



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

Joe Manchin III
Governor

Martha Yeager Walker
Secretary

May 18, 2005

Dear Ms. _____:

Attached is a copy of the findings of fact and conclusions of law on your hearing held May 10, 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 Medicaid program is determined based on current regulations. One of these regulations reveals that 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 ~~A~~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 (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.

Therefore, it is the decision of the State Hearing Officer to uphold the proposal of the Agency to close your SSI Medicaid and deny your SSI-Related Medicaid benefits based on failure to satisfy spenddown requirements.

Sincerely,

Pamela L. Hinzman
State Hearing Officer
Member, State Board of Review

cc: Board of Review
Lisa Heater, ESW, DHHR

**WEST VIRGINIA DEPARTMENT OF HEALTH & HUMAN RESOURCES
SUMMARY AND DECISION OF THE STATE HEARING OFFICER**

I. INTRODUCTION:

This is a report of the State Hearing Officer resulting from a fair hearing concluded on May 18, 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 May 10, 2005 on a timely appeal filed December 29, 2004. The hearing was originally scheduled for March 1, 2005 but was rescheduled by the Hearing Officer due to inclement weather.

It should be noted that Medicaid benefits have continued pending the results of this hearing.

All persons giving testimony were placed under oath.

II. PROGRAM PURPOSE:

The program entitled **Medicaid** is set up cooperatively between the Federal and State Government and administered by the West Virginia Department of Health and 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
_____, mother of Claimant
Lisa Heater, 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. QUESTION TO BE DECIDED:

The question 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 ' 9.10 and 10.22

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

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.

West Virginia Income Maintenance Manual ' 10.22(D)(11)(a):

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.

West Virginia Income Maintenance Manual ' 9.10 (D-4) 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.

VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:

Department's Exhibits

- D-1 Hearing request
- D-2 SSI Medicaid closure letter dated December 2, 2004
- D-3 Copy of Rapids Unearned Income Screens
- D-4 WV Income Maintenance Manual Section 9.10
- D-5 WV Income Maintenance Manual Section 10.22D.11
- D-6 WV Income Maintenance Manual Section 10, Appendix A

Claimant's Exhibits

- C-1 Letter from _____ dated May 10, 2003
- C-2 Reports from _____ Hospital Department of Radiology
- C-3 Statement from Dr. _____
- C-4 Statement from Dr. _____
- C-5 Statement from _____ Surgical Associates
- C-6 Statement from Dr. _____

VII. FINDINGS OF FACT

- (1) The claimant had been a recipient of SSI Medicaid, however, she became ineligible for SSI Medicaid when her SSI benefits were terminated and she began receiving Social Security Disability.
- (2) The Claimant was then evaluated for SSI-Related Medicaid based on gross Social Security Disability income of \$973 per month. The Department determined that the Claimant would be required to meet a spenddown of \$4,518 before receiving a medical card under the SSI-Related Medicaid Program. It was determined the Claimant did not have sufficient medical bills to meet

a spenddown. The spenddown is calculated by using the Claimant's income of \$973 per month minus a \$20 disregard and the \$200 MNIL for a needs group comprised of one person. The remaining countable monthly income of \$753 is then multiplied by six to determine the spenddown for the six-month period.

- (3) The Claimant was sent a Medicaid closure letter on December 2, 2004 (D-2) which indicated her SSI Medicaid would stop because her SSI payment was terminated.
- (4) Ms. _____ testified that she has several medical problems that require attention. She stated that she needs her Medicaid card to pay these expenses and that her mother has exhausted funds in her savings account to assist her with bills. She testified that she has two unpaid medical bills, each totaling around \$300, and may have a few other small bills. However, the bills appear insufficient to meet her current spenddown.

VIII. CONCLUSIONS OF LAW:

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 she was evaluated for SSI-Related Medicaid, but was required to meet a spenddown of \$4,518 in order to attain eligibility for that program. Testimony revealed 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