

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. B-04/12-210
)
Appeal of)

INTRODUCTION

The petitioner appeals the decision by the Department for Children and Families, Economic Services Division finding her ineligible for Medicaid as of April 1, 2012 until she meets a spend-down. The issue is whether the Department correctly determined the petitioner's eligibility according to the pertinent regulations.

The following findings of fact are not in dispute, and are based on the representations of the parties at a hearing held on May 10, 2012.

FINDINGS OF FACT

1. The petitioner received Reach Up Financial Assistance (RUFA) from February through August 2011. As a result, during this time she also received Medicaid.

2. In August 2011 the petitioner became employed. She continued to receive medical benefits under the Transitional Medicaid program. At the time she became employed, the petitioner understood that, although her job was well paying,

her eligibility for Transitional Medicaid would continue for three years.

3. However, the rules for the Transitional Medicaid program (see *infra*) specify that eligibility for Transitional Medicaid is limited to six months unless the recipient's earnings do not exceed 185 percent of federal poverty guidelines. The petitioner's net income from her employment is more than twice this limit.

4. On March 14, 2012, the Department notified the petitioner that her eligibility for Transitional Medicaid would end on March 31, 2012, and that effective April 1, 2012 she would be ineligible for Medicaid unless and until she incurred a spenddown amount in excess of \$9,000 for the ensuing six-month period.

5. The petitioner admits that she has health insurance available to her through her employment, but that it will cost her around \$1,200 a month. However, the petitioner does not allege that she would or should have acted differently if she had understood from the outset that her eligibility for Transitional Medicaid would be limited to six months.

ORDER

The Department's decision is affirmed.

REASONS

Under the Medicaid regulations all earned and unearned income must be counted in determining financial eligibility. W.A.M. § 4381. However, the Department's regulations contain provisions that provide monetary incentives to encourage individuals in households receiving RUFA to obtain work without the household losing its Medicaid benefits. As of August 2011 the petitioner was eligible for Transitional Medicaid based on these provisions. W.A.M. § 4312.

As noted above, Transitional Medicaid can continue for up to three years (36 months). However, W.A.M. § 4312.1(B) provides that an individual from a former RUFA household can receive Transitional Medicaid (TM) coverage only if: "beginning with the sixth month of TM, (the household) has average gross monthly earnings, less actual child care expenses necessary for employment, below 185 percent of the federal poverty level corresponding to the Medicaid group size." In this case, there is no dispute that the petitioner's income is well in excess of this amount.

Accordingly, in order for the petitioner to receive Medicaid after March 2012, the regulations required the Department to count her earnings from employment, and to

assess a spenddown based on the amount that her income exceeded the Medicaid maximum. The petitioner does not dispute that the Department, as of April 1, 2012, correctly determined the amount of her income and correctly applied the income eligibility limits for that program. (See Procedures Manual § P-2420.)

Inasmuch as the Department's decision accurately reflected the petitioner's countable income as of April 2012 and was in accord with the applicable regulations, the Board is bound by law to affirm. 3 V.S.A. § 3091(d), Fair Hearing Rule No. 1000.4D.

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