WEST VIRGINIA OFFICE OF INSPECTOR GENERAL
BOARD OF REVIEW

[redacted]

Appellant,

v. **Action Number: 26-BOR-2835**

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 October 14, 2026, on an appeal filed with the Board of Review on September 23, 2026.

The matter before the Hearing Officer arises from the September 4, 2026, decision by the Respondent to terminate the Appellant's Parents/Caretaker Medicaid benefits.

At the hearing, the Respondent appeared by Rena Lawless, [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:

None

Appellant's Exhibits:

A-1 Upcoming Doctors' Appointments
A-2 Surgery Scheduling Request
A-3 Scheduling Text
A-4 [redacted] Hospital Bill – June 2026
A-5 [redacted] Hospital Bill – March 2026
A-6 Notice of Termination dated September 4, 2026
A-7 Hearing Request dated September 23, 2026

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 Parents/Caretaker Medicaid benefits.

2) The Appellant completed a Medicaid eligibility review on August 21, 2026.

3) The Appellant reported the onset of new employment and verification of his income was requested by the Respondent.

4) The Respondent found a discrepancy regarding income for [redacted], the Appellant's daughter, and requested income verification for her.

5) On September 1, 2026, the Appellant submitted an employer statement verifying his earned income as 35 hours per week at $25 an hour and a paystub dated August 15, 2026, for $1,750.

6) The Respondent calculated the Appellant's monthly earned income as $3,500.

7) The Respondent sent a notice of termination on September 4, 2026, advising the Appellant that Parent/Caretaker Medicaid benefits would close after September 30, 2026, as the income for [redacted] had not been verified.

8) Paystubs for [redacted] were submitted to the Respondent on September 8, 2026.

9) [redacted] moved out of the Appellant's home sometime in September and she will claim herself as a dependent on her federal tax return.

APPLICABLE POLICY

West Virginia Income Maintenance Manual Chapter 23 explains Medicaid eligibility:

23.10.1 Parents/Caretaker Medicaid

The Affordable Care Act (ACA) simplified eligibility categories by combining certain existing mandatory and optional eligibility groups. Effective January 1, 2014, the Parents/Caretaker Relatives coverage group replaced the former Aid to Families with Dependent Children (AFDC) Medicaid coverage group for parents and other caretaker relatives. A parent or caretaker relative is eligible under this coverage group when the following requirements are met:

- The parent or caretaker relative must be living in the household with a dependent child for whom he assumes primary responsibility.

- The income eligibility requirements described in Chapter 4 are met.

23.10.9 Transitional Medicaid

This coverage group consists of families losing eligibility for Parents/Caretaker Relatives Medicaid because of earned income. When a child loses eligibility as a Child Under Age 19 and his family is receiving Transitional Medicaid (TM), he is included in the assistance group (AG), if otherwise eligible. TM provides continuing medical coverage after Parents/Caretaker Relatives Medicaid eligibility ends and occurs in two phases, as described below. There is no application required for Transitional Medicaid. When a Parents/Caretaker Relatives Medicaid case becomes ineligible, the Worker must automatically determine eligibility for TM. If the case is closed in error instead of being converted to a TM case, the case must be reopened without reapplication by the client.

23.10.9.A Phase I Coverage

To be eligible for Phase I coverage, all the following conditions must be met:

- The AG became ineligible for Parents/Caretaker Relatives Medicaid due to the amount of income from employment;
- In determining ineligibility for Parents/Caretaker Relatives Medicaid, the Worker must consider income of the AG and any individual who would normally be included in the AG, but who has been penalized;
- The AG received Parents/Caretaker Relatives Medicaid in any three or more months during the six-month period immediately preceding the first month of ineligibility for Parents/Caretaker Relatives Medicaid;
- The AG did not receive Parents/Caretaker Relatives Medicaid fraudulently during any of the six months prior to the first month of Parents/Caretaker Relatives Medicaid ineligibility; and,
- The family has a dependent child who would be included in the Parents/Caretaker Relatives Medicaid AG, if the family were eligible.

West Virginia Income Maintenance Manual Chapter 1 explains the redetermination process:

1.7.7.A Redetermination Process

Cases are normally redetermined annually. The redetermination schedule is set automatically by the eligibility system. When the redetermination process cannot be completed automatically, the eligibility system sends a pre-populated form containing case information and requires the client to provide additional information necessary to determine continuing eligibility. The client must be given 30 days from the date of the letter to return the information. The information may be submitted by mail, phone, electronically, Internet, or in person. Failure to respond and provide the necessary information will result in closure of the benefit. If the client responds and provides the information within 90 days of the effective date of closure, the agency will determine eligibility in a timely manner without requiring a new application. If the client is found eligible, the coverage must be backdated up to three months.

West Virginia Income Maintenance Manual Chapter 4 lists income eligibility:

Appendix A Income Limits
Parents/Caretaker Medicaid for a three-person AG: $317

DISCUSSION

Parents/Caretaker Medicaid benefits are reviewed annually, and in most situations, benefits are automatically renewed. When the redetermination cannot be completed automatically, the eligibility system sends a pre-populated form containing case information and requires the client to provide additional information necessary to determine continuing eligibility. Failure to respond and provide the necessary information will result in closure of the benefit.

The Appellant completed a Parents/Caretaker Medicaid review in August 2026 and reported the onset of new employment. The Respondent requested verification of the Appellant's new employment income and income for [redacted]. Income verification for the Appellant was returned on September 1, 2026. The Respondent terminated the Appellant's Parents/Caretaker Medicaid benefits on September 3, 2026, when income verification for [redacted] had not been received. Paystubs for [redacted] were submitted on September 8, 2026.

Rena Lawless, witness for the Respondent, testified that there were no case comments regarding the receipt of [redacted] income verification and it appeared that although the income was added to the Appellant's case, no further action was taken regarding continued eligibility for the Appellant. Ms. Lawless contended that the Appellant's Parents/Caretaker Medicaid benefits were terminated due to excessive income, and not for failing to provide income verification for [redacted] as indicated in the September 4, 2026, closure letter.

Policy stipulates that when a Parents/Caretaker Medicaid case becomes ineligible due to earned income, the Worker must automatically determine eligibility for Transitional Medicaid. An individual becomes eligible for Transitional Medicaid when the amount of earned income exceeds the allowable limit for Parents/Caretaker Medicaid, the AG received Parents/Caretaker Medicaid in any three or more months during the six-month period immediately preceding the first month of ineligibility for Parents/Caretaker Relatives Medicaid, and the family has a dependent child who would be included in the Parents/Caretaker Medicaid AG, if the family were eligible.

The Appellant's Parents/Caretaker Medicaid was terminated due to excessive income. The Appellant's monthly earned income of $3,500 exceeds the income limit of $317 to continue receiving the benefit. However, the Appellant was not evaluated for Transitional Medicaid benefits as required by policy.

Whereas the Appellant's income exceeds the allowable limit to continue receiving Parents/Caretaker Medicaid, the Respondent's decision to terminate the benefit is affirmed. The matter is remanded to the Respondent for a determination of eligibility for Transitional Medicaid.

CONCLUSIONS OF LAW

1) The income limit for a three-person assistance group for Parents/Caretaker Medicaid is $317.

2) The Appellant's monthly earned income of $3,500 exceeds the allowable limit of $317 to receive Parents/Caretaker Medicaid benefits.

3) Policy requires that recipients of Parents/Caretaker Medicaid must be evaluated for Transitional Medicaid if the closure is due to excessive earned income.

4) The Respondent failed to evaluate the Appellant for Transitional Medicaid benefits.

DECISION

It is the decision of the State Hearing Officer to **uphold** the action of the Respondent to terminate the Appellant's Parents/Caretaker Medicaid benefits. The matter is **remanded** for a determination of Transitional Medicaid eligibility.

ENTERED this 20th day of October 2026.

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Kristi Logan
Certified State Hearing Officer