



**DECISION OF
STATE AGENCY
ON APPEAL**

In the Appeal of: [REDACTED]

For: Supplemental Nutrition Assistance Program (SNAP)
Medical Assistance

Agency: [REDACTED] County

Docket: 174901

On June 8, 2016, Human Services Judge Wendy M. Savakes held an evidentiary hearing under Minn. Stat. § 256.045, subd. 3.

The following people appeared at the hearing:

[REDACTED] Appellant
[REDACTED] Appellant's Son and Representative
[REDACTED] Financial Assistance Specialist, [REDACTED] County
[REDACTED] Financial Assistance Specialist, [REDACTED] County

Based on the evidence in the record and considering the arguments of the parties, I recommend the following findings of fact, conclusions of law, and order.

STATEMENT OF ISSUES

The issue raised in this appeal is:

Whether the Agency correctly determined Appellant was not eligible for reinstatement of Medical Assistance and Service Limited Medicare Beneficiary benefits; and,

Whether the Agency correctly determined it had overpaid Appellant \$896 in Supplemental Nutrition Assistance Program (SNAP) benefits; and,

Whether the Agency correctly calculated the amount of Appellant's SNAP benefit eligibility.

FINDINGS OF FACT

1. On March 2, 2016, the Agency sent Appellant a written notice denying his request for reinstatement of Medical Assistance benefits, because Appellant was over the income limit and did not have enough medical bills to meet a spenddown. Also on March 2, 2016, the Agency sent Appellant a written notice that his SNAP benefits would decrease from \$169 per month to \$16 per month based on a change in unearned income. On March 9, 2016, the county agency sent the appellant a written notice of action that the household had been overpaid SNAP benefits in the amount of \$896 from September 2015 through March 2016 due to agency error in failing to budget Appellant's pension income. *Exhibit 2.* Appellant filed a request challenging these actions, which the appeals office received on March 9, 2016. A fair hearing was initially scheduled for April 6, 2016, but Appellant's representative failed to appear and the matter was continued to May 11, 2016. On May 11, 2016, Appellant was available for the scheduled hearing, but his representative again failed to appear. After a second continuance on Appellant's behalf, on June 8, 2016, I held an evidentiary hearing by telephone conference. I closed the record, consisting of two exhibits¹ on that date.

2. Appellant has been receiving medical assistance, Medicare savings plan and SNAP benefits since at least August 2015. Appellant recently moved to ██████ County. *Exhibit 1.* In February 2016, Appellant provided proof of income and shelter expenses and the Agency discovered that Appellant's previous county of residence had not included Appellant's pension income of \$483.88 per month in determining his eligibility for the above programs and his monthly benefit amount. *Exhibits 1 and 2 and Testimony of Ms. ██████*

¹ Exhibit 1: State Agency Appeals Summary; Exhibit 2: Additional Agency Documents.

3. Based on information reported to the Agency, Appellant has a pension income of \$483.88 per month, Social Security benefits of \$1,145 per month and shelter expenses rent of \$950 per month and utility costs including heating and cooling. *Exhibits 1 & 2 and Testimony of Ms. [REDACTED]*

4. Based on the updated information, the Agency determined that Appellant's unearned income had changed from \$1,145 per month to \$1,629 per month. *Id.* Because this income exceeded the monthly income standard for medical assistance, and because Appellant did not have enough medical bills to meet the calculated \$892 monthly spend down amount, the Agency determined that Appellant was no longer eligible for medical assistance. *Id.* The Agency also determined that Appellant's income exceeded the Service Limited Medicare Beneficiary benefit income limit of \$1,177 per month and Appellant was, therefore, no longer eligible for the Medicare savings plan. *Id.*

5. Based on the updated information, the Agency determined that Appellant was eligible for SNAP benefits in the amount of \$16 per month beginning April 1, 2016. *Id.*

6. Following the discovery that Appellant's monthly pension amount of \$483.88 had not been included in his monthly SNAP eligibility calculation, the Agency recalculated the household's SNAP eligibility including the previously missing pension information. In calculating the correct amount of SNAP benefits available to Appellant with a household size of one and considering Appellant's monthly SSI income and pension, the county Agency determined Appellant had been overpaid SNAP benefits as follows:

Month	Amount Issued	Correct Amount	Overpayment
September 2015	\$30	\$0	\$30
October 2015	\$101	\$0	\$101
November 2015	\$169	\$16	\$153
December 2015	\$169	\$16	\$153
January 2016	\$169	\$16	\$153
February 2016	\$169	\$16	\$153
March 2016	\$169	\$16	<u>\$153</u>
			\$896

Id.

5. Appellant's son explained at the hearing that Appellant needs dental treatment and was half way through the process of acquiring a set of dentures when Appellant's medical assistance was cancelled. Appellant may be able to reach the spenddown amount if all of his dental work and medical treatments are scheduled within

the same month. *Testimony of Mr. [REDACTED]* Appellant is in need of the SNAP benefits but he can supplement his food purchases with trips to the food shelf, but cannot afford his medical treatments. *Id.*

CONCLUSIONS OF LAW

1. ***Jurisdiction.*** This appeal is timely and the Commissioner of Human Services has jurisdiction over this appeal under 7 C.F.R. 273.15(g) and Minn. Stat. § 256.045, subd. 3.

2. ***Supplemental Nutrition Assistance Program (SNAP).***

a. ***Eligibility.*** Federal regulations govern Minnesota’s SNAP program. 7 C.F.R. §273. Gross monthly income is all earned and unearned income of the household minus income exclusions. 7 C.F.R. 273.10 (e)(1)(i)(A). SNAP benefits are calculated according to 7 C.F.R 273.10 and the maximum allotment and allowable deduction information issued by the federal government effective October 1 of each year. To calculate SNAP benefits, the Agency is required to do the following:

Subtract allowable deductions from the gross income to determine net income.

Subtract adjusted shelter costs from net income to obtain the net adjusted income.

Multiply the net adjusted income by 30% and round up to the nearest dollar.

Subtract that amount from the maximum allotment allowed for the household size under the Thrifty Food Plan to determine the amount of the SNAP allotment.

b. ***Verifications.*** Documentary evidence must be the primary source of verification for all items needing to be verified except residency and household size. 7 C.F.R. 273.2(f)(4)(i). Documentary evidence is written confirmation of household circumstances. *Id.* Acceptable verification must not be limited to any single type of document and may be obtained through the household or other source. *Id.* Whenever documentary evidence cannot be obtained or is insufficient to make a firm determination of eligibility or benefit level, the agency may require collateral contacts or home visits. *Id.* The household has primary responsibility for providing documentary evidence to support statements on the application and to resolve any questionable information. *Id.* The county agency must assist the household in obtaining this verification provided the household is cooperating with the agency. 7 C.F.R. 273.2 (f)(5). The agency must accept any reasonable documentary evidence provided by the household and must be primarily concerned with how adequately the verification proves the statements on the application. *Id.*

c. **Overpayments.** Federal regulations for the SNAP program require state agencies to establish and collect any claim for benefits that are overpaid, whether the overpayment is due to an intentional program violation (e.g. intentionally lying on the application), an inadvertent household error (e.g. failure to report income) or an agency error (e.g. failure to act on income information). 7 CFR 273.18(a) and (b). Once an overpayment has been determined, the agency must collect it without regard to the reason for the overpayment.

3. **SNAP Conclusion.** The preponderance of evidence shows that the agency properly included Appellant's pension income in its updated eligibility calculations effective April 1, 2016. The county agency properly allowed shelter expenses of rent/mortgage of \$950 and for a standard utility deduction of \$454, monthly. A proper computation for the appellant's eligibility for SNAP effective April 2016 is as follows:

Income

Unearned Income: \$ 1629.00
Gross Unearned Income \$ 1629.00

Earned Income:
Employment \$0.00
Self-employment \$ 0.00
Gross Earned Income \$ 0.00

Total Income (Gross Earned Income plus Gross Unearned Income) \$ 1629.00

Deductions

Earned Income Deduction \$ 0.00
Standard Deduction \$ 155.00
Allowable Medical Costs \$ 70.00
Dependent Care \$ 0.00
Child Support Payments \$ 0.00
Total Deductions \$ 155.00
Adjusted Income (Total Income minus Total Deductions) \$ 1404.00

Shelter Costs

Rent or Mortgage \$ 950.00
Combined Heating/Cooling, \$ 454.00
Utilities and Telephone \$ 0.00
Other Shelter Costs \$ 0.00
Total Shelter Cost \$ 1404.00
50% of Adjusted Income \$ 702.00
Excess Shelter Costs (Total Shelter Cost minus 50% of Adjusted Income) \$ 702.00
Shelter Deduction (maximum allowable) \$ 702.00

Net Income (Adjusted Income minus Shelter Deduction) \$ 702.00
Monthly Food Stamp Entitlement (from USDA Table) \$ 16.00

Accordingly, the agency correctly computed Appellant's entitlement to SNAP benefits in its calculation as provided in Exhibit 1, effective April 1, 2016, and its determination should be affirmed.

4. **Overpayment.** Based on the above conclusions, the Agency also properly assessed a SNAP overpayment of \$896 overpayment for the period of September 2015 through March 2016 and the overpayment should be affirmed.

5. **Medical Assistance.** Minn. Stat. 256B.056 sets forth the eligibility requirements for Medical Assistance. Effective January 1, 2014, to be eligible for Medical Assistance an adult without children may have income up to 133 percent of the federal poverty guidelines for the household size². *Minn. Stat. § 256B.056, subd. 4(c)*. People with incomes over 100% of the Federal Poverty Guidelines may still be eligible for Medical Assistance, if they spend down their income by incurring medical expenses equal to or greater than the income amount that exceeds 75% of the Federal Poverty Guidelines. *Minn. Stat. 256B.056, subd. 5 and subd. 5c; Minnesota Department of Human Services Health Care Programs Manual, Chapter 03.30.15*. For an individual with a household size of one, 75% of the Federal Poverty Guidelines is \$736 per month. *Minnesota Department of Human Services Health Care Programs Manual, Chapter 22.05.05*. Thus, a spenddown is a cost-sharing approach which allows Medical Assistance eligibility for people whose net countable income is greater than the applicable Federal Poverty Guideline standard. *Minnesota Department of Human Services Health Care Programs Manual, Chapter 24*. The spenddown amount is the difference between an individual's net countable income and the appropriate Federal Poverty Guideline standard. *Id.* Here, the Agency properly determined that Appellant did not qualify for medical assistance based on his income. Because also Appellant did not incur enough medical expenses to meet the calculated \$892 monthly spend down amount, the Agency's determination must be affirmed.

6. **Medicare Beneficiary Programs.** The Qualified Medicare Beneficiary (QMB) program is designed to help people who are enrolled in Medicare Part A with Medicare costs. The Service Limited Medicare Beneficiary (SLMB) program will pay Medicare Part B premiums for people who meet the requirements of QMB, but have excess income. The income standard for QMB benefits is 100 percent of the FPG which was \$990.00 per month for the period from July 1, 2015, until June 30, 2016. (See Minnesota Department of Human Services Health Care Program Manual, Chapter 03.35.05 and Chapter 22.05.10.) The income standard for SLMB benefits is 120 percent of the FPG which was \$1,177.00 monthly for the period from July 1, 2015, until June 30,

² 133 percent of FPL for a household of one person is \$1,317 monthly.

2016. (See Minnesota Department of Human Services Health Care Program Manual, Chapter 03.35.10 and Chapter 22.05.15.). The Agency correctly determined that Appellant did not meet the income guidelines for the QMB or SLMB programs and properly determined to deny Appellant's request for reinstatement of SLMB benefits.

RECOMMENDED ORDER

THE HUMAN SERVICES JUDGE RECOMMENDS THAT the Commissioner of Human Services:

- AFFIRM the Agency's termination and denial of a request to reinstate Appellant's Medical Assistance benefits effective March 1, 2016; and
- AFFIRM the Agency's assessment of a \$896 SNAP overpayment for the period of September 2015 through March 2016; and,
- AFFIRM the Agency's determination that Appellant is eligible for SNAP benefits in the amount of \$16 per month effective April 1, 2016.

Wendy M. Savakes
Human Services Judge

Date

ORDER OF THE COMMISSIONER

IT IS THEREFORE ORDERED THAT based upon all the evidence and proceedings, the Commissioner of Human Services adopts the Human Services Judge's recommendation as her final decision.

FOR THE COMMISSIONER OF HUMAN SERVICES:

Date

cc: [REDACTED] Appellant
[REDACTED] Appellant's Representative
[REDACTED] County Northern Services Center, Client Intake
[REDACTED], DHS 0245

FURTHER APPEAL RIGHTS

This decision is final, unless you take further action.

Appellants who disagree with this decision should consider seeking legal counsel to identify further legal recourse.

If you disagree with this decision, you may:

- **Request the Appeals Office reconsider this decision.** The request must state the reasons why you believe your appeal should be reconsidered. The request may include legal arguments and may include proposed additional evidence supporting the request; however, if you submit additional evidence, you must explain why it was not provided at the time of the hearing. The request must be *in writing*, be made *within 30 days of the date of this decision*, and a *copy of the request must be sent to the other parties*. Send your written request, with your docket number listed, to: *Appeals Office, Minnesota Department of Human Services, P.O. Box 64941, St. Paul, MN 55164-0941*. You may also fax the request to (651) 431-7523.
- **Start an appeal in the district court.** This is a separate legal proceeding that you must start *within 30 days of the date of this decision*. You start this proceeding by serving a written copy of a notice of appeal upon the Commissioner and any other adverse party of record, and filing the original notice and proof of service with the court administrator of the county district court. The law that describes this process is Minnesota Statute § 256.045, subdivision 7.³

³ County agencies do not have the option of appealing decisions about Supplemental Nutrition Assistance Program (SNAP), Minnesota Family Investment Program (MFIP), or Diversionary Work Program (DWP) benefits to district court under 7 C.F.R. § 273.15(q)(2) and Minnesota Statute § 256J.40.