



January 22, 2026



RE: [REDACTED] v. DoHS/BFA  
ACTION NO.: 25-BOR-3372

Dear Mr. [REDACTED]

Enclosed is a copy of the decision resulting from the hearing held in the above-referenced matter.

In arriving at a decision, the State Hearing Officer is governed by the Public Welfare Laws of West Virginia and the rules and regulations established by the Department of Human Services. These same laws and regulations are used in all cases to ensure that all persons are treated alike.

You will find attached an explanation of possible actions you may take if you disagree with the decision reached in this matter.

Sincerely,

Kristi Logan  
Certified State Hearing Officer  
Member, State Board of Review

Encl: Recourse to Hearing Decision  
Form IG-BR-29

cc: Christopher Thayer, [REDACTED] County DoHS

**WEST VIRGINIA OFFICE OF INSPECTOR GENERAL  
BOARD OF REVIEW**

[REDACTED]

**Appellant,**

v.

**Action Number: 25-BOR-3372**

**WEST VIRGINIA DEPARTMENT OF HUMAN SERVICES  
BUREAU FOR FAMILY ASSISTANCE,**

**Respondent.**

**DECISION OF STATE HEARING OFFICER**

**INTRODUCTION**

This is the decision of the State Hearing Officer resulting from a fair hearing for [REDACTED]. This hearing was held in accordance with the provisions found in Chapter 700 of the Office of Inspector General Common Chapters Manual. This fair hearing was convened on January 20, 2026.

The matter before the Hearing Officer arises from the November 25, 2025, decision by the Respondent to deny the Appellant's application for Long Term Care Medicaid.

At the hearing, the Respondent appeared by Christopher Thayer, [REDACTED] County DoHS. Appearing as a witness for the Respondent was Sara Pemberton, [REDACTED] County DoHS. The Appellant appeared by [REDACTED]. The witnesses were placed under oath, and the following documents were admitted into evidence.

**Department's Exhibits:**

- D-1 Hearing Request received November 25, 2025
- D-2 Notice of Denial dated November 25, 2025
- D-3 Long Term Care Medicaid Application received October 3, 2025
- D-4 [REDACTED] Life Insurance Policy dated October 6, 2025
- D-5 West Virginia Income Maintenance Manual §5.3.1.B
- D-6 West Virginia Income Maintenance Manual §23.11.5.A
- D-7 West Virginia Income Maintenance Manual §5.5.27

**Appellant's Exhibits:**

- A-1 List of Assets

- A-2 Online Printout of Checking Account Balance
- A-3 Check Numbers 14817, 14818, 14819, and 14820
- A-4 [REDACTED] Life Insurance Policy dated October 6, 2025
- A-5 West Virginia Income Maintenance Manual §5.3.1.B
- A-6 Board of Review Decision 25-BOR-3241
- A-7 Board of Review Decision 25-BOR-3273
- A-8 Notice of Decision, Case Number [REDACTED]

After a review of the record, including testimony, exhibits, and stipulations admitted into evidence at the hearing, and after assessing the credibility of all witnesses and weighing the evidence in consideration of the same, the Hearing Officer sets forth the following Findings of Fact.

### FINDINGS OF FACT

- 1) The Appellant applied for Long Term Care (LTC) Medicaid on October 3, 2025 (Exhibit D-3).
- 2) The Appellant purchased a single premium life insurance policy on October 6, 2025, for \$95,100 (Exhibits D-3 and A-4).
- 3) The single premium life insurance policy has no cash surrender value and no surrender privileges (Exhibits D-3 and A-4).
- 4) The Respondent processed the Appellant's LTC Medicaid application on November 24, 2025.
- 5) The Respondent sent a notice of denial on November 25, 2025, advising that the Appellant's application had been denied as the countable assets exceeded the allowable limit (Exhibit D-2).
- 6) The total countable assets attributed to the Appellant were \$480 in vehicle assets and \$95,100 for the life insurance policy (Exhibit D-2).

### APPLICABLE POLICY

West Virginia Income Maintenance Manual Chapter 5 explains asset eligibility:

#### **5.3.1.B Supplemental Security Income (SSI) Medicaid Groups**

The asset eligibility determination for SSI Medicaid group applications must be made as of the first moment (defined as 12:00 a.m. of the first day) of the month of eligibility. **The client is not eligible for any month in which countable assets are in excess of the limit, as of the first moment of the month.** Increases in countable assets during one month do not affect eligibility unless retained into the first moment of the following month.

### 5.3.4 Accessibility of Assets

A client may not have access to some assets. To be considered an asset, the item must be owned by, or available to, the client and available for disposition. If the client cannot legally dispose of the item, it is not his asset.

### 5.3.5 Conversion or Sale of an Asset

Assets may be either liquid or non-liquid. An asset is converted from one form to another by sale or exchange. In addition, assets may be exchanged for assets of the same form. **When assets are converted, the Worker must determine if the result of the conversion is an excluded or non-excluded asset.** The result of the sale of an asset is never counted as income or as a lump-sum payment to the client. **The new or converted asset must be evaluated as any other asset to determine continuing eligibility.**

### 5.4 Maximum Allowable Assets

\$2,000 for a one-person assistance group for SSI-Related Medicaid

### 5.5.27 Life Insurance (Cash Surrender Value)

SSI Medicaid Groups: If the face value of all life insurance policies for one individual totals \$1,500 or less, the cash surrender values are not counted as an asset. If the face value of all life insurance policies for an individual is in excess of \$1,500, the cash surrender values are counted as an asset. The life insurance policy must be owned by the client or by a person whose assets are deemed to be counted. If the consent of another individual is needed to surrender a policy for its full cash surrender value, and the consent cannot be obtained, the policy is not an asset. Assignment of a life insurance policy to another individual means consent of that individual is required before it can be cashed.

## DISCUSSION

The asset limit for a one-person assistance group for LTC Medicaid is \$2,000. Countable assets must be below the asset limit as of the first moment of the first day of the month to be eligible. The Respondent denied the Appellant's application for LTC Medicaid benefits due to excessive assets.

The Appellant applied for LTC Medicaid on October 3, 2025. The Respondent's witness, Christopher Thayer, testified that the Appellant had the option to return the single premium life insurance policy purchased for \$95,100 on October 6, 2025, within thirty days of the issuance date and receive a full refund of the premium. Mr. Thayer contended that because the Appellant could return the policy by November 4, 2025, and receive a refund, he had access to the \$95,100 paid for the policy and the policy was therefore considered an asset. Mr. Thayer stated that because the Appellant's assets were excessive for October and November 2025, he would need to reapply for LTC Medicaid for December.

Policy stipulates that to be counted as an asset, the asset must be owned by or available to the applicant for disposition. Additionally, an asset may be converted from one form to another by sale or exchange. When assets are converted, a determination is made if the result of the conversion

results in an excluded or non-excluded asset. The new or converted asset must be evaluated as any other asset to determine eligibility.

The single premium life insurance policy purchased by the Appellant in October 2025 was an excluded asset for LTC Medicaid as the policy had no cash surrender value. Pursuant to policy, if the Appellant converted the life insurance policy, by returning the policy for a full refund of the premium paid, the conversion of the life insurance policy to a liquid asset would be evaluated as a countable asset or an excluded asset. If the Appellant had returned the life insurance policy for a refund, the \$95,100 premium that was paid would have been counted as an asset. However, the Appellant did not return the life insurance policy within the thirty-day time frame indicated in the policy, which would have expired on November 4, 2025. The Respondent issued its notice of denial on November 25, 2025, after the thirty-day time frame had lapsed. There was no testimony or documentation provided that the Respondent confirmed with the Appellant or the life insurance company that the policy had been returned or was still in effect at the time the Appellant's LTC Medicaid application was processed.

Policy does not distinguish life insurance policies separately from any other non-liquid asset regarding the potential for the conversion or sale of the asset. To count the life insurance policy as an asset based on the Appellant's potential to convert the policy to a liquid asset, when this stipulation is not placed on any other type of non-liquid asset, is not supported by policy and is prejudicial to the Appellant.

Pursuant to policy, asset eligibility for LTC Medicaid is determined as of 12:00 am of the first day of the month of application. As of October 1, 2025, the Appellant had \$95,100 that was used to purchase the life insurance policy on October 6, 2025. Although the Appellant's representative presented a copy of the check written to the life insurance company to purchase the policy dated September 30, 2025, the application for the policy and the check were not received by [REDACTED] until October 3, 2025, and the policy was not issued until October 6, 2025. The \$95,100 was not legally encumbered until after October 1, 2025, and was therefore an available asset for the month.

Whereas the preponderance of the evidence established that the Appellant's assets exceeded the \$2,000 asset limit as of October 1, 2025, the Respondent's decision to deny LTC Medicaid benefits for October 2025 is affirmed. However, the Appellant's single premium life insurance policy is an excluded asset for LTC Medicaid, and the life insurance policy can only be considered an asset if sold or converted, the Respondent's decision to deny LTC Medicaid benefits for November 2025 cannot be affirmed.

### **CONCLUSIONS OF LAW**

- 1) The asset limit for LTC Medicaid for a one-person assistance group is \$2,000.
- 2) Asset eligibility is established as of 12:00 am on the first day of the month of application.
- 3) The Appellant purchased a single premium life insurance policy on October 6, 2025.
- 4) The life insurance company received a check for the \$95,100 premium on October 3, 2025.

- 5) The money used to purchase the life insurance policy was not legally encumbered until after the first day of October and was accessible to the Appellant.
- 6) The Appellant's assets exceeded the allowable limit for October 2025.
- 7) If an excluded asset is converted or sold, the asset must be evaluated as a countable asset in determining eligibility for LTC Medicaid.
- 8) The Appellant's single premium life insurance policy is an excluded asset as it has no cash surrender value.
- 9) The Appellant did not sell or convert his life insurance policy.
- 10) The Respondent incorrectly considered the Appellant's single premium life insurance policy as a countable asset for November 2025.
- 11) The Appellant's countable assets for November 2025 were below the \$2,000 asset limit for LTC Medicaid.

### **DECISION**

It is the decision of the State Hearing Officer to **uphold** the denial of Long Term Care Medicaid for October 2025 and **reverse** the denial of Long Term Care Medicaid for November 2025.

**ENTERED this 22<sup>nd</sup> day of January 2026.**

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**Kristi Logan**  
**Certified State Hearing Officer**