

STATE OF RHODE ISLAND
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES
APPEALS OFFICE

[REDACTED] Docket #: 26-4018

V. Case #: [REDACTED]

Department of Human Services Appeal #: [REDACTED]

DECISION

INTRODUCTION

The Appellant, [REDACTED], initiated this matter to appeal the determination that the Appellant is eligible for Medicaid under the Medically Needy pathway made by the Department of Human Services (DHS). A Microsoft Teams hearing in this matter occurred on July 3, 2026, at 1:00 PM. The Appellant elected the option of a video hearing. For the reasons discussed in more detail below, the Appellant's appeal is denied.

JURISDICTION

The Executive Office of Health and Human Services is authorized and designated by R.I.G.L. § 42-7.2-6.1 and 210-RICR-10-05-2 to be the entity responsible for appeals and hearings related to DHS programs. The administrative hearing was held in accordance with 210-RICR-10-05-2 and the Administrative Procedures Act (R.I.G.L. § 42-35-1 et. seq.).

ISSUE

Does someone who gets approved under the Medically Needy pathway become Categorically Eligible once they meet their spenddown?

STANDARD OF PROOF

It is well settled that in adjudications modeled on the Federal Administrative Procedures Act, a preponderance of the evidence is required to prevail. This means that for each element to be proven, the factfinder must believe that the facts asserted are more probably true than false. 2 Richard J. Pierce, *Administrative Law Treaties* § 10.7 (2002) & see *Lyons v. Rhode Island Pub. Employees Council 94*, 559 A.2d 130, 134 (R.I. 1989) (preponderance standard is the “normal” standard in civil cases). When there is no direct evidence on a particular issue, a fair preponderance of the evidence may be supported by circumstantial evidence. *Narragansett Electric Co. vs. Carbone*, 898 A.2d 87 (R.I. 2006).

PARTIES AND EXHIBITS

In attendance at the hearing were:

- The Appellant
- DHS Eligibility Technician III Brandon Klibanoff
- DHS Eligibility Technician III Victoria Quinonez
- HSRI Appeals Specialist Mary Laurila

The following exhibits were presented as evidence:

- The Appellant’s Appeal with an explanatory letter
- A Benefits Decision Notice of June 2, 2026

RELEVANT LAW/REGULATIONS

The Categorically Needy pathway covers individuals with income up to 100% of the Federal Poverty Level for the household size. 42 C.F.R. § 435.201 (a), 210-RICR-40-00-3.2.8

(A)(4), and 210-RICR-40-05-1.6.2 (A)(1)(b). The Categorically Needy pathway does not require the spending of income on medical expenses to qualify. See 42 C.F.R. § 435.100 et seq. & 42 C.F.R. § 435.200 et seq.

When someone does not qualify under the Categorically Needy pathway, they are automatically evaluated for the Medically Needy pathway. 210-RICR-40-05-2.2 (A). The Medically Needy pathway allows those individuals who are over income to become eligible by spending down income on certain medical expenses. 42 C.F.R. § 435.301 (a)(1)(ii), 210-RICR-40-00-3.2.6 (C), and see 210-RICR-40-05-2.1 (A)(1).

When a parent and dependent child living together seek Medicaid coverage as Categorically Needy or Medically Needy, they are treated as two separate households for determining Medicaid eligibility. 210-RICR-40-05-1.12.2 (A).

Someone who is eligible under the Medically Needy Pathway is eligible for Medicaid only under Fee-For-Service. They are not eligible to receive Medicaid through a Managed Care Organization, such as Neighborhood Health Plan of Rhode Island. 210-RICR-40-00-1.9 (B).

FINDINGS OF FACT

The Appellant lives with their dependent adult child. The Appellant has several medical conditions that require specialists to treat. The Appellant has been on and off Neighborhood Health Plan of Rhode Island's Integrity for Duals plan. This plan requires the Appellant to be Medicare eligible as well as Medicaid Eligible as Categorically Needy. The Appellant's only income is their RSDI (formerly known as SSDI) check. DHS determined that the amount of income puts the Appellant over the Categorically Needy limit and requires them to complete a

spenddown to qualify for Medicaid. The Appellant has completed the spenddown, and DHS has made the Appellant eligible for Medicaid for April through September 2026 as Medically Needy.

DISCUSSION

Household Size

Part of the Appellant's argument is that they should be treated as a household of two, themselves and their disabled adult son who lives with the Appellant. 210-RICR-40-05-1.12.2 (A)(4) is clear, when a parent and child living together seek Medicaid coverage, either as Categorically Needy or Medically Needy, they are treated as two separate households for Medicaid purposes. This means that for the Appellant's Medicaid application, the Appellant is a household of one.

Categorically Needy v. Medically Needy

The second argument of the Appellant is that since they completed their spenddown, they should be considered Categorically Needy. However, this is not the case. Federally there are two pathways for Medicaid coverage. These are Categorically Needy & Medically Needy.

The Categorically Needy pathway covers those whose income is at or below 100% of the Federal Poverty Level. 42 C.F.R. § 435.201 (a), 210-RICR-40-00-3.2.8 (A)(4), and 210-RICR-40-05-1.6.2 (A)(1)(b). This provides Medicaid without needing to spenddown income to qualify. See 42 C.F.R. § 435.100 et seq. & 42 C.F.R. § 435.200 et seq.

The Medically Needy Pathway gives access to Medicaid to those individuals whose income is over 100% of the Federal Poverty Level. This is accomplished by requiring applicants

to spend their extra income on medical expenses to qualify for Medicaid. 42 C.F.R. § 435.301 (a)(1)(ii), 210-RICR-40-00-3.2.6 (C), and see 210-RICR-40-05-2.1 (A)(1).

These are two separate pathways for Medicaid eligibility. Furthermore, these pathways do not cross or intersect. Spending down while Medically Needy does not make one Categorically Needy. Instead, it provides Medicaid coverage to start as someone who is Medically Needy.

CONCLUSION OF LAW

After careful review, this Appeals Officer concludes:

1. A parent and adult dependent child applying together for Medicaid are treated as two separate households for Medicaid purposes under 210-RICR-40-05-1.12.2 (A).
2. Someone who is Medically Needy and meets their spenddown does not become Categorically Needy but remains Medically Needy.

DECISION

Based on the foregoing findings of fact, conclusions of law, evidence, and testimony it is found that a final order be entered that there is sufficient evidence to support the determination that the Appellant remains Medically Needy and does not become Categorically Needy with the completion of a spenddown.

APPEAL DENIED

/s/ Shawn J. Masse

Shawn J. Masse

Appeals Officer

NOTICE OF APPELLATE RIGHTS

This decision is a final order under R.I.G.L. § 42-35-12. Under R.I.G.L. § 42-35-15, this Order may be appealed to court within thirty (30) days of the mailing of this decision. Such appeal, if taken, must be completed by filing a complaint in court. The filing of the complaint does not itself stay enforcement of this order. The agency may grant, or the reviewing court may order, a stay upon the appropriate terms.

Appeals are generally filed in the Providence County Superior Court. However, appeals affecting or concerning children under the age of eighteen (18) and/or appeals of a DCYF action may need to be filed in Providence Family Court. If you have any questions about which court a complaint for appeal should be made, you should seek the advice of an attorney, Rhode Island Legal Services, or the clerk of the court where you wish to file your appeal. The courts' contact information can be found on the judiciary's website (<https://www.courts.ri.gov>). Copies of the appeal must be served upon all parties in your case within ten (10) days of the filing of your appeal.

If you exercise any of these appellate rights, please inform the EOHHS appeals office of this so we can prepare a copy of the record for the court. You can contact the Appeals Office at OHHS.AppealsOffice@ohhs.ri.gov, 401.462.2132 (Phone), 401.462.0458 (Fax), or at 3 West Road, Virks Building, Cranston, RI 02908.

CERTIFICATION

I hereby certify that I mailed, via regular mail, postage prepaid, a true copy of the foregoing to [REDACTED]; copies were sent, via email, to the DHS Appeals Unit at DHS.Appeals@dhs.ri.gov, the DHS Policy Unit at DHS.PolicyQuestions@dhs.ri.gov, [REDACTED],

Ben Gagliardi, Esq., Mary Laurila, Gabriel German, Kirsten Cornford, and Lindsay Lang on this

17th day of July, 2020.

