



State of West Virginia  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Office of Inspector General  
Board of Review  
1400 Virginia Street  
Oak Hill, WV 25901

Joe Manchin III  
Governor

Martha Yeager Walker  
Secretary

June 3, 2008

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

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

Attached is a copy of the findings of fact and conclusions of law on your hearing held May 29, 2008. Your hearing request was based on the Department of Health and Human Resources' decision to deny your Food Stamp and SSI-Related Medicaid application.

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 Food Stamp and SSI-Related Medicaid programs is based on current policy and regulations. Some of these regulations state as follows: If a member of the Assistance Group is elderly or disabled, the Assistance Group need only meet the net income test for the Food Stamp program. To qualify for the Qualified Individual 1 program, the countable income must be at or below 135% of the Federal Poverty Level for the Assistance Group size. 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 six month period of consideration (POC) is used to project countable income. If medical bills sufficient to satisfy the established spenddown are not submitted, the application is denied (West Virginia Income Maintenance Manual § 10.4, 10.14 and 10.22).

The information which was submitted at your hearing revealed that you have excessive net income to qualify for the Food Stamp and Qualified Individual 1 and not enough bills to meet a spenddown for SSI-Related Medicaid.

It is the decision of the State Hearings Officer to **uphold** the decision of the Department to deny your Food Stamp and SSI-Related Medicaid application.

Sincerely,

Kristi Logan  
State Hearings Officer  
Member, State Board of Review

Cc: Erika Young, Chairman, Board of Review  
Barry Jenkins, Economic Service Supervisor

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

\_\_\_\_\_,  
**Claimant,**

**Action Number: 08-BOR-1271  
08-BOR-1273**

**v.**

**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 May 29, 2008 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 29, 2008 on a timely appeal, filed April 18, 2008.

**II. PROGRAM PURPOSE:**

The Program entitled Food Stamps, Qualified Individual 1 and SSI-Related Medicaid is set up cooperatively between the Federal and State governments and administered by the West Virginia Department of Health & Human Resources.

The purpose of the Food Stamp Program is to provide an effective means of utilizing the nation's abundance of food "to safeguard the health and well-being of the nation's population and raise levels of nutrition among low-income households." This is accomplished through the issuance of EBT benefits to households who meet the eligibility criteria established by the Food and Nutrition Service of the U.S. Department of Agriculture.

The Qualified Medicare Beneficiaries (QMB), the Specified Low Income Medicare Beneficiaries (SLIMB), and the Qualified Individuals (QI-1 and QI-2) Programs provide limited coverage under the Medicaid Program for eligible individuals or couples who are eligible for Medicare, Part A and who meet specified income tests. The QMBV program has a lower maximum income level and provides coverage of all Medicare co-insurance and deductibles as well as payment of the Medicare premium. SLIMB and QI-1 have higher maximum income levels and provide only for the payment of the Medicare Part B premium.

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  
Barry Jenkins, Economic Service Supervisor

Presiding at the Hearing was Kristi Logan, 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 Department's decision to deny Claimant's Food Stamp and SSI-Related Medicaid application was correct.

**V. APPLICABLE POLICY:**

West Virginia Income Maintenance Manual § 10.4 C, 10.16, 10.22 B, Appendix A and 16.9

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

**Department's Exhibits:**

- D-1 Hearing Appointment Letter for May 15, 2008
- D-2 Rescheduled Hearing Appointment Letter for May 29, 2008
- D-3 Hearing Request received April 18, 2008
- D-4 Form IG-BR-29
- D-5 Correspondence from Claimant dated April 10, 2008
- D-6 Notification Letter dated April 7, 2008
- D-7 West Virginia Income Maintenance Manual § 10.4 C, 10.16 B and 10.22 B(11)
- D-8 Food Stamp Net Income Test Screen from Rapids Computer System
- D-9 SSI-Related Income Calculation Screen from Rapids Computer System
- D-10 Qualified Individual 1 Calculation Screen from Rapid Computer System
- D-11 Department's Case Summary

**Claimants' Exhibits:**

- C-1 None

**VII. FINDINGS OF FACT:**

- 1) Claimant applied for Food Stamps and Medicaid on March 31, 2008. Claimant was determined to have excessive net income for the Food Stamp and Qualified Individual 1

(QI-1) programs and did not have enough bills to meet a spenddown for SSI-Related Medicaid (D-11). A notification letter dated April 7, 2008 was issued and read in part (D-6):

Your application for Food Stamps has been denied. Income is more than the net income limit for you to receive benefits.

Your application for Medicaid has been denied. Medical bills in the amount of \$6445.50 were not submitted.

Your application for Qualified Individual 1 has been denied. Income is more than the net income limit for you to receive benefits.

- 2) Claimant receives Social Security of \$1144.40 and a pension of \$149.85 monthly. She pays her Medicare premium of \$96.40 monthly. She lives with her son and is responsible for the phone bill only. She pays approximately \$4 monthly for prescription costs, \$160.22 monthly for three (3) life insurance policies and pays on the balance of her husband's funeral costs. Her only unpaid medical bill is a balance owed to Dr. [REDACTED] of \$20.

Claimant testified that she has to pay her co-pays for doctor's appointments up front and sometimes does not have the money for it. Her husband's illness six years ago and her eye surgery in January 2008 depleted her savings. She has to charge her clothing. She has no money for extras and cannot afford to live alone.

- 3) West Virginia Income Maintenance Manual § 10.4 C states:

Determining Eligibility (for Food Stamps): When at least one AG member is elderly, which is at least age 60, or disabled, eligibility is determined by comparing the countable income to the maximum net monthly income found in Appendix A.

The following steps are used to determine countable income for cases meeting the eligibility test.

Step 1: Combine monthly gross non-excluded earnings and monthly gross profit from self-employment.

Step 2: Deduct 20% of Step 1.

Step 3: Add the gross non-excluded unearned income.

Step 4: Subtract the Standard Deduction found in Appendix B.

Step 5: Subtract the Dependent Care Deduction up to the maximums found in Appendix B.

Step 6: Subtract the amount of legally obligated child support actually paid.

Step 7: Subtract the Homeless Shelter Standard Deduction found in Appendix B.

Step 8: Subtract allowable medical expenses in excess of \$35.

Step 9: Calculate 50% of the remaining income and compare it to the actual monthly shelter/utility cost or shelter/SUA amount.

Step 10: If at least one member is elderly/disabled, and the shelter/utility expenses are less than or equal to the amount from Step 9, no further computation is needed. The amount from Step 8 is the countable income.

4) West Virginia Income Maintenance Manual § 10.16 states:

Determining Eligibility [for Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLIMB) and Qualified Individuals I (QI-1)]

Countable income is determined as follows:

Step 1: Determine the total non-excluded gross unearned income and subtract the appropriate disregards. See Section 10.22 B.

Step 2: Determine the total non-excluded gross earned income. See Section 10.22 B.

Step 3: Add unearned income from Step 1 above.

Step 4: Subtract the amount of income diverted to a PASS account and the Death Benefit deduction.

The result is the total monthly countable income.

Step 5: Compare the amount in Step 4 to the QMB, SLIMB or QI-1 income levels for the appropriate number of persons. See item C,4 below. If the amount is less than or equal to the QMB, SLIMB or QI-1 income levels, the client(s) is eligible.

Eligibility for these coverage groups is determined as follows.

QMB - Income is less than or equal to 100% Federal Poverty Level (FPL).

SLIMB - Income is greater than 100% FPL, but less than or equal to 120% FPL.

QI-1 - Income is greater than 120% FPL, but less than or equal to 135% FPL.

5) West Virginia Income Maintenance Manual § 16.9 states:

Individuals who meet the SSI definition of aged, blind or disabled are eligible for Medicaid when the income is under the Medically Needy Income Level (MNIL). However, no SSI-Related case is denied due only to excessive income. Instead, incurred medical bills are deducted from countable income for the six month Period of Consideration (POC). This process is called a spenddown.

6) West Virginia Income Maintenance Manual § 10.22 B(11) states:

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 six month POC, until this income is at or below the MNIL for the Needs Group until the POC expires.

- 7) West Virginia Income Maintenance Manual § 10 Appendix A states:

Net Income Limit for Food Stamps for an Assistance Group (AG) of one is \$851

100% FPL is for an AG of one is \$867

120% FPL for an AG of one is \$1040

135% FPL for an AG of one is \$1170

MNIL level for a Needs Group of 1 is \$200

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

- 1) Claimant's countable net income for the Food Stamp program is calculated as follows:

\$1294.25	Gross Monthly Income
- 134.00	Standard Deduction
- <u>65.40</u>	Medical Deduction (\$100.40 - \$35)
\$1094.85	Countable Net Income

Claimant's countable net income exceeds the net income limit of \$851 to be eligible for Food Stamps.

- 2) Claimant's countable net income for the Qualified Individual program is calculated as:

\$1294.25	Gross Monthly Income
- <u>20.00</u>	SSI Disregard
\$1274.25	Countable Net Income

Claimant's countable net income exceeds 135% of the Federal Poverty Level of \$1170.

- 3) Claimant's gross income exceeds the MNIL level of \$200 requiring her to meet a spenddown of \$6445.50 to be eligible for SSI-Related Medicaid. Claimant does not have outstanding medical bills in that amount to meet a spenddown.

### **IX. DECISION:**

It is the decision of the State Hearing Officer to **uphold** the Department's decision to deny the Claimant's Food Stamp and SSI-Related Medicaid application.

### **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 June, 2008.**

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**Kristi Logan  
State Hearing Officer**