STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
OFFICE OF LEGAL COUNSEL, REGULATIONS, AND ADMINISTRATIVE HEARINGS
55 FARMINGTON AVENUE
HARTFORD, CT 06105-3725

[redacted] **2016**
Signature Confirmation

Client Id. # [redacted]
Hearing Id. # 755388

NOTICE OF DECISION

PARTY

[redacted]

PROCEDURAL BACKGROUND

On [redacted] 2016, the Department of Social Services (the "Department") sent [redacted] (the "Appellant") a Notice of Action ("NOA") stating that he must meet a spend-down before his Medical Assistance for the Aged, Blind and Disabled ("MAABD") can be activated.

On [redacted] 2016, the Appellant requested an administrative hearing to contest the delay in the Department's processing his application for Medicaid benefits which were ultimately placed in spend-down status.

On [redacted] 2016, the Office of Legal Counsel, Regulations, and Administrative Hearings ("OLCRAH") issued a Notice scheduling the administrative hearing for [redacted] 2016.

On [redacted] 2016, in accordance with sections 17b-60, 17b-61 and 4-176e to 4-189, inclusive, of the Connecticut General Statutes, OLCRAH held an administrative hearing. The following individuals were present at the hearing:

[redacted] Appellant
Jacqueline Taft, Department's Representative
Thomas Monahan, Hearing Officer

STATEMENTS OF THE ISSUE

The first issue is whether the Appellant's income exceeds the Medically Needy Income Limit ("MNIL") for Medicaid.

The second issue is whether the Appellant must meet a spend-down amount before being eligible for Medicaid.

FINDINGS OF FACT

1. The Appellant is requesting medical assistance for himself. (Exhibit 1: Application form)

2. The Appellant's date of birth is [redacted] 1959. (Appellant's testimony)

3. The Appellant applied as a one person household.

4. The Appellant receives $1,277.00 per month in Social Security Disability benefits. (Appellant's testimony)

5. The Appellant has no other income. (Appellant's testimony)

6. The Appellant receives Medicare Part A and B medical insurance. (Hearing record)

7. The Appellant receives Qualified Medicare Beneficiary assistance from the Department's Medicare Savings Program and does not pay Medicare Part B premiums. (Ex. 8: Assistance status screens)

8. Other than Medicare, the Appellant does not have any other medical insurance. (Hearing record)

9. Effective [redacted] 2016, the Department granted the Appellant Medicaid with a spend-down of $2,499.72 for the period from [redacted] 2016 through [redacted] 2016. (Ex. 6: MAFI screen)

10. On [redacted] 2016, the Department applied a $24.00 medical bill from ADA Medical Transport to the Appellant's spend-down reducing the spend-down amount to $2,475.72. (Ex. 2" Notice of Spend-down, Ex. 5: Husky Health spend-down letter)

11. On [redacted] 2016, the Department applied two medical bills to the Appellant's spend-down: $24.00 [Date of Service of [redacted]/16] from Stop and Shop and $2.95 [date of service of [redacted]/16] from CVS reducing the spend-down amount to $2,448.77. (Ex. 7: Case narrative, Ex. 9: Spend-down medical expenses screen)

12. On [redacted] 2016, the Department notified the Appellant that other medical bills that were also submitted on [redacted] 2016, were not used towards the spend-down because additional information was needed. Bills from New Haven Surgeons and CVS were not used because no date of service was listed. Vitamins purchased from Dollar General were not used because a doctor's note was needed to verify their medical necessity and a bank statement was not used because it was not an acceptable medical expense document. (Ex. 10: Husky Health letter, [redacted]/16)

13. On [redacted] 2016, the Department applied two medical bills to the Appellant's spend-down: $105.00 [Date of Service of [redacted]/16] from Bluepoint Wellness and $2.95 [date of service of [redacted]/16] from CVS reducing the spend-down amount to $22,380.82. (Ex. 7: Case narrative, Ex. 9: Spend-down medical expenses screen)

14. The Appellant brought additional medical bills to the hearing to apply towards the spend-down. The Department will review those bills and adjust the spend-down accordingly. (Hearing record, Appellant's Ex. B: Medical documents)

15. The Appellant brought a prescription for medical marijuana to the hearing but did not bring bills or expenses for that prescription. (Hearing record, Appellant's Ex. B: Medical documents)

CONCLUSIONS OF LAW

1. Section 17b-2 of the Connecticut General Statutes authorizes the Commissioner of the Department of Social Services to administer the Medicaid program.

2. Regulation provides that the needs group for an MAABD unit includes the following: the applicant or recipient; and the spouse of the applicant or recipient when they share the same home regardless of whether one or both are applying for or receiving assistance, except in cases involving working individuals with disabilities. In these cases, the spouses (and children) are part of the needs group only in determining the cost of the individual's premium for medical coverage (Cross Reference: 2540.85). Uniform Policy Manual ("UPM") § 5515.05(C)(2)

3. Regulation provides that a uniform set of income standards is established for all assistance units who do not qualify as categorically needy. It further states that the Medically Needy Income Limit ("MNIL") of an assistance unit varies according to the size of the assistance unit and the region of the state in

which the assistance unit resides. Uniform Policy Manual ("UPM") § 4530.15(A)

4. Regulation provides that the standard of need which is applicable to a particular assistance unit is based on: a. the current region of residence; and b. the appropriate needs group size. UPM § 45.10.10(A)

5. Regulation provides that individuals qualify for medical assistance ("MA") as medically needy if:
   1. their income or assets exceed the limits of the Aid to Families with Dependent Children ("AFDC") or Aid to the Aged, Blind and Disabled ("AABD") programs; and
   2. their assets are within the medically needy asset limit; and
   3. their income either:
   a. is within the Medically Needy Income Limit ("MNIL"); or
   b. can be reduced to the MNIL by a spend-down of medical expenses.
   UPM § 2540.01(C)

6. Regulation provides that the medically needy income limit is the amount equivalent to 143 percent of the benefit amount that ordinarily would be paid under the AFDC program to an assistance unit of the same size with no income for the appropriate region of residence. UPM § 4530.15(B)

7. The State of Connecticut is divided into three geographic regions on the basis of a similarity in the cost of housing. Separate standards of need are established for each state region. The standard of need which is applicable to a particular assistance unit is based on:
   a. the current region of residence; and
   b. the appropriate needs group size.
   UPM § 4510.10

8. The Department correctly determined that the Appellant is a needs group of one residing in Region B.

9. The Department correctly determined that the MNIL for the Appellant's assistance unit for one person is $523.38.

10. Regulation provides that Social Security and Veterans benefits are treated as unearned income for all programs. UPM § 5050.13(A) (1)

11. The Department correctly determined that the Appellant's total monthly unearned income was $1,277.00.

12. Regulation provides that Social Security income is subject to unearned income disregards in the Aid to the Aged, Blind, and Disabled ("AABD") and Medicaid for the Aid to the Aged, Blind, and Disabled ("MAABD") programs. UPM § 5050.13(A)(2)

13. Regulation provides that except as provided in section 5030.15 D., unearned income disregards are subtracted from the unit member's total gross monthly unearned income. UPM § 5030.15(A)

14. Regulation provides that the standard disregard is $227.00 for those individuals who reside in their own homes in the community or who live as roomers in the homes of others and those who reside in long term care facilities, shelters for the homeless or battered women shelters. Effective January 1, 2008, and each January 1st thereafter, this disregard shall be increased to reflect the annual cost of living adjustment used by the Social Security Administration. The current standard disregard is $337.00 per month. UPM § 5030.15(B)(1)(a)

15. Regulation provides that the disregard is $294.90 for those individuals who share non-rated housing with at least one person who is not related to them as parent, spouse or child. This does not apply to individuals who reside in shelters for battered women or shelters for the homeless. Effective January 1, 2008, and each January 1st thereafter, this disregard shall be increased to reflect the annual cost of living adjustment used by the Social Security Administration. The current special disregard is $404.90. UPM § 5030.15(B)(1)(c)

16. The Department correctly applied the standard unearned income disregard of $337.00 per month to the Appellant's income at the time of application.

17. The Department correctly determined that the Appellant's applied income was $940.00 ($1,277.00 – $337.00).

18. UPM § 5520.20(B)(1) provides that a six-month period for which eligibility will be determined is established to include the month of application and the five consecutive calendar months which follow.

19. UPM § 5520.20(B)(5) provides that the total of the assistance unit's applied - income for the six-month period is compared to the total of the MNIL's for the same six-months.

20. UPM § 5520.20(B)(5)(b) provides that when the unit's total applied income is greater than the total MNIL, the assistance unit is ineligible until the excess income is offset through the spend-down process.

21. Regulation provides that when the amount of the assistance unit's monthly income exceeds the MNIL, income eligibility for a medically needy assistance unit does not occur until the amount of excess income is offset by medical expenses. This process of offsetting is referred to as a spend-down. UPM § 5520.25(B)

22. The Department correctly determined that the Appellant's applied income exceeds the MNIL by $416.62 ($940.00 – $523.38) per month.

23. The Department correctly determined that the Appellant's six-month spend-down amount is $2,499.72 ($416.62 x 6 months) for the period from [redacted] 2016 through [redacted] 2016.

24. The Department correctly determined that the Appellant's income exceeds the MNIL for the MAABD program and that he must meet a spend-down.

25. Regulation provides that medical expenses are used for a spend-down if they meet the following conditions:
    a. the expenses must be incurred by a person whose income is used to determine eligibility;
    b. any portion of an expense used for a spend-down must not be payable through third party coverage unless the third party is a public assistance program totally financed by the State of Connecticut or by a political subdivision of the State;
    c. there must be current liability for the incurred expenses, either directly to the provider(s) or to a lender for a loan used to pay the provider(s), on the part of the needs group members;
    d. the expenses may not have been used for a previous spend-down in which their use resulted in eligibility for the assistance unit.

    UPM § 5520.25(B)(1)

26. The unpaid principal balance which occurs or exists during the spend-down period for loans used to pay for medical expenses incurred before or during the spend-down period, is used provided that:

    a. the loan proceeds were actually paid to the provider; and

    b the provider charges that were paid with the loan proceeds have not been applied against the spend-down liability; and

    c. the unpaid principal balance was not previously applied against spend-down liability, resulting in eligibility being achieved.

    UPM § 5520.25(B)(2)

27. Medical expenses are used in the following order of categories and, within each category, chronologically starting with the oldest bills:

    a. first, Medicare and other health insurance premiums, deductibles, or coinsurance charges. Medical insurance premium expenses which exist at the time of the processing of the application which are reasonably anticipated to exist for the six month prospective period are considered as a six-month projected total;

b. then, expenses incurred for necessary medical and remedial services that are recognized under State Law as medical costs but not covered by Medicaid in Connecticut;

c. finally, expenses incurred for necessary medical and remedial services recognized under State law as medical costs and covered by Medicaid in Connecticut.

UPM § 5520.25(B)(3)

28. Regulation provides that income eligibility for the assistance unit exists as of the day when excess income is totally offset by medical expenses. UPM 5520.25(B)(7)

29. Regulation provides that the total amount of excess income for the entire six-month prospective period is offset by: medical expenses occurring prior to the prospective period in accordance with guidelines set forth in 5520.25; and paid or unpaid medical expenses occurring in the prospective period in chronological order. UPM 5520.30(B)(1)

30. Regulation provides that when the excess income is offset by medical expenses before the expiration of the prospective period, the assistance unit is eligible for the remaining balance of the six months. When the amount of incurred expenses is insufficient to offset the excess income, no eligibility exists for that six-month period. UPM § 5520.30(B)(2,3)

31. The Department correctly determined that the Appellant's spend-down amount for the six month period was $2,499.72 and he has yet to submit allowable medical expenses to meet the spend-down amount.

DISCUSSION

The Appellant testified that he had a $500.00 medical bill from New Haven Foot Surgeons. The New Haven Surgeons bill he submitted did not have a date of service and thus was not used by the Department to offset his spend-down. The Department stated that the Appellant's medical marijuana prescription can be used as a spend-down expense if a bill or receipt for payment is supplied. The Appellant reported a change of address at the hearing. The Department will review the address change and household circumstances for any adjustments to the spend-down calculation.

DECISION

The Appellant's appeal is **DENIED**.

Thomas Monahan
Thomas Monahan
Hearing Officer

C: Lisa Wells, Operations Manager, New Haven Regional Office
Brian Sexton, Operations Manager, New Haven Regional Office
Cheryl Stuart, Program Manager New Haven Regional Office
Jacqueline Taft, Hearing liaison

RIGHT TO REQUEST RECONSIDERATION

The appellant has the right to file a written reconsideration request within **15** days of the mailing date of the decision on the grounds there was an error of fact or law, new evidence has been discovered or other good cause exists. If the request for reconsideration is granted, the appellant will be notified within 25 days of the request date. No response within 25 days means that the request for reconsideration has been denied. The right to request a reconsideration is based on §4-181a (a) of the Connecticut General Statutes.

Reconsideration requests should include specific grounds for the request: for example, indicate what error of fact or law, what new evidence, or what other good cause exists.

Reconsideration requests should be sent to: Department of Social Services, Director, Office of Administrative Hearings and Appeals, 55 Farmington Avenue, Hartford, CT 06105-3725.

RIGHT TO APPEAL

The appellant has the right to appeal this decision to Superior Court within 45 days of the mailing of this decision, or 45 days after the agency denies a petition for reconsideration of this decision, provided that the petition for reconsideration was filed timely with the Department. The right to appeal is based on §4-183 of the Connecticut General Statutes. To appeal, a petition must be filed at Superior Court. A copy of the petition must be served upon the Office of the Attorney General, 55 Elm Street, Hartford, CT 06106 or the Commissioner of the Department of Social Services, 55 Farmington Avenue, Hartford, CT 06105-3725. A copy of the petition must also be served on all parties to the hearing.

The 45 day appeal period may be extended in certain instances if there is good cause. The extension request must be filed with the Commissioner of the Department of Social Services in writing no later than 90 days from the mailing of the decision. Good cause circumstances are evaluated by the Commissioner or the Commissioner's designee in accordance with §17b-61 of the Connecticut General Statutes. The Agency's decision to grant an extension is final and is not subject to review or appeal.

The appeal should be filed with the clerk of the Superior Court in the Judicial District of New Britain or the Judicial District in which the appellant resides.