

**WEST VIRGINIA DEPARTMENT OF HEALTH
BOARD OF REVIEW**

In Re: [REDACTED], APPELLANT

ACTION # 24-BOR-3164

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 45 CFR Part 155, Subpart F as a result of the Federally Facilitated Marketplace (FFM) having denied Medicaid coverage to the Appellant and the Appellant's having chosen to appeal that denial and have the appeal heard by the appeals entity for the State of West Virginia. That entity is the Board of Review within the West Virginia Department of Health. The Appellant submitted her appeal request to the FFM on or about September 9, 2024.

The question of whether the FFM was correct in determining that the Appellant was ineligible for Medicaid at the time of the application is determined de novo in this proceeding.

On September 9, 2024, the federal appeals entity electronically transmitted to the Board of Review the Appellant's appeal file.

The hearing was held by telephone. The Appellant appeared *pro se*. The Marketplace was not represented. The Appellant was sworn in.

The Appellant submitted no documents as evidence in the hearing.

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 completed an application for health care assistance through the Federally Facilitated Marketplace (FFM), and was notified by letter dated September 4, 2024, that she was ineligible for Medicaid because her income was excessive.
- 2) At the time of the denial by the FFM, the Appellant was 26 years old.
- 3) The Appellant lives with her parents but is no longer claimed as a dependent on their tax returns.

- 4) The Appellant falls into the Modified Adjusted Gross Income (MAGI) Adult Medicaid coverage group.
- 5) The Appellant graduated from college in May 2024.
- 6) The Appellant currently travels between [REDACTED] where she temporarily continues to provide voice lessons, teach music, and perform at a church following her college graduation.
- 7) The Appellant listed her estimated income for 2024 as \$25,164 per year (\$2,097 per month) on her FFM application.
- 8) The maximum monthly gross income for a one-person needs group for MAGI Adult Medicaid is \$1,670 (133% of the Federal Poverty Level).

APPLICABLE POLICY

West Virginia Income Maintenance Manual Chapter 23.10.4 states, in pertinent part:

As a result of the Affordable Care Act (ACA), the Adult Group was created, effective January 1, 2014. Eligibility for this group is determined using MAGI methodologies established in Section 4.7. Medicaid coverage in the Adult Group is provided to individuals who are aged 19 or older and under age 65.

To be eligible for the Adult Group, income must be equal to or below 133% of the Federal Poverty Level (FPL).

West Virginia Income Maintenance Manual Chapter 3.7.3 states, in pertinent part:

The needs group is the number of individuals included in the Modified Adjusted Gross Income (MAGI) household size based upon the MAGI rules for counting household members.

To determine the MAGI household size, the following step-by-step methodology is used for each applicant. For purposes of applying the MAGI methodology:

- Child means natural, adopted, or stepchild;
- Parent means natural, adopted, or stepparent;
- Sibling means natural, adopted, half, or stepsibling.

In the case of married couples who reside together, each spouse must be included in the MAGI household of the other spouse, regardless of whether they expect to file a joint tax return or whether one spouse expects to be claimed as a tax dependent

by the other spouse. The MAGI household of the pregnant woman also includes her unborn child(ren).

This methodology must be applied to each applicant in the MAGI household separately:

STEP 1: IS THE APPLICANT A TAX FILER (and will NOT be claimed as a tax dependent)?

IF NO: Move to STEP 2.

IF YES: The applicant's MAGI household includes themselves, each individual he expects to claim as a tax dependent, and his spouse if residing with the tax filer.

This is known as the tax filer rule.

STEP 2: IS THE APPLICANT CLAIMED AS A TAX DEPENDENT ON SOMEONE ELSE'S TAXES?

IF NO: Move to STEP 3.

IF YES: Test against the three exceptions below. If the answer to any of these exceptions is 'yes', then the applicant's MAGI household size must be calculated using STEP 3.

1. The applicant is claimed as a dependent by someone other than a spouse or parent.
2. The applicant is a child under 19 who lives with both parents, but both parents do not expect to file taxes jointly.
3. The applicant is a child under 19 who is claimed as a tax dependent to a non-custodial parent(s).

If none of these exceptions are true, then the applicant's Medicaid household consists of the applicant, the tax filer claiming him as a dependent, this could be two people filing jointly, any other dependents in the tax filer's household, and the applicant's spouse if they reside together. This is known as the tax dependent rule.

STEP 3: IF THE APPLICANT IS NOT A TAX FILER, IS NOT CLAIMED AS A TAX DEPENDENT OR MEETS ONE OF THE EXCEPTIONS IN STEP 2:

The Medicaid household consists of the applicant and the following individuals as long as they reside with the applicant:

- The applicant's spouse;
- The applicant's child(ren) under age 19;
- For applicants under 19, their parents, and their siblings who are also under 19.

This is known as the non-filer rule.

West Virginia Income Maintenance Manual Chapter 4.7.1 states that the income of each member of the individual's MAGI household is counted. The MAGI household is determined using the MAGI methodology established in Chapter 3.

EXCEPTION: Income of children, or other tax dependents, who are not expected to be required to file an income tax return is excluded from the MAGI household income. NOTE: A reasonable determination as to whether an individual will be required to file a tax return can be made based on the individual's current income for the applicable budget period. Such a determination would be based on information available at the time of application or renewal. Information regarding "Who Must File" a tax return can be found in Appendix F.

West Virginia Income Maintenance Manual Chapter 4.7.3 states that the only allowable income disregard is an amount equivalent to five percentage points of 100% of the Federal Poverty Level (FPL) for the applicable MAGI household size. The 5% FPL disregard is not applied to every MAGI eligibility determination and should not be used to determine the MAGI coverage group for which an individual may be eligible. The 5% FPL disregard will be applied to the highest MAGI income limit for which an individual may be determined eligible.

West Virginia Income Maintenance Manual Chapter 4.7.4 states that the applicant's household income must be at or below the applicable MAGI standard for the MAGI coverage groups.

Step 1: Determine the MAGI-based gross monthly income for each MAGI household income group (IG).

Step 2: Convert the MAGI household's gross monthly income to a percentage of the FPL by dividing the current monthly income by 100% of the FPL for the household size. Convert the result to a percentage. If the result from Step 2 is equal to or less than the appropriate income limit, no disregard is necessary, and no further steps are required.

Step 3: If the result from Step 2 is greater than the appropriate limit, apply the 5% FPL disregard by subtracting five percentage points from the converted monthly gross income to determine the household income.

Step 4: After the 5% FPL income disregard has been applied, the remaining percent of FPL is the final figure that will be compared against the applicable modified adjusted gross income standard for the MAGI coverage groups.

West Virginia Income Maintenance Manual Chapter 4, Appendix A, states that the income limit for a one-person MAGI Medicaid needs group is \$1,670 (133% of the Federal Poverty Level).

DISCUSSION

To qualify for MAGI Adult Medicaid, household income cannot exceed 133% of the Federal Poverty Level for the needs group size. The income limit for a one-person MAGI Medicaid needs group is \$1,670 per month.

The Appellant testified that she applied for FFM health coverage because she aged out of her parents' health insurance plan. She now has student loans to repay and a rent expense and questioned whether those expenses can be considered in determining Medicaid eligibility. The

Appellant divides her time between [REDACTED] but considers herself to be a resident of West Virginia and plans to seek employment in the state.

CONCLUSIONS OF LAW

- 1) The Appellant estimated her countable gross monthly income for 2024 as \$2,097 per month.
- 2) To be eligible for MAGI Adult Medicaid, household income cannot exceed 133% of the Federal Poverty Level for the needs group size.
- 3) The income limit for a one-person needs group is \$1,670 per month.
- 4) The only allowable income disregard for MAGI Medicaid benefits is an amount equivalent to five percentage points of 100% of the Federal Poverty Level (FPL) for the applicable MAGI household size.
- 5) There is no policy provision to consider loan payments or rental expenses as deductions.
- 6) The Appellant's income exceeds the income limit for MAGI Adult Medicaid.

DECISION

It is the determination of the State Hearing Officer that the Appellant is ineligible for MAGI Adult Medicaid benefits due to excessive income.

ENTERED this 23rd Day of October 2024.

**Pamela L. Hinzman
State Hearing Officer**

