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

[redacted], 2018
Signature Confirmation

CL ID #[redacted]
Request ID #127903

NOTICE OF DECISION

PARTY

[redacted]

PROCEDURAL BACKGROUND

On [redacted], 2018, the Department of Social Services (the "Department") sent [redacted] (the "Appellant") a Notice of Action ("NOA") stating that he must meet a spenddown before his Medicaid Husky C can be activated.

On [redacted], 2018, the Appellant requested an administrative hearing to contest the Department's action.

On [redacted], 2018, The Office of Legal Counsel, Regulations, and Administrative Hearings ("OLCRAH") issued a Notice scheduling an administrative hearing for [redacted], 2018.

On [redacted] 2018, 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 at [redacted].
The following individuals were present at the hearing:

[redacted], Appellant
Garfield White, Department's Representative
Miklos Mencseli, Hearing Officer

STATEMENT OF THE ISSUE

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

2. The second issue is whether the Appellant has met her spend-down amount as determined by the Department.

FINDING OF FACTS

1. The Appellant receives medical assistance for himself. (Summary, Appellant's Testimony)

2. The Appellant's only income is $1127.00 monthly he receives from the Social Security Administration ("SSA"). (Summary, Exhibit B: Department's ImpaCT MAABD – Income Test printout, Appellant's Testimony)

3. The Appellant's monthly applied income is $788.00, ($1127.00 monthly SSA income; minus $339.00, standard deduction equals $788.00). (Summary, Exhibit B Department's Testimony)

4. The Department determined the Appellant's monthly applied income of $788.00 exceeds the Medically Needed Income Limit (MNIL) of $523.38 for a household size of one. (Summary)

5. The Department calculated a 6 month spend down amount of $1587.72 for the Appellant ($788.00 applied income amount minus $523.38 = $264.62 x 6 months = $1587.72. (Summary, Exhibit B)

6. The Department granted the Appellant Medicaid with a spend down of $1587.72 for the period from [redacted], 2018 through [redacted], 2018. (Summary, Department's Testimony, Exhibit C: NOA dated [redacted]-18)

7. Eligibility for Husky C Medicaid is based on income and Departmental deductions allowed under the program. (Department's Testimony)

8. The Appellant lives by himself. (Appellant's Testimony)

9. The Appellant acknowledges he has been in spenddowns before due to his income. (Appellant's Testimony)

10. The Appellant has not submitted any medical bills (expenses) to the Department for the last two years. (Appellant's Testimony)

11. The Appellant did submit a medical bill to the Department at the hearing. (Hearing Record)

12. The Department is going to apply the medical bill to the Appellant's spenddown amount. (Department's Testimony)

CONCLUSION 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") § 4530.15(A) pertains to the medical assistance standards. It 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 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.

3. 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.

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

5. UPM § 5050.13(A) (1) provides that income from Social Security is treated as unearned income for all programs.

6. The Department correctly determined that the Appellant's total monthly unearned income was $1127.00.

7. UPM § 5050.13(A)(2) 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.

8. 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.

9. UPM § 5030.15(B)(1)(a) provides that the disregard is $339.00 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.

10. The Department correctly determined that the Appellant's applied income was $788.00 ($1127.00 monthly SSA income; minus $339.00, standard deduction).

11. 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.

12. 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.

13. 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 spenddown process.

14. The Department correctly determined that the Appellant's applied income exceeds the MNIL by $264.62 ($788.00 applied income minus $523.38 MNIL) per month.

15. The Department correctly determined that the Appellant's six-month spend down amount is $1587.72 ($264.62 x 6 months) for the period from [redacted] 2018 through [redacted] 2018.

16. UPM § 5520.25 provides for the use of Medical Expenses for Spend-down process.

B. Medically Needy Cases

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.

1. Medical expenses are used for a spend-down if they meet the following conditions:

a. the expenses must be incurred by 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 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.

3. 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 <u>not</u> 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.

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. <u>unpaid</u> expenses incurred anytime prior to the three-month retroactive period; then

b. <u>paid or unpaid</u> 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:

   a. Any portion of medical expenses used to offset the excess income are the responsibility of the unit to pay.

   b. 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.

17. The Appellant did not provide the Department with medical expenses that can be applied toward the Appellant's spenddown amount to activate his medical benefits prior to the hearing date.

DISCUSSION

The Department correctly determined the Appellant income exceeds the MNIL limit for one. The Department correctly determined the six month spend down amount. The Appellant did provide a medical bill to the Department at the hearing. The Department stated it would apply the bill toward the Appellant's spenddown amount.

DECISION

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

Miklos Mencseli
Hearing Officer

C: Musa Mohamud, Operations Manager. DSS R.O. #10 Hartford

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.

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. 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.