



The Division determined that her gross income (employment income plus child support payments) of \$2,712.76 was greater than the Food Stamp program's gross income limit of \$2,645 for a three person household. The Division then denied her Food Stamp application.<sup>7</sup>

The Division calculated that Ms. T's countable monthly income was \$2,222.76. It arrived at this amount disregarding \$50 of her child support income and by allowing her a work expense deduction of \$90 and a child care expense deduction of \$350, and deducting these amounts from her gross income of \$2,712.76. It determined that she was not eligible for Family Medicaid benefits because her countable monthly income of \$2,222.76 exceeded the Family Medicaid program's countable income limit of \$1,541 for a three person household.<sup>8</sup>

Ms. T did not disagree with the income figures used by the Division. However, she pays \$125 per week for child care expenses.<sup>9</sup>

### **III. Discussion**

#### *A. Food Stamps*

The Food Stamp program is a federal program which is administered by the State of Alaska.<sup>10</sup> The Code of Federal Regulations contains the rules for determining if an applicant is eligible for Food Stamp benefits.

Ms. T argued her gross income of \$2,712.76 only slightly exceeded the Food Stamp program's gross income limit of \$2,645, and that her application should not have been denied due to a small overage. However, the Food Stamp regulations are clear that eligibility is based, in part, upon a household's gross monthly income. If a three person household makes more than \$2,645 in gross income per month, it does not qualify for Food Stamp benefits.<sup>11</sup> This is not a flexible limit. As a result, the Division was correct to find that Ms. T was not eligible for Food Stamp benefits.

#### *B. Family Medicaid*

The Family Medicaid program has two income tests that must be met, in addition to other requirements, before eligibility can be established. First, a household of three persons must not

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<sup>7</sup> Exs. 3.0, 4.

<sup>8</sup> Exs. 3.0, 3.16, 4.

<sup>9</sup> T testimony.

<sup>10</sup> 7 C.F.R. § 271.4(a).

<sup>11</sup> 7 C.F.R. § 273.9(a)(1)(ii); *Alaska Food Stamp Manual Addendum 4*.

make more than \$2,850 in gross income. Second, a household of three persons must not make more than \$1,541 in net or “countable” income.<sup>12</sup> Ms. T satisfies the gross income test. The issue is whether she satisfies the countable income test.

When determining countable income, Family Medicaid only allows a limited amount of deductions, which are sometimes referred to as disregards, from gross income. The first \$50 of child support payments is not counted as income.<sup>13</sup> Someone who is working and who has *not* received Medicaid benefits during any of the four months immediately preceding his/her application is entitled to a \$90 work deduction.<sup>14</sup> However, a person who is working, who received Medicaid benefits during *any* of the four months immediately preceding his/her application, is instead entitled to a deduction of \$150 from his/her gross earned income plus a deduction of 33 percent of the remaining earned income.<sup>15</sup> In addition, a person with children who are two years old or older is allowed a deduction of \$175 per child for child care costs, even if the actual child care costs are higher.<sup>16</sup>

The Division allowed Ms. T the \$50 child support income deduction and the \$350 (\$175 for each child) maximum child care deduction.<sup>17</sup> These are the maximum deductions allowable in these categories. The Division, however, only allowed Ms. T a deduction of \$90 for work expense. As the Division conceded at hearing, Ms. T received Medicaid benefits in June 2013, and should be provided the higher work deduction of \$150 from her employment income plus 33 percent of the remaining employment income. Consequently, she should have received a work deduction of \$724.68.<sup>18</sup> A review of the Family Medicaid financial eligibility regulations does not provide any other allowable deductions in this case.<sup>19</sup> As a result, Ms. T’s countable income for Family Medicaid eligibility purposes is calculated as follows:

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<sup>12</sup> 7 AAC 100.190(a)(1); *Alaska Family Medicaid Manual Addendum 2. See Ex. 21.*

<sup>13</sup> 7 AAC 100.166(b).

<sup>14</sup> 7 AAC 100.184(1).

<sup>15</sup> 7 AAC 100.184(2).

<sup>16</sup> 7 AAC 100.186((2)(C)).

<sup>17</sup> Ms. T has two children who have reached two years of age. Ex. 2.1.

<sup>18</sup> Ms. T’s gross employment income was \$1,891.46. Her deduction would be  $\$150 + .33 * (\$1,891.46 - \$150)$ , which results in a deduction of \$724.68.

<sup>19</sup> The income disregards or deductions are contained in regulations 7 AAC 100.160, 7 AAC 100.162, 7 AAC 100.166, 7 AAC 100.184, and 7 AAC 100.186.

Gross Employment Income:	\$1,891.46
Child Support Income:	\$ 821.30
Child Support disregard:	<\$ 50.00>
Child Care deduction:	<\$ 350.00>
Earned Income deduction:	<\$ 724.68>
Countable Income	\$1,588.08

Ms. T's countable income of \$1,588.08 exceeds the Family Medicaid income limit for a three person household of \$1,541. As a result, Ms. T is not eligible for Family Medicaid benefits.

**IV. Decision**

The Division's decision that Ms. T's Food Stamp and Family Medicaid applications should be denied is affirmed.

DATED this 24<sup>th</sup> day of October, 2013.

*Signed* \_\_\_\_\_  
 Lawrence A. Pederson  
 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 7<sup>th</sup> day of November, 2013.

By: *Signed* \_\_\_\_\_  
 Name: Lawrence A. Pederson  
 Title/Agency: Admin. Law Judge, DOA/OAH

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