

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF HUMAN SERVICES
APPEALS OFFICE
57 Howard Avenue
Cranston, Rhode Island 02920
(401) 462-2132/Fax# (401) 462-0458
TDD# (401) 462-3363**

Docket # 14-1166
Hearing Date: October 2, 2014

Date: October 17, 2014

ADMINISTRATIVE HEARING DECISION

The Administrative Hearing that you requested has been decided against you. During the course of the proceeding, the following issue(s) and Agency policy reference(s) were the matters before the hearing:

**THE DHS PROVIDER MANUAL: Medical Assistance
SECTION: 0362.05 Income Standards - Individual/Couple**

The facts of your case, the Agency policy, and the complete administrative decision made in this matter follow. Your rights to judicial review of this decision are found on the last page of this decision.

Copies of this decision have been sent to the following: You (the Appellant), Richard Pray the Agency Representative, Edward Morgan Supervisor and the Policy Unit.

Present at the hearing were: You (the Appellant), [REDACTED] the Appellant's spouse and Richard Pray the Agency Representative.

ISSUE: Was the Appellant found ineligible for Medical Assistance due to his house-hold income exceeded the income standard of \$900.00?

DHS POLICIES:

Please see the attached APPENDIX for pertinent excerpts from the Rhode Island Department of Human Services Policy and Provider Manuals.

APPEAL RIGHTS:

Please see attached NOTICE OF APPELLATE RIGHTS at the end of this decision.

DISCUSSION OF THE EVIDENCE:**The Agency Representatives testified:**

- The Appellant applied for Medical Assistance in June of 2014 and received a notice of denial on July 15, 2014.
- The denial notice of Medical Assistance benefits was due to the Appellant's countable monthly income of \$1,667.00 exceeds the Medical Assistance SSI related income standard of \$900.00, per RI DHS Manual § 0362.05.
- The Appellant is eligible for a spend-down meaning that the Appellant would receive credit if he is able to present medical bills that he would have paid out of pocket for that month.
- The Appellant receives \$712.00 monthly from SSI and his spouse received \$225.00 per week from TDI.
- The Appellant is found to have a countable monthly income of \$1,667.00 after calculating the Appellant's and his wife's income together.
- The Appellant could be eligible for Medical Assistance if he was able to meet a six month Flex Plan period if he could present \$4,602.00 in medical bills for a six month period.

$$\begin{array}{rcl}
 \$1,667.00 \times 6 \text{ months} & = & \$10,002.00 \\
 \$ 900.00 \times 6 \text{ months} & = & \underline{\$ 5,400.00} \\
 & & \$ 4,602.00
 \end{array}$$

- This issue finally surfaced after the agency started calculating the Appellant's wife's income with the Appellant's income. The agency had mistakenly calculated both the Appellant's and his wife's income as to separate home-holds for years and when this mistake was corrected and both incomes were counted together, the Appellant was found over income.

The Appellant testified:

- The Appellant receives Medicare Part "A" and had received state medical prior to receiving his denial letter.
- The Appellant will be eligible to apply for Medicare part "B" in January of 2015.
- The Appellant also receives SSI disability due to suffering from sickle cell anemia.
- The Appellant and his wife never misled the agency that they lived separate and apart, they have been married for eight years and all their paperwork that they have turned in states that they have been married and living together.
- The Appellant is not contesting any of the agency's figures regarding their income or calculations.
- The Appellant's spouse has since returned to work and is now making slightly more than what she was paid from TDI.

FINDINGS OF FACT:

- The Appellant applied for Medical Assistance in June of 2014 and received a notice of denial on July 15, 2014.
- The denial notice of Medical Assistance benefits was due to the Appellant's countable monthly income of \$1,667.00 exceeds the Medical Assistance SSI related income standard of \$900.00, per RI DHS Manual § 0362.05.
- The Appellant receives \$712.00 monthly from SSI and his spouse received \$225.00 per week from TDI. The Appellant is found to have a countable monthly income of \$1,667.00 after calculating the Appellant's and his wife's income together.
- This issue finally surfaced after the agency started calculating the Appellant's wife's income with the Appellant's income. The agency had mistakenly calculated both the Appellant's and his wife's income as to separate home-holds for years and when this mistake was corrected and both incomes were counted together, the Appellant was found over income.
- The Appellant receives Medicare Part "A" and had received state medical prior to receiving his denial letter.
- The Appellant also receives SSI disability due to suffering from sickle cell anemia.
- The Appellant is not contesting any of the agency's figures regarding their income or calculations.

CONCLUSION:

The issue to be decided is whether the Appellant was found ineligible for Medical Assistance due to his house-hold income exceeded the income standard of \$900.00.

On July 15, 2014 the agency issued a denial letter to the Appellant informing his that he was being denied for Medical Assistance for the month of June 2014. The denial was the result of the Appellant's countable monthly income of \$1,667.00 exceeded the Medical Assistance SSI related monthly income standard of \$900.00, per RI DHS Policy § 0362.05.

**TABLE OF MEDICALLY NEEDY MONTHLY INCOME
LIMITS**

1 Person	\$ 858.00	5 Persons	\$ 1,417.00
2 Persons	\$ 900.00	6 Persons	\$ 1,592.00
3 Persons	\$ 1,108.00	7 Persons	\$ 1,750.00
4 Persons	\$ 1,258.00	8 Persons	\$ 1,933.00

As part of the Appellant application for Medical Assistance, he stated that he receives \$712.00 monthly for SSI and his wife received \$225.00 per week from TDI, leaving them with a combined countable monthly income of \$1,667.00. During the Hearing, the Appellant's spouse indicated that she no longer receives TDI and has returned to work, making slightly more than what she stated in the application that she had made on TDI. Also during Hearing the agency indicated that for the past several years, they had

mistakenly calculated the Appellant's and his wife's income separately, as two different house-holds. Due to the correction of this mistake and now both earned incomes are calculated together, the Appellant is found no longer eligible for Medical Assistance.

The agency did provide an option for the Appellant to be eligible for Medical Assistance and that is to apply for the Flex Plan for Medical Assistance. An Applicant who meets the other eligibility requirements, but has income in excess of the Medically Needy income limits may be eligible for Medical Assistance in accordance with the Flexible Test of Income. (RI DHS § 0336.05 Use of Excess Income) An applicant, who for six months can provide medical bills that they are responsible for, would be eligible to have those medical bills applied as a spend down towards their excess income.

In this Appellant's situation, his monthly countable income is \$1,667.00, so he has a six month countable income as \$10,002.00. To be eligible for Medical Assistance, the policy is that an applicant and his spouse could not have a countable income that exceeds \$900.00 monthly or have a six month countable income greater than \$5,400.00. The Appellant in this matter has a countable income that is \$4,602.00 greater than the policy limit of \$5,400.00. For the Appellant to be eligible for the Flex Plan part of Medical Assistance, he would need to be able to present \$4,602.00 in medical bills that he is responsible to pay for. Once he accrued \$4,602.00 in medical expenses for a six month period, then he would be eligible for Medical Assistance.

The Appellant, who receives SSI, presented a letter from the Comprehensive Cancer Center stating that the Appellant has sickle cell anemia and that the condition "is life-long". The Appellant stated that he has been married to his wife for eight years and that they have always indicated that lived together and never misrepresented themselves. The Appellant did not contest the financial figures that the agency used to calculate income but could not understand why suddenly he was not eligible.

In conclusion, the agency properly calculated the Appellant's and his spouse's monthly earned income of \$1,667.00 correctly; the Appellant receives \$712 per month from SSI and his wife received \$225.00 per week from TDI. The Appellant and his wife agreed to the income figures used and even indicated at Hearing that the wife's income had even increased slightly. The RI DHS policy (§ 0362.05) states that the medically need monthly income limit for two people is \$900.00. The Appellant's earned monthly income of \$1,667 is greater than the agency's limit of \$900.00 to be found eligible for Medical Assistance.

After a careful review of the Agency's policies, as well as the evidence and testimony given, this Appeals Officer finds that the Appellant is not eligible for Medical Assistance due his income exceeds the standards of \$900.00. The Appellant's request for relief is therefore denied.



Thomas Bucacci
Appeals Officer

APPENDIX

RHODE ISLAND DEPARTMENT OF HUMAN SERVICES

0362.05 Income Standards - Individual/Couple

REV: April 2014

The following standards are used in the determination of an individual's or couple's income eligibility:

- 2014 Monthly Federal Benefit Rate (FBR);
- Categorically Needy Income Limits;
- Medically Needy Monthly Income Limits;
- 2014 Federal Poverty Level Income Guidelines (for Low Income Aged and Disabled Individuals, Qualified Medicare Beneficiaries, Specified Low Income Medicare Beneficiaries and Qualified Disabled and Working Individuals).

2014 Monthly Federal Benefit Rate (FBR)

Individual - Own Home	\$721.00
Couple - Own Home	\$1,082.00
Individual - Home of Another	\$480.44
Couple - Home of Another	\$721.33
"DIFFERENCE BETWEEN"	
Couple and Individual - Own Home	\$361.00
Couple and Individual - Home of Another	\$240.89
"DOUBLE THE FBR"	
Individual - Own Home	\$1,442.00
Individual - Home of Another	\$960.88
Couple - Own Home	\$2,164.00
Couple - Home of Another	\$1,442.66

Categorically Needy Net Monthly Income Limits for Aged, Blind, or Disabled Individuals/Couples

Income Limits	Individual	Couple
Living in a Nursing Facility or ICF-MR Facility	\$ 2,163.00 ¹	N/A
Living in Own Household	\$ 760.92	\$ 1,161.38
Living in Household of Another	\$ 532.36	\$ 818.63
Income Limits	Individual	Couple
Living in a residential care and assisted living facility	\$ 2,163.00	** **Treat as Individual
Institutionalized individual eligible for the federal and state Supplement	\$ 50.00	\$ 100.00

This is the FEDERAL CAP which is \$2,163 effective 01/01/ 2014.

¹ By federal law, to be eligible as "Categorically Needy" while living in a nursing facility, ICF-MR facility or a licensed residential care and assisted living facility, an individual's gross income cannot exceed 300% of the federal SSI level of payment for an individual.

TABLE OF MEDICALLY NEEDED MONTHLY INCOME LIMITS

1 Person	\$ 858.00	5 Persons	\$ 1,417.00
2 Persons	\$ 900.00	6 Persons	\$ 1,592.00
3 Persons	\$ 1,108.00	7 Persons	\$ 1,750.00
4 Persons	\$ 1,258.00	8 Persons	\$ 1,933.00

2014 FEDERAL POVERTY LEVEL MONTHLY INCOME GUIDELINES

100% of Federal Poverty Level Income Guidelines for Qualified Medicare Beneficiaries (QMB's) and Low-Income Aged and Disabled

Individual	\$ 972.50
Couple	\$ 1310.83

120% of Federal Poverty Level Income Guidelines for Specified Low-Income Medicare Beneficiaries (SLMB's)

Individual	\$ 1,167.00
Couple	\$ 1,573.00

135% of Federal Poverty Level Income Guidelines for Qualified Individuals (QI-1)

Individual	\$ 1,312.88
Couple	\$ 1,769.63

200% of Federal Poverty Level Income Guidelines for Qualified Disabled and Working Individuals (QDWT's)

Individual	\$ 1,945.00
Couple	\$ 2,621.67

0336 FLEXIBLE TEST OF INCOME

0336.05 USE OF EXCESS INCOME

REV:01/2002

An applicant who meets the other eligibility requirements, but has income in excess of the Medically Needy income limits may be eligible for Medical Assistance in accordance with the Flexible Test of Income.

Flexible Test cases are determined for a six (6) month period beginning with the first day of the month in which the application is received. Eligibility as Medically Needy is not established, however, until the applicant has presented 1) RECEIPTS FOR MEDICAL SERVICES INCURRED DURING THE PERIOD OF DETERMINATION and/or 2) UNPAID BILLS incurred either during the CURRENT PERIOD of determination AND/OR PRIOR TO APPLICATION for which the individual is STILL LIABLE equal to the amount of such excess income. The only exception to the requirement of applicant liability for the medical expenses is in the case of medical expenses which are paid by or are the liability of other medical care programs that are funded 100% with State funds. For example, an applicant's medical expenses that have been paid (or are to be paid) by the RIPAE program are considered to be the liability of the applicant, and if otherwise allowable, are deducted from the spend down liability. Medical expenses that are subject to payment by any other third party payer are not considered the liability of the applicant and are not deducted from the excess income.

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In some cases, current payments ON THE PRINCIPAL BALANCES of loans to pay off old medical bills (i.e., bills incurred prior to the current budget period) are incurred health care expenses if certain conditions are met.

The Flexible Test of Income may be used to establish eligibility in a retroactive period. If the applicant is determined eligible under a flexible test of income, the applicant is certified for SIX (6) MONTHS OR FOR THE BALANCE OF THE SIX (6) MONTH BUDGET PERIOD remaining when the excess income is absorbed.

NOTICE OF APPELLATE RIGHTS

This Final Order constitutes a final order of the Department of Human Services pursuant to RI General Laws §42-35-12. Pursuant to RI General Laws §42-35-15, a final order may be appealed to the Superior Court sitting in and for the County of Providence within thirty (30) days of the mailing date of this decision. Such appeal, if taken, must be completed by filing a petition for review in Superior Court. The filing of the complaint does not itself stay enforcement of this order. The agency may grant, or the reviewing court may order, a stay upon the appropriate terms.