WEST VIRGINIA OFFICE OF INSPECTOR GENERAL
BOARD OF REVIEW

[redacted]

Appellant,

v. **Action Number: 26-BOR-2654**

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 September 22, 2026, on an appeal filed with the Board of Review on September 1, 2026.

The matter before the Hearing Officer arises from the August 17, 2026, decision by the Respondent to terminate the Appellant's Medicaid Work Incentive benefits.

At the hearing, the Respondent appeared by Leslie Bonds, [redacted] County DoHS. The Appellant was self-represented. The witnesses were placed under oath, and the following documents were admitted into evidence.

Department's Exhibits:

D-1 Hearing Request Notification Form
D-2 Medicaid Review Form received July 9, 2026
D-3 Verification of [redacted] Income Annuity
D-4 West Virginia Income Maintenance Manual §4.3 Chart 1
D-5 West Virginia Income Maintenance Manual §26.6.6
D-6 West Virginia Income Maintenance Manual Chapter 10 Appendix A
D-7 Notice of Termination dated August 17, 2026
D-8 Hearing Summary

Appellant's Exhibits:

None

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 was a recipient of Medicaid Work Incentive (MWIN) benefits.

2) The Appellant completed a MWIN eligibility review in July 2026 (Exhibit D-2).

3) In addition to earned income, the Appellant receives a yearly annuity of $12,796.68 (Exhibit D-3).

4) The Respondent determined the Appellant's gross monthly unearned income as $1,066.41.

5) On August 17, 2026, the Respondent sent a notice to the Appellant advising that he would no longer receive MWIN after August 31, 2026, as he was being evaluated for another type of assistance (Exhibit D-7).

6) The Respondent acknowledged that the incorrect termination was sent to the Appellant and the actual termination was due to excessive unearned income.

APPLICABLE POLICY

West Virginia Income Maintenance Manual Chapter 26 explains MWIN eligibility:

26.6.1 Income Limit
The income limit is 250% of the Federal Poverty Level (FPL) when unearned income is at or below the Supplemental Security Income (SSI) payment level.

26.6.2 Income Sources
The income sources in Section 4.3 are treated the same as for Supplemental Security Income (SSI)-Related Medicaid.

26.6.3 Budgeting Method
The method used to anticipate monthly countable income is the same as in Section 4.6.

26.6.4 Income Disregards and Deductions
The following disregards and deductions are applied, if applicable.

26.6.4.A Unearned Income

- SSI $20 Disregard: A $20 disregard is applied to the total gross unearned income. If unearned income is less than $20, the remainder is subtracted from earned

income, prior to the application of any other earned income disregards and deductions.

- For SSI-Related Children Only: One-third of the child support intended for the SSI-Related child is disregarded.
- Death Benefits: The portion of a lump sum payment received as a result of the death of a client, which is used to pay the expenses of the last illness and burial of that client, is deducted.

26.6.6 Determining Eligibility
Determination of financial eligibility has two parts: the unearned income test and determining countable income.

26.6.6.A Unearned Income Test
The first part is the unearned income test. If the client fails this test, he is ineligible.

- Step 1: Determine the amount of countable unearned income.
- Step 2: Subtract the $20 SSI Disregard.
- Step 3: Compare the remainder to the current SSI payment for one person. If the remainder exceeds the SSI payment, the client is ineligible and no additional calculations are required.

If the remainder is equal to or less than the SSI payment, the Worker must determine countable income.

26.6.7.E Lump Sum Payments
Lump sum payments are treated as unearned income in the month received.

West Virginia Income Maintenance Manual Chapter 4 explains income eligibility:

Appendix A Income Limits
Maximum SSI payment - $994

4.2 Definitions
Annuity: An investment contract or agreement, which gives the right to receive fixed, periodic payments, either for life or a specific term of years

Lump Sum Payments: Non-recurring, recurring, or advance payments. This may include, but is not limited to, RSDI, stock dividends paid quarterly, or payments from an income disability insurance plan that covers a previous period, but are delayed for medical reports, etc.

4.3.1 Chart of Income Sources
Annuity Payments – counts as unearned income for SSI-Related Medicaid groups

DISCUSSION

Policy stipulates that to be eligible for MWIN benefits, the recipient's monthly unearned income

cannot exceed the maximum monthly SSI amount of $994. The Respondent terminated the Appellant's MWIN benefits when it was determined that his monthly unearned income of $1,066.41 exceeded the allowable limit.

The Appellant underwent an MWIN eligibility review in July 2026. The Appellant reported that he receives $12,796.68 yearly from an annuity with New York Life. The Respondent converted the yearly annuity payment to a monthly amount ($12,796.68 divided by 12 months) of $1,066.41. The Appellant contended that he receives the annuity payment one time a year, not monthly, and it should therefore be counted as a lump sum payment instead of monthly income.

Pursuant to policy, annuity payments are counted as unearned income for SSI-Related Medicaid groups, including MWIN. Policy further states that lump sum payments are counted as unearned income in the month received. Policy does not specify that lump sum payments or annuities must be converted to a monthly amount. In absence of clear policy instructing that lump sum payments or annuities be converted to a monthly amount, the Appellant's yearly annuity must be counted as income in the month that it is received.

Whereas the Appellant's annuity is received yearly in a lump sum payment and policy specifically states lump sum payments are considered as income in the month that it is received, the Respondent's decision to terminate the Appellant's MWIN benefits due to excessive unearned income cannot be affirmed.

CONCLUSIONS OF LAW

1) The countable gross unearned income cannot exceed the maximum monthly SSI amount of $994.

2) The Appellant receives a lump sum payment from an annuity of $12,796.68 yearly.

3) Policy states lump sum payments are considered unearned income in the month that it is received.

4) The Respondent incorrectly converted the Appellant's annuity to a monthly amount.

5) The Appellant's annuity should be considered as income for the month that it is received.

DECISION

It is the decision of the State Hearing Officer to **reverse** the action of the Respondent to terminate the Appellant's Medicaid Work Incentive benefits.

ENTERED this 23rd day of September 2026.

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Kristi Logan
Certified State Hearing Officer