>July 31, 2021</u> – the dates the Respondent established the Appellant as ineligible for services – Mr. has experienced a back injury, a car accident resulting from his Type 1 diabetes, COVID-19, heart failure and kidney failure – both of which now require transplants, a reduced ejection fraction of the heart, ischemic cardiomyopathy, coronary artery disease, congestive heart failure, and sleep apnea, all of which have affected his ability to perform even minor life activities including self-care, caring for others, working, and independently providing child care. The established that Appellant submitted documentation the illnesses/disabilities, as requested by the Policy Exception Request form and the Respondent's notice. Because of the severity of Mr. condition, the verification is clear in that a medical/disability policy exception should have been granted. While the preponderance of evidence demonstrated the Appellant failed to report a change to the agency until July 09, 2021, when the Appellant submitted the redetermination for Child Care Program benefits forms, the evidence further established that due to the severity of Mr. illnesses/disabilities, and the frequency and duration of hospitalizations he has suffered, the Appellant's oversight in notifying the Respondent within five (5) days is plausible.

Therefore, it is the finding of this Hearing Officer that the Respondent acted incorrectly to deny the Appellant's medical/disability policy exception, thereby terminating the Appellant's Child Care services based on failure to participate in a qualifying activity. Further, because the Respondent erred in its denial, the Appellant's six (6) month policy exception shall be retroactive to the date Mr.

Additionally, because the Appellant failed to report a change in circumstance within the five (5) day time-frame established by policy, the Appellant and her spouse, Mr. are subject to repayment for Child Care Program benefits used subsequent the six (6) month policy exception.

CONCLUSIONS OF LAW

- 1) The CARES Act provided federal funding that allowed essential workers to receive subsidized Child Care services without regard to the income eligibility requirements during the COVID-19 healthcare crisis.
- 2) The Appellant and her spouse were approved to receive subsidized Child Care Program benefits as essential workers, despite exceeding the income limits set forth in policy.
- 3) Pursuant to policy, both parents in the household must participate in a qualifying activity or be eligible for a policy exception to be qualified for subsidized Child Care Program benefits.
- 4) The preponderance of evidence verified the Appellant and her spouse, Mr. to report a change in household circumstances within the five (5) day time-frame established by policy.
- 5) The policy requires a repayment of benefits received in error due to ineligibility.
- 6) The Appellant qualifies for a one-time extension of benefits due to disability and hospitalization to run for a period of six (6) months beginning at the date of disability January 10, 2021.

DECISION

It is the decision of the State Hearing Officer to **REVERSE** the Respondent's action to deny the Appellant's policy exception, thereby terminating the Appellant's Child Care services based on failure to participate in a qualifying activity, effective January 10, 2021. The Appellant's six (6) month policy exception shall be retroactive to the date Mr. became medically eligible, January 10, 2021. The matter is hereby **REMANDED** for recalculation of repayment total for Child Care Program benefits used subsequent the six (6) month policy exception. Any further notices are subject to appeal through the Board of Review.

| ENTERED this day of October 2021. | |
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| | Angela D. Signore |
| | State Hearing Officer |