



State of West Virginia
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Office of Inspector General
Board of Review
227 Third Street
Elkins, WV 26241

Joe Manchin III
Governor

Martha Yeager Walker
Secretary

August 26, 2005

Dear Mr. _____:

Attached is a copy of the findings of fact and conclusions of law on your hearing held August 18, 2005. 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 became ineligible for SSI Medicaid when you stopped receiving SSI and became eligible for Social Security Disability benefits. At that time, the Department closed your SSI Medicaid and you were required to meet a spenddown before you could regain Medicaid eligibility under the SSI-Related Medicaid Program. Testimony revealed 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
Vickie Ranson, [REDACTED] County DHHR

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

Claimant,

v. Action Number:

**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 August 26, 2005 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 August 18, 2005 on a timely appeal filed April 15, 2005. The hearing was originally scheduled for May 11, 2005 but was rescheduled by the Hearing Officer due to a scheduling conflict. The hearing was rescheduled for June 8, 2005 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, participating telephonically
Vickie Ranson, 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 Sections 1.22, 9.10, 10.22 and 16.6

VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:

Department's Exhibits:

- D-1 Copy of Social Security award letter
- D-2 Income eligibility determination
- D-3 Medicaid denial letter dated April 8, 2005
- D-4 Hearing request
- D-5 West Virginia Income Maintenance Manual Sections 16.6, 10.22 D.11 and 1.22 H

VII. FINDINGS OF FACT:

- 1) Both the Claimant and his wife, _____, stopped receiving SSI benefits in March 2005, which resulted in closure of their SSI Medicaid case.
- 2) The Claimant and his wife began receiving Social Security benefits effective April 2005 of \$724 and \$334, respectively (D-1), as well as \$14.17 in royalty income, for a total monthly income of \$1,072.17.
- 3) Exhibit D-2 indicates that a monthly spenddown of \$777.17 was calculated, or a spenddown of \$4,663.02 for the six-month Period of Consideration. Deductions from the unearned income included a \$20 monthly disregard and \$275, the Medically Needy Income Level for a two-person benefit group.
- 4) The Claimant was sent a letter on April 8, 2005 (D-3) which indicated that SSI Medicaid would close and the application for SSI-Related Medicaid was denied because the Claimant failed to verify medical bills.
- 5) A pre-hearing conference was conducted and the Claimant indicated to Ms. Ranson that he had no medical bills with which to meet a spenddown.

- 6) Mr._____ read a statement into the hearing record, but did not provide a written copy as an exhibit. In his statement, Mr._____ indicated that he and his wife began receiving SSI in 1994 and that their medical conditions have deteriorated since that time. Both Mr._____ and his wife became age 62 in 2005 and were advised by the Social Security Administration that they would need to take early retirement, which negated any further SSI payments. Mr._____ stated that he and his wife cannot receive Medicare until they reach age 65 and their monthly prescription costs are in excess of \$500. He expressed concern about the low protected income limit of \$275.

Mr._____ requested that a transcript of the hearing be sent to several state and federal officials, however, the Board of Review only transcribes hearing tapes when cases are appealed to Circuit Court.

- 7) West Virginia Income Maintenance Manual ' 10.22 D.11 (D-5) 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.

- 8) West Virginia Income Maintenance Manual ' 10.22(D)(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.

- 9) West Virginia Income Maintenance Manual ' 9.10 states that the Social Security Administration makes the determination factor of need for SSI. Receipt of SSI is the only eligibility factor for SSI Medicaid.

VIII. CONCLUSIONS OF LAW:

1) Policy is clear that receipt of SSI is the only eligibility factor for SSI Medicaid. 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.

Evidence reveals that the Claimant's eligibility for SSI Medicaid ended and he and his wife were evaluated for SSI-Related Medicaid, but were required to meet a spenddown of \$4,663.02 in order to attain eligibility for that program. The Claimant does not presently have sufficient medical bills to satisfy the spenddown requirement.

IX. DECISION:

It is the decision of the State Hearing Officer to **uphold** the proposal of the Agency to close the Claimant's SSI Medicaid benefits and deny SSI-Related Medicaid based on failure to meet a spenddown.

X. RIGHT OF APPEAL:

See Attachment

XI. ATTACHMENTS:

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

ENTERED this 26th Day of August, 2005.

Pamela L. Hinzman
State Hearing Officer