

**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON  
REFERRAL BY THE COMMISSIONER OF HEALTH AND SOCIAL SERVICES**

In the Matter of )  
 )  
 T T ) OAH No. 12-0524-DKC  
 ) Agency No.  
\_\_\_\_\_ )

**DECISION**

**I. Introduction**

T T challenges the Division of Public Assistance’s (DPA’s) conclusion that her children are no longer eligible for Denali Kid Care (DKC) because the household’s income was greater than the maximum amount permitted under the program for a household of four.

A hearing was held July 18, 2012. Ms. T and Terri Gagne, DPA representative, participated by telephone.

The rules governing DKC eligibility are exacting and must be followed. When applied to Ms. T’s household the eligibility formula supports the DPA’s finding that Ms. T’s household is no longer eligible for DKC.

**II. Facts**

There are no genuine issues of material fact in dispute. Rather, Ms. T challenges the application and interpretation of the law to the undisputed facts.

The Ts have a household of four. Mr. and Ms. T have two children but only one child receives DKC.<sup>1</sup> DKC is a Medicaid program for children, pregnant women and infants when the family’s monthly household income does not exceed 150% of the federal poverty guidelines (FPG) if the household has insurance available to purchase, and 175% of the FPG if insurance is not available. For reasons unclear in the record, the DPA performed its eligibility analysis using the more beneficial 175% income limit.<sup>2</sup>

Ms. T has insurance available to her through work but the expense is one the family believes it cannot afford.<sup>3</sup> Without DKC, her child will not have access to medical care. Ms. T does not challenge the income figures used by the DPA in its calculations or the

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<sup>1</sup> Exh. 2.

<sup>2</sup> Because the T’s household income exceeds the more generous 175% figure, it makes no difference in this case whether the DPA utilized the correct income eligibility benchmark.

<sup>3</sup> Exh. 6.3; T Testimony.

DPA's calculation that Mr. T's estimated monthly income is \$2953.29.<sup>4</sup> Ms. T estimated her husband's monthly gross income to be \$3,120.<sup>5</sup> This is \$167 more per month than the amount used by the DPA in its calculation. Ms. T earns \$3,344 per month.<sup>6</sup> She also receives \$339.29 per month in child support.<sup>7</sup>

### III. Discussion

For purposes of determining eligibility for Family Medicaid, including DKC, the DPA makes its best estimate of the income to be received in the month for which the benefits will be paid.<sup>8</sup> All non-exempt household income, whether earned or unearned, including child support (less a \$50 exemption), is included in the total figure.<sup>9</sup>

Once a total gross monthly household income is calculated, certain deductions are taken. For example, by regulation each household member applicant who is employed is entitled to a \$90 work expense deduction.<sup>10</sup> The DPA also permits a deduction for dependent care, in this instance \$175 per child per month.<sup>11</sup> The Ts' monthly household income less allowable deduction is \$6,066.<sup>12</sup>

In Alaska, 175% of the FPG is \$4,403.<sup>13</sup> The household's monthly net income, \$6,066, exceeds the program's maximum allowable income for a household of four this size by \$1,863.

Ms. T disagrees with the eligibility criteria for DKC. Her testimony regarding the difficulty her family will face without this assistance was credible. However, the rules and regulations governing the Ts' eligibility is based solely on income without regard to the family's actual monthly expenses. The DPA and this tribunal must apply the regulations as written, and as written, the DPA correctly calculated the household's income. The department has no discretion in this instance.

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<sup>4</sup> Exh. 4.

<sup>5</sup> Exh. 2.2.

<sup>6</sup> Exh. 2.6 and 2.7.

<sup>7</sup> Exh. 3.3.

<sup>8</sup> 7 AAC 100.168.

<sup>9</sup> 7 AAC 158(a), (6); 7 AAC 100.160; 7 AAC 100.162.

<sup>10</sup> 7 AAC 100.184(1). Exh. 6 (calculation showing deduction given).

<sup>11</sup> 7 AAC 100.186.

<sup>12</sup> \$2,953 (Mr. T) + \$3,344 (Ms. T) + 349 = \$6,646 Gross Household Income.

\$50 (Child Support Exemption) + \$350 (Dependent Care) + \$180 (Work Exp. Deduction) = \$580 Allowable Deductions.

Net Income for Purposes of Eligibility = \$6,066.

<sup>13</sup> 7 AAC 100.310; 7 AAC 100.312. *See also* <http://aspe.hhs.gov/poverty/12computations.shtml>.

**IV. Conclusion**

The Ts are not eligible for Denali Kid Care because their household income exceeds the maximum allowed for a household of four.

DATED this 7<sup>th</sup> day of August, 2012.

By: Signed  
Rebecca L. Pauli  
Administrative Law Judge

**Adoption**

The undersigned adopts this decision as final under the authority of AS 44.64.060(e)(1). Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 20<sup>th</sup> day of August, 2012.

By: Signed  
Signature  
Rebecca L. Pauli  
Name  
Administrative Law Judge  
Title

[This document has been modified to conform to the technical standards for publication.]