

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. 17,798
)
Appeal of)

INTRODUCTION

The petitioner appeals a decision of the Department of Prevention, Assistance, Transition, and Health Access (PATH) terminating her Medicaid eligibility due to excess income.

FINDINGS OF FACT

1. The petitioner is a thirty-year-old disabled woman who has received both Medicare and Medicaid for almost nine years. The sole source of her income has been Social Security disability benefits of approximately \$600 per month.

2. Last March, the petitioner's father died and she began receiving survivors' benefits from the Social Security Administration as well. Her total benefits from the Social Security Administration are now \$1,042 per month.

3. The petitioner's eligibility was reviewed last May. She was notified at that time that she would no longer be eligible for Medicaid based on the increase in her income. She was advised that she could become eligible again if she "spent-down" \$1,260 in a six month period.

4. The petitioner appealed that decision saying that she cannot afford to cover any of her medical expenses. She must now pay all of the bills which her father used to pay. She has Medicare coverage for both Part A and Part B for which she pays \$54 per month. (This program covers hospital fees and doctor's visits but not medications.) However, she feels she cannot survive financially without full coverage of her medications.

ORDER

The decision of PATH terminating the petitioner's Medicaid benefits is affirmed.

REASONS

Under regulations adopted by PATH, Social Security benefits of disabled persons must be counted in determining their eligibility as "unearned income." Medicaid Manual(M) § M242. "Unearned income" is subject to a \$20 disregard. M243.1(2).¹ The result after the deduction is the countable net income. M243.1. In order to be eligible for Medicaid, a disabled individual must pass the "net income test" meaning

¹ Deductions are also available from unearned income for children in the household and court-ordered support. M243.1(3) and (4). These deductions do not appear to be relevant in this case.

that the countable income cannot be in excess of the applicable "Medicaid Protected Income Level (PIL)." M240.

The petitioner's unearned Social Security income of \$1,042 is countable unearned income which PATH subjected to the \$20 deduction. Her net income was thus correctly calculated at \$1,022 per month. That net income was also correctly compared to the Medicaid Protected Income Level (PIL) for a single individual which is \$758 per month.²

Procedures Manual 2420B. Since the petitioner's income is in excess of that amount, PATH was correct to find that she cannot be eligible for Medicaid.

The regulations provide, however, that any individual may meet the income test if "his or her Medicaid group has paid or incurred medical expenses . . . at least equal to the difference between its countable income and its Protected Income Level." M402. This monthly difference is calculated over a six-month accounting period in order to determine eligibility. M421. For the petitioner the spend-down amount was correctly calculated as \$1,584 (\$1,022 (countable income) - \$758 (PIL for one) x 6 months), reduced further by her known \$54 monthly Medicare premium payment which was deducted for

² The amount is slightly higher in Chittenden County.

all six months up front leaving \$1,260 as the final spend-down amount.

The petitioner should be aware that spend-down expenses would include not only amounts she must spend for doctors and prescriptions but also amounts she might spend on over-the-counter medications and supplies, transportation to medical services and other care services as well. (She has already been given credit for her health insurance premiums.) See M430-439. The petitioner is urged to report her medical expenses to her worker and to discuss all deductible expenses in more detail.

As PATH's decision to terminate the petitioner's Medicaid is required by and consistent with its regulations, its decision must be upheld by the Board. 3 V.S.A. § 3091(d), Fair Hearing Rule 17. The petitioner says she has been found ineligible for VHAP because she has Medicare insurance and has not appealed that decision. The petitioner because of her relatively low income may very well be eligible for the VHAP Pharmacy or Vscript program in spite of her Medicare coverage

which can assist her with medications. She is encouraged to apply for those programs as soon as possible.

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