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 # 792600

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") advising him 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 Department's action.

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
[redacted] Appellant's Sister and Representative
Joseph Alexander, Department's Representative
Jessica Gulianello, Department's Representative
Shelley Starr, Hearing Officer

STATEMENT OF THE ISSUE

The first issue to be decided is whether the Appellant's income exceeds the Medically Needy Income Limit ("MNIL") for Medicaid and whether the Appellant must meet a spend-down amount to become eligible for MAABD coverage.

The second issue to be decided is whether the Department correctly processed bills that the Appellant submitted.

FINDINGS OF FACT

1. On [redacted] 2016, the Appellant completed an application requesting medical assistance for himself. (Hearing Summary; Exhibit 1: Case Narrative)

2. The Appellant is 69 years old (DOB [redacted]/47), who resides alone in [redacted] Connecticut. (Hearing Summary; Hearing Record)

3. The Appellant receives gross monthly unearned income from Social Security of $1,039.00 per month. (Hearing Summary; Exhibit 6: UINC screen print)

4. The Appellant does not receive any other earned or unearned income. (Appellant's Testimony; Hearing Record)

5. The Appellant resides in [redacted] which is located in geographic Region A. (Hearing Record)

6. On [redacted] 2016, the Department processed the Appellant's application and determined the Appellant eligible for MAABD under a spend-down totaling $411.06 for the period from [redacted] 2016 to [redacted] 2017. (Hearing Summary; Hearing Record)

7. On [redacted] 2016, the Department notified the Appellant that he would have to submit medical bills totaling $411.06 to meet a spend-down in order for medical assistance to be authorized for MAABD coverage for the six-month spend-down period from [redacted] 2016 to [redacted] 2017. (Exhibit 2: Notice of Action dated [redacted] 2016)

8. On [redacted] 2016, the Department applied a $149.00 bill from the [redacted] for dental services incurred and paid by the Appellant on [redacted] 2016. The paid bill was applied towards the Appellant's [redacted] 2016 to [redacted] 2017 spend-down because the bill was incurred and paid during that spend-down period of time. (Department Testimony, Hearing Summary).

9. The Department did not apply the Appellant's [redacted] bills incurred and paid in the month of [redacted] 2016 to the spend-down for the period of [redacted] 2016 to [redacted] 2017. (Hearing Summary; Department's Testimony; Hearing Record)

10. On [redacted] 2016, the Department reduced the Appellant's spend-down from $411.06 to $262.06 for the period from [redacted] 2016 to [redacted] 2017. The remaining spend-down amount to be met is $262.06. (Hearing Record; Exhibit 7: MAFI screenprint)

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. Uniform Policy Manual ("UPM") § 2540.96 (A) provides for the MAABD coverage group to include individuals who:

    1. Meet the MAABD categorical eligibility requirements of age, blindness or disability and;
    2. Are not eligible as categorically needy; and
    3. Meet the medically needy income and asset criteria.

3. UPM § 2540.96 (C) provides that the Department uses the MAABD medically needy income and asset criteria to determine eligibility under this coverage group, including:

    1. Medically needy deeming rules;
    2. The Medically Needy Income Limit ("MNIL")
    3. The income spend-down process;
    4. The medically needy asset limits.

4. UPM § 4510.10 (A) provides that 1. The State of Connecticut is divided into three geographic regions on the basis of similarity in the cost of housing. 2. Separate standards of need are established for each state region. 3. 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(B) provides a regional breakdown of cities and towns in the state, and provides that the Appellant's city of residence, South Norwalk is part of Region A.

    The Department correctly determined that the Appellant resides in [redacted], which is part of Region A.

5. UPM § 4530.15(A) 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.

   UPM § 4530.15(B) 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.

   The Temporary Family Assistance Payment Standard for a household of one person with no income in Region A is $443.00.

   The MNIL for a needs group of one person residing in Region A is $633.49 ($443.00 X $143%)

   The Department correctly determined that the MNIL for the Appellant's assistance unit for one person in Region A as $633.49.

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

   The Department correctly included the Appellant's Social Security benefits when determining the assistance unit's gross income.

7. UPM § 5025.05 (B) (1) provides that if income is received on a monthly basis, a representative amount is used at the estimate of income.

   The Department correctly determined the Appellant's Social Security benefits of $1,039.00 per month.

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

9. UPM § 5030.15(A) 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.

10. UPM § 5030.15(B)(1)(a) provides that the 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 Department correctly determined the unearned disregard as $337.00.

After annual adjustments for cost of living increases, the unearned income disregard for one person is $337.00 effective [redacted] 2016.

11. UPM § 5045.10 (C) (1) provides that except for determining AABD eligibility and benefit amounts for individuals residing in long term care facilities, applied unearned income is calculated by reducing the gross unearned income amount by the appropriate disregard based upon living arrangements.

The Department correctly calculated the Appellant's applied income, after deducting the unearned income disregard from his Social Security income, is $702.00. ($1,039.00 (Soc. Sec.) - minus $337.00 (disregard) = $702.00)

12. UPM § 5045.10 (E) provides that the assistance unit's total applied income is the sum of the units applied earnings, applied unearned income, and the amount deemed.

The Department correctly calculated the Appellant's total applied income as $702.00. ($00.00 applied earnings + $702.00 applied unearned income + $00.00 deemed income = $702.00)

13. 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.

The Department correctly calculated the Appellant's six month period of eligibility as [redacted] 2016 through January [redacted]

14. 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: when the unit's total applied income, is greater than the total MNIL's the assistance unit is ineligible until the excess income is offset through the spend-down process.

The Department correctly determined that the Appellant's applied income of $702.00 exceeded the MNIL of $633.49 for the Medicaid program.

The Department correctly determined that the Appellant's applied income exceeds the MNIL by $68.51 per month. ($702.00 applied income - $633.49 MNIL = $68.51 excess income per month)

15. 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.

UPM § 5520.25(B) 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.

The Department correctly determined that during the six-month period from [redacted] 2016 to [redacted] 2017, the Appellant's applied income exceeds the MNIL by $411.06 ($68.51 monthly excess, times six months)

The Department correctly determined that the Appellant is ineligible until the excess income during the six-month period from [redacted] 2016 to [redacted] 2016 is offset by medical bills through the spend-down process.

16. UPM § 5520.25(B) provides for the use of medical expenses under a spend-down.

1. 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.
2. The unpaid principal balance which occurs or exists during the spend-down period for loans used to pay for medical expense 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.

3. Medicaid 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 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.

4. When unpaid loan principal balances are used, they are categorized by the type of expense they were used to pay, as in B.3.

5. Expenses used to determine eligibility in a retroactive period are used in the following order:
   a. unpaid expenses incurred anytime prior to the three-month retroactive period; then
   b. paid or unpaid expenses incurred within the three-month retroactive period but not later than the end of the retroactive month being considered; then
   c. an unpaid principal balance of a loan which exists during the retroactive period.

6. Expenses used to determine eligibility in the prospective period are used in the categorical and chronological order described previously.

7. Income eligibility for the assistance unit exists as of the day when excess Income is totally offset by medical expenses: Any portion of medical expenses used to offset the excess income are the responsibility of the unit to pay.
   a. Medical expenses which are recognized as payable under the State's plan and which are remained unpaid at the time eligibility begins are paid by the Department provided the expenses were not used to offset income.

The Appellant submitted a qualifying medical expense of $149.00 for the spend-down period of [redacted] 2016 through [redacted] 2017.

The Department correctly reduced the assistance unit's spend-down from $411.06 to $262.06 upon receipt of the qualifying expense.

17. UPM § 5520.30 (B)(3) provides that when the amount of incurred expense is insufficient to offset the excess income, no eligibility exists for that six month period.

The Department correctly determined that the Appellant must meet a spend-down in order to become eligible for MAABD.

DISCUSSION

The Department was correct when it determined that the [redacted] medical bills that were incurred and paid in [redacted] of 2016 could not be used toward the spend-down period covering [redacted] 2016 to [redacted] 2017. Expenses can only be used when the individual is liable for payment. Since the [redacted] of 2016 expenses were already paid before the spend-down period began, the Appellant was no longer liable for it. The Appellant was not requesting retro Medicaid for the month of [redacted] 2016 and wanted his bills applied to the [redacted] 2016 through [redacted] 2017 spend-down period.

The Department was correct when it determined that the $149.00 medical expense the Appellant paid to [redacted] on [redacted] 2016 could be used toward the spend-down period covering [redacted] 2016 to [redacted] 2016. The Appellant incurred a liability during that time period, and paid the liability in August. Therefore, the $149.00 payment on [redacted] 2016 was properly used to offset the Appellant's spend-down.

Based on the testimony and evidence provided, I find no error in the Department's calculation of the Appellant's spend-down and the application of the submitted medical bills that were applied towards the spend-down cycle. The Appellant is encouraged to continue to provide the Department with any incurred medical expenses in which to meet his remaining spend-down.

DECISION

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

Shelley Starr
Hearing Officer

cc: Poonam Sharma, SSOM, Bridgeport
Fred Presnick, SSOM, Bridgeport
Yecenia Acosta, SSPM, Bridgeport

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.