

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

In the Matter of)
)
C X) OAH No. 17-0907-MDE
) Agency No.
_____)

DECISION

I. Introduction

In July 2017, Medicaid recipient C X began receiving early Social Security retirement. After she reported her change in income, the Department of Health and Social Services, Division of Public Assistance (division) determined that her monthly income exceeds the Medicaid income limit and deemed her ineligible for Medicaid benefits. Ms. X appealed and requested a hearing. Based on the evidence in the record, the division's eligibility determination is affirmed.

II. Factual and Procedural History¹

The material facts in this case are not disputed. C X was a Medicaid recipient. On July 31, 2017, Ms. X called the division and reported that she started receiving early Social Security retirement in the amount of \$947 per month. On August 3, the division processed Ms. X's new income information and determined that Ms. X's Social Security payment is actually \$997 per month; that she receives a pension from Company A in the amount of \$651.09; and she received a 2016 PFD in the amount of \$1,022, or \$85.17 per month. Based on these numbers, the division calculated Ms. X's total countable monthly income as \$1,733.26. Because the Medicaid income limit is \$1,733, and because the division does not round to the nearest dollar when calculating income, the division concluded that Ms. X's monthly income exceeds the monthly income limit for Medicaid eligibility.

Ms. X appealed the decision, arguing that the division should not have included her PFD in her monthly income because her PFDs are garnished, and she has not received a PFD in over ten years. Ms. X also argued that she took early Social Security so that she would not need public assistance. Ms. X does not dispute the division's calculations; instead she complains that she cannot afford health insurance and terminating her Medicaid because of \$0.26 is a harsh result.

¹ This statement of facts is based on Ms. X's testimony and the documents in the record.

III. Discussion

The issue in this case is whether Ms. X's countable monthly income exceeds the maximum income level applicable under the Medicaid financial eligibility criteria. Ms. X has the burden of proving by a preponderance of the evidence that she is eligible for Medicaid.²

Medicaid is a program created by the federal government, but administered by the state, to provide payment for medical services for low-income citizens.³ On September 1, 2015, Alaska expanded Medicaid eligibility to include the "expansion group." The expansion group includes adults aged 19 through 64 who make 133% or less of the federal poverty limit and are not eligible for another type of Medicaid or Medicare.⁴ Ms. X falls under the Medicaid expansion category.

The income limit for the expansion group is \$1,670.⁵ There is a general income disregard, of 5% of the Federal poverty limit.⁶ This means that the department added a MAGI income disregard of \$63, for a total monthly income limit of \$1,733.⁷ Accordingly, if Ms. X's monthly gross household income is more than \$1,733, she is not eligible for Medicaid.

Ms. X argued that her PFD should not be counted as household income because it was garnished, which meant she did not receive those funds. However, people who have their income's garnished are not allowed an income deduction for the amount of the garnishment.⁸ This means that the PFD is counted in full, regardless of the fact that Ms. X did not receive it. The division was correct in including \$85.17 per month for Ms. X's PFD.

Although I agree that the result is particularly harsh in a case where the amount at issue is so small, the division does not round to the nearest dollar when calculating income. I could find no regulation that addresses whether or not the division should round to the nearest dollar when determining income eligibility—no regulations allowing or requiring the division to do so. Thus,

² 7 AAC 49.135. Preponderance of the evidence is defined as: "Evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not." *Black's Law Dictionary* 1064 (5th Ed. 1979).

³ See State of Alaska Division of Health Care Services website at http://dhss.alaska.gov/hhcs/Pages/medicaid_medicare/default.aspx (last visited August 9, 2017).

⁴ *Family Medicaid Eligibility Manual* §§ 5000-1 & 5706; see also 42 C.F.R. § 435.603.

⁵ Division Exhibits 7, 7.1 (*Family Medicaid Manual* Addendum 1, MAGI Medicaid Income Eligibility Standards Effective April 1, 2017). "MAGI" stands for "Modified Adjusted Gross Income." See 42 CFR 435.603.

⁶ 7 CFR §§ 435.603(d)(1), (d)(4), and (g)(2).

⁷ Division Exhibit 7; see also 42 CFR 435.603(d)(1); *Alaska Family Medicaid Eligibility Manual* § 5715-4(c).

⁸ *Alaska MAGI Medicaid Eligibility Manual* Addendum 3.

the division did not err in its conclusion that Ms. X's income exceeds the program's income limit.

IV. Conclusion

Ms. X's monthly household income exceeds the income limit for the Medicaid expansion group. The division's August 4, 2017 decision that Ms. X is not eligible for Medicaid is affirmed.

Dated: October 2, 2017

Signed _____
Jessica L. Srader
Administrative Law Judge

Adoption

The undersigned, by delegation from the Commissioner of Health and Social Services, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

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 19th day of October, 2017.

By: *Signed* _____
Name: Jessica L. Srader
Title: Administrative Law Judge

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