



State of West Virginia  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Office of Inspector General  
Board of Review  
2699 Park Avenue, Suite 100  
Huntington, WV 25704

Joe Manchin III  
Governor

Martha Yeager Walker  
Secretary

April 3, 2006

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Ms. \_\_\_\_\_:

Attached is a copy of the findings of fact and conclusions of law on your hearing held March 16, 2006. Your hearing request was based on the Department of Health and Human Resources' proposal to close your SSI-related Medicaid Program case.

In arriving at a decision, the State Hearings 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 (SSI-Related) is based on current policy and regulations. One of these regulations is that individuals who meet the SSI definition of aged, blind or disabled are eligible for Medicaid when countable income is under the MNIL. [WV Income Maintenance Manual Section 16.9]

The information which was submitted at your hearing revealed that your countable income of \$673 Social Security exceeds the MNIL amount of \$200 per month.

It is the decision of the State Hearings Officer to **uphold** the proposal of the Department to close your SSI-Related Medicaid Program case.

Sincerely,

Thomas M. Smith  
State Hearing Officer  
Member, State Board of Review

cc: Erika H. Young, Chairman, Board of Review  
Sheri Ranson, Dept. Hearing Rep.

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

\_\_\_\_\_,

**Claimant,**

**v.**

**Action Number: 05-BOR-7277**

**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 March 16, 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 March 16, 2005 on a timely appeal, filed January 3, 2006. It should also be noted that the hearing was originally scheduled for February 10, 2006 and February 13, 2006 but was rescheduled initially by the State Hearing Officer and then at the request of the claimant.

**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.

The SSI-Related Medicaid Program 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  
Sheri Ranson, ESW, DHHR

Presiding at the Hearing was Thomas E. Arnett, State Hearing Officer and a member of the State Board of Review.

**IV. QUESTIONS TO BE DECIDED:**

The question to be decided is whether the agency was correct in the proposal to close the claimant's SSI-Related Medicaid Program case due to excessive monthly countable income.

**V. APPLICABLE POLICY:**

West Virginia Income Maintenance Manual Section 2.16, 10.22, 16.9.

**VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:**

**Department's Exhibits:**

DHR-1 Copy of case recording.  
DHR-2 Copy of notification letter 12-29-05 (2 pages).  
DHR-3 Copy of regulations (5 pages).

**VII. FINDINGS OF FACT:**

- 1) The claimant was an active recipient of the SSI-Related Medicaid Program when an SDX alert notified the caseworker that the claimant was approved for Social Security Disability benefits (RSDI) effective November, 2005 (Exhibit #DHR-1).
- 2) The caseworker determined the claimant's monthly countable income exceeded the MNIL and would cause her to have a spenddown and notification of case closure was issued on 12-29-05 (Exhibit #DHR-2) effective January 31, 2006. The notification letter informed the claimant that she would have a spenddown of \$2718 and that she had informed the caseworker that she had no medical bills.
- 3) The claimant requested a hearing on 1-3-06 and the hearing request was received by the State Hearing Officer on 1-6-06.
- 4) Testimony from the claimant revealed that she receives \$673 monthly Social Security Disability benefits, that she has no medical bills incurred since she has been receiving Medicaid benefits, and that she had cancer of the larynx and has to have a cancer scan in May, 2006.
- 5) WV Income Maintenance Manual Section 2.16 states, in part:

**"AFDC-RELATED AND SSI-RELATED MEDICAID**

A. Case maintenance action is required to update the data system when a Medicaid AG has a change of income.

Action taken by the Worker follows:

- If the AG previously did not have a spenddown and now has one, the case is closed after proper notice.....

#### D. CLOSURES

When the client fails to meet any eligibility requirement the AG is closed.

- A member(s) of the Income Group experiences an increase in income.”

6) WV Income Maintenance Manual Section 16.9 states, in part:

“Individuals who meet the SSI definition of aged, blind or disabled are eligible for Medicaid when all of the following conditions are met:

- Countable income is under the MNIL.

The income eligibility requirement is detailed in Chapter 10. However, no SSI-Related case is denied due only to excess income. Instead, medical bills are deducted from countable income for the 6-month Period of Consideration. This process is called spenddown and details of this procedure are in Chapter 10.”

7) WV Income Maintenance Manual Section 10.22 D, 11 states, in part:

“To receive a Medicaid card, the monthly countable income of the Needs Group must not exceed the amount of the MNIL. 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 POC, until his income is at or below the MNIL for the FDG size, or until the POC expires. The spenddown process applies only to AFDC/U-Related and SSI-Related Medicaid.

#### A. Procedures

The Worker must determine the amount of the client’s spenddown at the time of application based on information provided by the client. The spenddown amount may have to be revised if the verified income amount differs from the client’s statement. He must also explain the spenddown process to the client during the intake interview. An ES-6A is attached to the ES-6 which notifies the client that an eligibility decision cannot be made until he meets the spenddown by providing proof of medical expenses. The ES-6 must also contain any other information the client must supply in order to determine eligibility.

Once the client presents sufficient medical expenses to meet his spenddown obligation and all other Medicaid eligibility requirements are met, a NEWAP, REOPN, or APPRV transaction, is completed. Immediately after approval transaction, medical expenses are entered in the data system according to the date incurred, i.e., oldest expense first.....

The following procedures are required to accomplish the spenddown process.

- The Worker prepares an ES-6, attaches an ES-6A and gives them to the client during the intake interview or mails them after the interview.....

- The client is requested to provide proof of his medical expenses, date incurred, type of expense and amount and to submit them to the Worker by the application processing deadline.

- When the bills or verification are received, the Worker reviews them to determine that:

- The expenses were incurred, they are not payable by a third party, and the client will not be reimbursed by a third party.

- The individual(s) who received the medical services is one of the people described in item b below.

- The expenses are for medical services and are appropriate to use to meet a spenddown.....

- The Worker must record pertinent information about expenses received from the client on the IM-MS-1.....

- If the client does not submit sufficient medical bills by the application processing deadline, the application is denied using reason code 0136.....

c. Allowable Spenddown Expenses.”

## **VIII. CONCLUSIONS OF LAW:**

- 1) The evidence and testimony submitted at the hearing revealed that the claimant had an onset of income from Social Security (\$673 per month) which exceeded the MNIL of \$200 per month and caused her case to become a spenddown case.
- 2) The Department has followed proper procedure in determining that the SSI-Related Medicaid case must be closed and in evaluating the claimant for a spenddown Medicaid case. The claimant was determined to have a spenddown of \$2718 for a six-month period but the claimant has no medical bills.

## **IX. DECISION:**

It is the ruling of this Hearing Officer to **uphold** the action of the Department to close your SSI-Related Medicaid case.

## **X. RIGHT OF APPEAL:**

See Attachment

**XI. ATTACHMENTS:**

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

**ENTERED this 3<sup>rd</sup> Day of April, 2006.**

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**Thomas M. Smith**  
**State Hearing Officer**