



**STATE OF WISCONSIN
Division of Hearings and Appeals**

In the Matter of

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

DECISION

MRA/150095

PRELIMINARY RECITALS

Pursuant to a petition filed June 19, 2013, under Wis. Stat. § 49.45(5), and Wis. Admin. Code § HA 3.03, to review a decision by the Milwaukee Enrollment Services in regard to Medical Assistance, a hearing was held on July 31, 2013, at Milwaukee, Wisconsin.

NOTE: The record was held open to allow Petitioner to supplement the record with a statement from Wells Fargo, estimates for repairs to the foundation of Petitioner's home and the cost of repairing Petitioner's roof.

The issue for determination is whether the agency has correctly denied Petitioner's application for Medical Assistance.

There appeared at that time and place the following persons:

PARTIES IN INTEREST:

Petitioner:

[REDACTED]
c/o Jean Trimble
[REDACTED]
[REDACTED]

Petitioner's Representative:

Attorney Jean Trimble
2675 M Mayfair Road #420
Wauwatosa, WI 53226

Petitioner's Witness: [REDACTED]

Department of Health Services
1 West Wilson Street
Madison, Wisconsin 53703

By: Brian Williams, Human Services Program Coordinator, Senior
Milwaukee Enrollment Services
1220 W. Vliet St.
Milwaukee, WI 53205

ADMINISTRATIVE LAW JUDGE:

Mayumi M. Ishii
Division of Hearings and Appeals

ALSO PRESENT:

██████████, Petitioner's daughter
 ██████████, Income Maintenance Worker

FINDINGS OF FACT

1. Petitioner (CARES # ██████████) is a resident of a nursing home in Milwaukee County. He has a spouse living in the community.
2. On May 21, 2013, Petitioner's daughter signed an application for Institution Long Term Care Medicaid benefits on behalf of Petitioner. The agency received the application on May 24, 2013. (Exhibit 4, pgs. 11-23)
3. On June 14, 2013, the agency sent Petitioner a notice indicating that his application for Nursing Home Long Term Care had been denied because his assets were over the program limit. (Exhibit 4, pgs. 56-59)
4. Attorney Trimble filed a request for fair hearing that was received by the Division of Hearings and Appeals on June 19, 2013. (Exhibit 1)
5. Petitioner's countable gross monthly income is \$1951.30, \$1480.80 from Social Security and \$470.50 from a pension. (Exhibit 8, pg. 2; Exhibit 4, pg. 58)
6. Petitioner's spouse's total gross monthly income is \$523.80 from Social Security. (Exhibit 8, pg. 2).
7. Petitioner's "income-producing" assets were as follows (Exhibit 2):

Countable Asset	Value as of 7/31/2013	Monthly Income
IRA – Petitioner	\$87,280	\$406.35
Checking account	\$6514.94	\$0.09
Life Insurance –xx312M -Spouse	\$4252.50	\$14.50
Life Insurance –xxx169 -Petitioner	\$1939.14	\$6.61
MetLife Stock - Spouse	\$2272.64	\$4.00
MetLife Stock -Petitioner	\$2058.24	\$3.68
Wells Fargo Savings	\$3607.49	\$0.05
TOTALS	\$107,924.95	\$435.28

DISCUSSION

There did not appear to be a dispute between the parties regarding the agency's calculation of Petitioner's assets as of May 2013, when Petitioner applied for benefits. At the time of application the agency determined the assets held by Petitioner and his spouse to be \$141,372.73. However, at the time of the hearing, Petitioner's calculation of their assets was \$107,924.25, a difference of \$33,447.78. Counsel for Petitioner indicated that Petitioner needed to liquidate a portion of his IRA to pay for his care at the nursing home.

Calculating the Community Spouse Asset Share (CSAS)/Asset Eligibility

Section 18.4.3 of the Medicaid Eligibility Handbook (MEH) describes how the CSAS is determined:

18.4.3 Calculate the CSAS

The community spouse asset share (CSAS) is the amount of countable assets greater than \$2,000 that the community spouse, the institutionalized person, or both, can possess at the time the institutionalized person applies for MA.

IF the total countable assets of the couple are:	Then the CSAS is:
\$227,280 or more	\$113,640
Less than \$227,280 but greater than \$100,000	½ of the total countable assets of the couple
\$100,000 or less	\$50,000

CARES will send each member of the couple a letter that states the couple's total countable assets, the CSAS, how much the institutionalized spouse must transfer to the community spouse, the date by which the transfer must be made, and the institutionalized person's asset limit.

Petitioner's assets, which at the time of application was \$141,372.73, fall between \$100,000 and \$227,280. As such, the CSAS would normally be half of \$141,372.73 or \$70,686.36. (At the time of the hearing, it would have been half of \$107,924.95 or \$53,962.47.)

Thus, to be eligible, Petitioner's assets would need to be below \$72,686.36 or \$55,962.47 depending on which date you count his assets. Petitioner's IRA, alone, puts him over either asset limit.

Petitioner asserts, however, that his spouse's minimum monthly maintenance needs are such that she needs the income generated from his income producing assets. Petitioner argues accordingly, that all of his income producing assets should be allocated to his spouse. Petitioner further argues that he would then be asset eligible for Medicaid benefits.

The Spouse's Minimum Monthly Maintenance Allowance

State and federal medical assistance laws contain provisions that allow an institutionalized person to allocate some of his income to his spouse so that she does not fall into poverty. *See* Wis. Stat. § 49.455 and 42 U.S.C. §13964-5; also see *MEH §§18.1 and 18.6.1*. This is called a Community Spouse Income Allocation or CSIA. (Id.)

Generally speaking, the Community Spouse Income Allocation is calculated by taking the Minimum Monthly Maintenance Needs Allowance (MMMNA) and subtracting from that amount, the Community Spouse's gross monthly income. *MEH §§18.1 and 18.6.1*.

The MMMNA currently is the **lesser** of \$2,841 or \$2,521.67 plus excess shelter costs. *MEH § 18.6.2*. Excess shelter costs are shelter costs above \$756.50. *Id.* Administrative law judges (ALJs) have the

authority to increase the CSIA above the MMMNA when the MMMNA is insufficient to meet a particular community spouse's basic maintenance needs and when there exist "exceptional circumstances resulting in financial duress" for the community spouse. *Wis. Stat. §49.455(8)(c); Wis. Admin. Code §DHS 103.075(8)(c); MEH §18.6.* "Exceptional circumstances resulting in financial duress" means situations that result in the community spouse not being able to provide for his or her own necessary and basic maintenance needs". *Wis. Admin. Code §DHS 103.075(8)(c); emphasis added.*

In Petitioner's case, the MMMNA is \$2,521.67, because there were no excess shelter expenses:

Per MEH §18.6.2 Petitioner's monthly shelter costs are:

\$275.22 Property Taxes
+ \$23.25 Homeowner's Insurance (\$279/12 – See Exhibit 7)
+ \$442.00 Standard Utility Allowance under the FoodShare program
<hr/>
\$740.47

Thus, Petitioner's excess shelter costs are:

\$740.47
-\$756.50

\$0

$\$2,521.67 + 0 \text{ excess shelter cost} = \$2,521.67 < \$2,841$

Petitioner's spouse essentially asked that her expenses be examined and that the CSIA be increased above the \$2,521.67 MMMNA. Petitioner's spouse listed the following expenses for herself:

1. Property Taxes \$275.22 per month - Allowable and documented in the record.
2. Homeowner's Insurance - \$23.25 per month - Allowable and documented in the record
3. Auto Insurance - \$63.00 per month –Allowable and documented in the record
4. Health Insurance - \$251.00 – Allowable and documented in the record
5. Cell phone - \$56.03 per month

The bank records indicated fluctuating cell phone bills for Verizon between about \$43.00 and \$47.00 per month, so \$47.00 per month will be allowed.

6. Food - \$500 per month

Petitioner's spouse indicated that she does not require a special diet. As such, \$500 per month for groceries for one person is excessive. A reasonable allocation for the spouse's basic and necessary nutritional needs be \$200 per month, which is consistent with the maximum allotment allowed in the FoodShare program for an individual. *FoodShare Wisconsin Handbook §8.1.2* This is also relatively consistent with the Pick 'n Save withdrawals that appear in Petitioner's bank records.

7. Gas and Car maintenance - \$250.00 per month

According to the testimony of Petitioner's spouse and insurance records, Petitioner's spouse drives a 2007 Toyota Corolla, which this writer knows is a more fuel efficient vehicle. Further, there is no indication in the record that Petitioner needs to drive a large number of miles to meet her basic needs. A reasonable estimate for weekly gas fill ups and quarterly oil changes would be about \$170.00 per month. (\$40.00 per week for gas + \$30.00 quarterly oil changes)

There is no indication that Petitioner's vehicle is in need of anything other than regular maintenance, as such, no more than an additional \$40.00 per month for such maintenance is reasonable. (This allows about \$500 per year for manufacturer recommended maintenance)

This brings the total for gas and car maintenance to \$210.00 per month

8. Personal Expenses - \$100.00 per month

Petitioner's spouse did not state that there were any special personal items that she needed to meet her basic and necessary needs and she provided no documentation to support a \$100 expense. \$100 per month seems excessive for personal items such as toothpaste, shampoo, toilet paper, etc. \$50.00 per month for such expenses is more reasonable.

9. Home maintenance - \$500.00 per month

Petitioner's spouse needed to replace the roof, which cost \$16,723.00 to repair. (See Exhibit 7) This is 1393.58 per month over 12 months. Because Petitioner's spouse has already entered into a contract for such services, and provided documentation of such, this expense will be allowed.

Petitioner's spouse indicated that she will also need to repair the foundation in the home. Estimates ranged between \$11,600 to \$25,489 which averages out to be about \$18,544.50 or \$1545.36 per month over 12 months. Although documentation of the estimates was provided, no contract for services has been executed. As such, the expense will not be allowed at this time.

10. Snow removal - \$45.00 per service

Petitioner's spouse indicated that she needs to hire snow removal services when the snow fall is too heavy for her to shovel herself and that she pays about \$45.00 per service. No documentation of that expense was provided, but there is clear documentation that she lives in the house she owns and that she is 75 years old. As such, it is not unreasonable to allow for one service per month between November and March, which averages out to be \$18.75 per month. ($\$45.00 \times 5 \div 12$)

11. Lawn Care

Petitioner's spouse indicated that she cares for the lawn herself. There is no documentation of the exact expense. However, it is reasonable to allow \$10.00 per month, April through October, and a once year expense of \$35.00 for a tune-up for the lawn mower. This works out to be \$8.75 per month. ($\$10.00 \times 7 + \$35.00 \div 12$)

12. Clothing \$100 per month

There is no documentation in the record to support a \$100 per month expense for clothing. \$25.00 per month is more than adequate to meet Petitioner's spouse's basic and necessary needs for clothing. Indeed, this allows a total of \$300 per year.

13. Spouse's Medical Expenses \$200.00 per month

While the spouse's out of pocket medical expenses can be allowed, there was no documentation in the record to support the expense. As such, it will not be allowed at this time.

Adding the foregoing allowable monthly expenses, we have \$4102.16 per month.

Petitioner's spouse's counted gross monthly income is \$523.80 from Social Security. Thus, the Community Spouse Income Allocation calculation works out to be $\$4102.16 - \$523.80 = \$3578.36$.

Community Spouse Asset Share

Under *Wis. Stats.* §49.455(6)(b)3., assets above the community spouse's CSAS may be allocated to the community spouse through the fair hearing process, if income-producing assets exceeding the asset limit are necessary to raise the community spouse's monthly income to the minimum monthly needs allowance. *Wis. Stats.* §49.455(6)(b)3 explains this process, and subsection (8)(d) provides in its pertinent part:

If either spouse establishes at a fair hearing that the community spouse resource allowance determined under sub. (6)(b) without a fair hearing does not generate enough income to raise the community spouse's income to the minimum monthly maintenance needs allowance under sub. (4)(c), the department shall establish an amount to be used under sub. (6)(b)3 that results in a community spouse resource allowance that generates enough income to raise the community spouse's income to the minimum monthly maintenance needs allowance under sub. (4)(c).

Based upon the above, an Administrative Law Judge can override the mandated asset allowance by determining assets in excess of the allowance are necessary to generate income up to the minimum monthly maintenance needs allowance for the community spouse. Therefore, the above provision has been interpreted to grant an Administrative Law Judge the authority to determine an applicant eligible for Medicaid even if a spousal impoverishment application was initially denied based upon the fact the combined assets of the couple exceeded the spousal impoverishment asset limit.

Petitioner's counted gross monthly income is \$1951.30. The CSIA works out to be \$3578.36. As such, all of his counted income, less a personal needs allowance and medical expenses may be allocated to his wife. However, this leaves a significant deficit.

Petitioner's non-exempt assets produce a total of \$435.28 per month in income. As such all of Petitioner's assets should be allocated to his community spouse for a period of at least two years. After which time, the community spouse's financial needs should be re-examined, as she should have made substantial progress in paying for the roof and any repairs to her basement in that time.

CONCLUSIONS OF LAW

The CSAS of Petitioner's spouse may be increased to include all available assets of Petitioner.

THEREFORE, it is

ORDERED

That this matter is remanded to the agency with instructions to increase Petitioner's community spouse's CSAS effective February 1, 2013, by allocating all of Petitioner's assets to his community spouse for a period of two years. The agency shall also increase the MMMNA to \$2,910.38.

The agency shall then issue any necessary notices of proof needed within ten days of this decision. Within ten days of receiving said proof, the agency shall re-determine Petitioner's eligibility for Institution Long Term Care Medicaid benefits, February 1, 2013 forward and issue a new notice to Petitioner. This is to be done within 10 days of this decision.

REQUEST FOR A REHEARING

This is a final administrative decision. If you think this decision is based on a serious mistake in the facts or the law, you may request a rehearing. You may also ask for a rehearing if you have found new evidence which would change the decision. Your request must explain what mistake the Administrative Law Judge made and why it is important or you must describe your new evidence and tell why you did not have it at your first hearing. If you do not explain these things, your request will have to be denied.

To ask for a rehearing, send a written request to the Division of Hearings and Appeals, P.O. Box 7875, Madison, WI 53707-7875. Send a copy of your request to the other people named in this decision as "PARTIES IN INTEREST." Your request for a rehearing must be received no later than 20 days after the date of the decision. Late requests cannot be granted.

The process for asking for a rehearing is in Wis. Stat. § 227.49. A copy of the statutes can be found at your local library or courthouse.

APPEAL TO COURT

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be served and filed with the appropriate court no more than 30 days after the date of this hearing decision (or 30 days after a denial of rehearing, if you ask for one).

For purposes of appeal to circuit court, the Respondent in this matter is the Department of Health Services. After filing the appeal with the appropriate court, it must be served on the Secretary of that Department, either personally or by certified mail. The address of the Department is: 1 West Wilson Street, Madison, Wisconsin 53703. A copy should also be sent to the Division of Hearings and Appeals, 5005 University Avenue, Suite 201, Madison, WI 53705-5400.

The appeal must also be served on the other "PARTIES IN INTEREST" named in this decision. The process for appeals to the Circuit Court is in Wis. Stat. §§ 227.52 and 227.53.

Given under my hand at the City of Milwaukee,
Wisconsin, this 16th day of August, 2013

\sMayumi M. Ishii

Administrative Law Judge
Division of Hearings and Appeals



State of Wisconsin\DIVISION OF HEARINGS AND APPEALS

Wayne J. Wiedenhoef, Acting Administrator
Suite 201
5005 University Avenue
Madison, WI 53705-5400

Telephone: (608) 266-3096
FAX: (608) 264-9885
email: DHAmail@wisconsin.gov
Internet: <http://dha.state.wi.us>

The preceding decision was sent to the following parties on August 16, 2013.

Milwaukee Enrollment Services
Division of Health Care Access and Accountability
cwessels@niwlaw.com