



State of West Virginia  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Office of Inspector General  
Board of Review  
1027 N. Randolph Ave.  
Elkins, WV 26241

Joe Manchin III  
Governor

Martha Yeager Walker  
Secretary

June 12, 2008

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

Dear Mrs. \_\_\_\_\_:

Attached is a copy of the findings of fact and conclusions of law on your hearing held June 4, 2008. 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 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  
Jenifer Samples, FSS, DHHR

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

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

**v.**

**Action Number: 08-BOR-1294**

**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 June 12, 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 June 4, 2008 on a timely appeal filed April 25, 2008.

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

\_\_\_\_\_, Claimant's mother

\_\_\_\_\_, Claimant's daughter

\_\_\_\_\_, Claimant's son

Jenifer Samples, Family Support Specialist, DHHR

Chad Edwards, Economic Service Worker, DHHR (observing)

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 Section D, 10.22, 11

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

#### **Department's Exhibits:**

D-A Hearing request information and case comments

D-B Verification checklist, case comments and spenddown calculation

D-C Case comments and West Virginia Income Maintenance Manual Section 16.6, 5 and Appendix E

D-D Case comments and medical bills

D-E Notice of Decision dated April 18, 2008, West Virginia Income Maintenance Manual Sections 1.22 and 10.22, 11

### **VII. FINDINGS OF FACT:**

- 1) On March 7, 2008, the Claimant reported that her husband began receiving Social Security Disability payments and, as a result, she was no longer eligible for Supplemental Security Income (SSI).
- 2) The Department determined that the Claimant's husband would receive Social Security of \$1,118 per month, while the Claimant and her two children would receive \$186 per month each in Social Security benefits. The Claimant does not dispute the amount of monthly income as determined by the Department.

- 3) After the Department discovered that the Claimant did not meet eligibility criteria to qualify for Medicaid under the Pickle Amendment, it was determined that the Claimant and her husband may qualify for SSI-Related Medicaid provided they could meet the spenddown provision. The Department determined that the Claimant's spenddown would be \$1,009 per month, or \$6,054 for the six-month period of consideration. Exhibit D-B indicates that the spenddown was calculated by allowing a \$20 unearned income disregard then subtracting \$275, the Medically Needy Income Level for a two-person benefit group, from the couple's total gross monthly income of \$1,304.
- 4) The Claimant was sent a verification checklist on March 10, 2008 (D-B) requesting that she provide medical bills to meet the spenddown. The Claimant provided medical bills (D-D), however, the worker determined that only \$4,235 of the bills could be used toward spenddown requirements.
- 5) The Department sent the Claimant a Notice of Decision (D-E) dated April 18, 2008 which indicated her Medicaid application had been denied because she had not met a spenddown.
- 6) The Claimant, who has multiple sclerosis, addressed her health problems and testified that she needs Medicaid coverage to pay for her medical expenses. She testified that she has eye and balance problems as a result of the disease and needs to see a neurologist. She did not dispute the spenddown amount as calculated by the Department.
- 5) West Virginia Income Maintenance Manual Section 10.22 D, 11 (D-E) 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.

- 6) West Virginia Income Maintenance Manual Section 10.22, D, 11 (a) states that, when medical bills are received, the worker must determine that the expenses are not payable by a third party.
- 7) West Virginia Income Maintenance Manual Section 10.22, D, 11 (b) states that the medical bills of the disabled individual, the spouse of the disabled individual and the individual's/spouse's children (under age 18) who live in the home can be used to meet the spenddown.

- 8) West Virginia Income Maintenance Manual Section 10.22D, 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.

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

- 1) Policy states that 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 six-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.
- 2) Evidence reveals that the Claimant has a spenddown of \$6,054 and does not presently have sufficient medical bills to satisfy the spenddown requirement. Therefore, the Department acted correctly in denying the Claimant's SSI-Related Medicaid benefits.

#### **IX. DECISION:**

It is the decision of the State Hearing Officer to **uphold** the proposal of the Agency to deny the Claimant's SSI-Related Medicaid benefits.

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

See Attachment

#### **XI. ATTACHMENTS:**

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

**ENTERED this 12th Day of June, 2008.**

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**Pamela L. Hinzman**  
**State Hearing Officer**