



**STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
OFFICE OF INSPECTOR GENERAL**

**Bill J. Crouch  
Cabinet Secretary**

**BOARD OF REVIEW  
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**Jolynn Marra  
Interim Inspector General**

February 21, 2020

[REDACTED]

RE: [REDACTED] v. WVDHHR  
ACTION NO.:20-BOR-1124

Dear Ms. [REDACTED]

Enclosed is a copy of the decision resulting from the hearing held in the above-referenced matter.

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.

You will find attached an explanation of possible actions you may take if you disagree with the decision reached in this matter.

Sincerely,

Danielle C. Jarrett  
State Hearing Officer  
Member, State Board of Review

Encl: Appellant's Recourse to Hearing Decision  
Form IG-BR-29  
cc: Tera Pendleton, Department Representative

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

[REDACTED]

**Appellant,**

v.

**Action Number: 20-BOR-1124**

**WEST VIRGINIA DEPARTMENT OF  
HEALTH AND HUMAN RESOURCES,**

**Respondent.**

**DECISION OF STATE HEARING OFFICER**

**INTRODUCTION**

This is the decision of the State Hearing Officer resulting from a fair hearing for [REDACTED]. This hearing was held in accordance with the provisions found in Chapter 700 of the West Virginia Department of Health and Human Resources' Common Chapters Manual. This fair hearing was convened on February 13, 2020, on an appeal filed January 23, 2020.

The matter before the Hearing Officer arises from the January 21, 2020 decision by the Respondent to terminate the Appellant's Modified Adjusted Gross Income (Adult Medicaid) benefits.

At the hearing, the Respondent appeared by Tera Pendleton, Economic Service Worker, WVDHHR. The Appellant appeared *pro se*. All witnesses were sworn and the following documents were admitted into evidence.

**Department's Exhibits:**

- D-1 eRAPIDS computer system screenshot printout of Case Comments, dated January 14, 2020 through January 30, 2020
- D-2 inROADS Medicaid Application, dated January 13, 2020
- D-3 eRAPIDS electronic computer system screenshot printouts of Employment Income for [REDACTED] County Schools, dated January 17, 2020
- D-4 eRAPIDS system computer screenshot printout of Non-Financial Eligibility Determination, dated January 17, 2020; and eRAPIDS computer system screenshot printout of MAGI Medicaid Income Budget, dated January 17, 2020
- D-5 Notice of Decision, dated January 21, 2020
- D-6 West Virginia Income Maintenance Manual (WV IMM) – Chapter 4: Income Limits for DHHR Programs Chart

**Appellant's Exhibits:**  
NONE

After a review of the record, including testimony, exhibits, and stipulations admitted into evidence at the hearing, and after assessing the credibility of all witnesses and weighing the evidence in consideration of the same, the Hearing Officer sets forth the following Findings of Fact.

**FINDINGS OF FACT**

- 1) On January 13, 2020, the Appellant applied for Modified Adjusted Gross Income (MAGI) Adult Medicaid via the Department's inROADS computer eligibility system. (Exhibit D-2)
- 2) The Appellant's gross monthly income is \$2,623.14. (Exhibit D-3)
- 3) The Appellant is part of a two-person Assistance Group (AG). (Exhibit D-1)
- 4) The gross income limit for a two-person MAGI Medicaid AG is \$1,875, based on the 133% of the Federal Poverty Level (FPL). (Exhibits D-4 and D-6)
- 5) On January 21, 2020, the Respondent notified the Appellant that her Adult Medicaid would be terminated based on excessive income, effective February 1, 2020. (Exhibit D-5)

**APPLICABLE POLICY**

WV IMM § 3.7.3 The MAGI Household Needs Group (NG) provides in part:

The needs group is the number of individuals included in the MAGI household size based upon the MAGI rules for counting household members.

To determine the MAGI household size, the following step-by-step methodology is use for each applicant.

For purpose of applying the MAGI methodology:

- Child means natural, adopted, or stepchild;
- Parent means natural, adopted, or stepparent;
- Sibling means natural, adopted, half, or stepsiblings.

This methodology must be applied to each applicant in the MAGI household separately:

STEP 1: Is the applicant a tax filer (and will not be claimed as a tax dependent)?

IF YES: The applicant's MAGI household includes themselves, each individual he expects to claim as a tax dependent, and his spouse if residing with the tax filer. This is known as the tax filer rule.

WV IMM § 4 – Appendix A: Income Limit provides in part:

To be financially eligible for Adult Medicaid, income must be at or equal to the 133% Federal Poverty Level (FPL). The 133% FPL for a two-person AG is \$1,875.

WV IMM § 4.7.2 reads that Modified Adjusted Gross Income (MAGI) based income includes adjusted gross income (taxable income less deductions/adjustments), excluding non-taxable Social Security benefits. To calculate MAGI, determine the adjusted gross income amount for each member of the MAGI household, the whole household income will count. The MAGI differ from the adjusted gross income, because MAGI accounts for deductions and adjustments. The Worker uses the budgeting method established in Section 4.6.1, Budgeting Method, to anticipate future income amounts, consider past income sources, and build monthly income amounts based on the applicant's reported income.

WV IMM § 4.7.2.B Make the Adjusted/ Deductions provides in part:

After all income has been determined in Step 1, determine if any adjustments/deductions are applicable and subtract them from the income determined in Step 1. The following items are subtracted from the individual's income:

- Educator expenses
- Certain business expenses of reservists, performing artists, and fee-basis government officials
- Health savings account deductions
- Moving expenses (only for active duty members of the military who are ordered to move or change duty station)
- Deductible part of self-employment tax
- Self-employment Simplified Employee Pension (SEP), Savings Incentive Match Plan for Employees (SIMPLE), and qualified plans
- Self-employed health insurance deductions
- Penalty on early withdrawal savings
- Alimony paid only if court ordered prior to January 2019. Any pre-existing agreements modified after December 31, 2018 are not deductible.
- IRA deductions

WV IMM § 4.7.4 Determining Eligibility provides in part:

The applicant's household income must be at or below the applicable MAGI standard for the MAGI coverage groups.

Step 1: Determine the MAGI-based gross monthly income for each MAGI

household income group (IG).

Step 2: Convert the MAGI household's gross monthly income to a percentage of the FPL by dividing the current monthly income by 100% of the FPL for the household size. Convert the result to a percentage. If the results from Step 2 is equal or less than the appropriate income limit (133% FPL), no disregard is necessary, and no further steps are required.

The adjusted gross income is then compared to the 133% of the FPL for the appropriate AG size to determine eligibility for MAGI Medicaid.

### **DISCUSSION**

To qualify for Adult Medicaid benefits, the gross monthly income must be below 133% FPL for the size of the AG. The Appellant is part of a two-person AG. On January 13, 2020, the Appellant applied for Medicaid benefits via the Department's inROADS computer eligibility system. Based on the information provided by the Appellant, her income was determined to be \$2,623.14 monthly. On January 21, 2020, the Respondent notified the Appellant that her Adult Medicaid would be terminated based on excessive income, effective February 1, 2020.

The Appellant did not contest the amount of income used by the Respondent in determining her eligibility for Adult Medicaid benefits. The Appellant contested that her household has five (5) members and that eligibility should be based on an AG of five (5). The Respondent indicated because the Appellant is not claiming her adult daughter or her two (2) grandchildren on her taxes, her adult daughter and two (2) grandchildren are not counted as part of her AG. The Respondent testified the Appellant's AG consists of herself and her son. Per Policy, the Appellant's MAGI household can only include herself and her son, as she does not claim or expect to claim her daughter or two (2) grandchildren as dependents.

The Appellant testified that she receives \$1,311.57 semi-monthly and her net pay is only \$1,009.80. The Appellant also testified that she is responsible for paying all of her household expenses and questioned the Respondent as to why she did not receive a deduction for paying utilities and other household expenses. The Respondent testified that the Appellant's shelter and utility deductions are only counted for the Supplemental Nutritional Assistance Program (SNAP). The Appellant testified that her out-of-pocket prescription costs is \$4,073.91 for a thirty (30) day supply. The Appellant further indicated that she is unable to afford her prescriptions without Medicaid. Although policy does allow for certain income deductions, shelter, utility, and prescription expenses are not applicable deductions for MAGI Medicaid.

### **CONCLUSIONS OF LAW**

- 1) Pursuant to policy, the income limit for an individual to receive Adult Medicaid benefits for a two-person AG is \$1,875.

- 2) The Appellant's gross earned income is \$2,623.14 monthly.
- 3) The Respondent was correct to terminate the Appellant's Adult Medicaid benefits due to her income exceeding the Medicaid benefit income eligibility limit.

### **DECISION**

It is the decision of the State Hearing Officer to **UPHOLD** the Respondent's decision to terminate the Appellant's Medicaid coverage based on excessive income.

**ENTERED this \_\_\_\_\_ day of February 2020.**

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**Danielle C. Jarrett**  
**State Hearing Officer**