

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

In the Matter of )  
 )  
 B C )  
\_\_\_\_\_ )

OAH No. 14-0653-APA  
Agency No.

**DECISION**

**I. Introduction**

B C applied for Adult Public Assistance and related Medicaid benefits in January 2014. The Division of Public Assistance (division) denied his application, after receiving notice from the Social Security Administration (SSA) that it had terminated his Social Security Supplemental Security Income (SSI) benefits. Mr. C requested a hearing.

Mr. C’s hearing was held on May 19, 2014. He was present and represented himself. Jeff Miller represented the Division.

Because eligibility for SSI is a prerequisite to eligibility for Adult Public Assistance and related Medicaid benefits, the division's decision to deny Mr. C’s application is affirmed.

**II. Facts**

Mr. C submitted an application for Adult Public Assistance and related Medicaid benefits on January 31, 2014.<sup>1</sup> On April 18, 2014, the division was notified that the SSA had denied Mr. C’s application for SSI benefits. The reason for the denial was identified under code “N31” – “Non pay capacity for substantial gainful activity.”<sup>2</sup> On April 21, 2014, the division mailed Mr. C a notice informing him that it was denying his application because he did not meet the disability requirement for Adult Public Assistance and related Medicaid.<sup>3</sup>

Mr. C indicated he would appeal the SSA’s decision, but had not yet filed the paperwork. He did not dispute the reasons given by the division, but offered for consideration that he has

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<sup>1</sup> Exhibit. 2 – 2.11.  
<sup>2</sup> Exhibit 3 – 3.3.  
<sup>3</sup> Exhibit 4.

been depressed and does not know what he could do that would be considered “substantial gainful activity.”<sup>4</sup>

### III. Discussion

A person who is eligible to receive SSI benefits is also eligible to receive Adult Public Assistance related Medicaid benefits from the State of Alaska if he or she also satisfies other State of Alaska eligibility criteria.<sup>5</sup> If a recipient of both Adult Public Assistance benefits and SSI benefits has his or her SSI benefits terminated by the Social Security Administration, the State of Alaska is required to terminate Adult Public Assistance benefits. Alaska’s regulation, 7 AAC 40.060(c), states as follows:

(c) If an applicant is receiving SSI benefits and is determined by the Social Security Administration to be ineligible, except as provided in (d) and (e) of this section, the division will terminate assistance in accordance with 7 AAC 49.060, regardless of whether the applicant files an appeal with the Social Security Administration.

The exceptions to the rule contained in 7 AAC 40.060(c) refer to Supplemental Security Income termination due to either excess income or a disposal of resources for less than fair market value (*see* 7 AAC 40.060(d) and (e)). Mr. C’s SSI application was denied after the SSA found that he was not disabled because he had the capacity to perform substantial gainful activity. Therefore, the exceptions are not applicable here.

The Alaska regulation pertaining to the “domino effect” of a Supplemental Security Income benefit termination, 7 AAC 40.060(c), is clear. The termination of Mr. C’s SSI benefits requires that his application for Adult Public Assistance and related Medicaid benefits be denied. Even if the SSA’s decision to terminate SSI benefits is wrong or is under appeal with the SSA, the division does not have leeway to ignore the termination requirement.

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<sup>4</sup> Testimony of C.  
<sup>5</sup> 7 AAC 40.030.

#### **IV. Conclusion**

The division was required by regulation to deny Mr. C's Adult Public Assistance and related Medicaid benefits application upon being informed by the SSA that Mr. C was not eligible for SSI. The Division's decision denying Mr. C's application for Adult Public Assistance and related Medicaid is therefore affirmed.

Dated this 20<sup>th</sup> day of August, 2014.

*Signed* \_\_\_\_\_  
Rebecca L. Pauli  
Administrative Law Judge

#### **Adoption**

The undersigned, by delegation from of 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 3<sup>rd</sup> day of September, 2014.

By: *Signed* \_\_\_\_\_  
Name: Rebecca L. Pauli  
Title: Administrative Law Judge  
Agency: DOA/OAH

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