

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

In the Matter of	)	
	)	
M B-Q	)	OAH No. 21-0466-MDE
<hr style="width: 40%; margin-left: 0;"/>	)	Agency No.

**DECISION**

**I. Introduction**

M B-Q applied for Medicaid benefits in February 2021. The Division of Public Assistance (Division) approved his application effective March 1, 2021. His application was not approved for the month of February because his actual income during February exceeded the income limit for Medicaid eligibility.

Mr. B-Q requested a hearing to challenge the denial of benefits for February. That hearing was held telephonically on April 15, 2021. Mr. B-Q represented himself with the assistance of T S-N. Both Mr. B-Q and Ms. S-N testified. Jeff Miller, a Fair Hearing representative with the Division, represented the Division and testified on its behalf.

The undisputed facts show that Mr. B-Q earned over the income limit to qualify him for Medicaid benefits in February 2021. Although he has high uncovered medical bills that were incurred in February, those bills do not qualify him for Medicaid benefits. As a result, the Division’s denial of Medicaid benefits for him for February 2021 is AFFIRMED.

**II. Facts<sup>1</sup>**

Mr. B-Q is an adult who is under the age of 65. He lives with Ms. S-N and their three children. Mr. B-Q and Ms. S-N are not married. Mr. B-Q was laid off from his job effective February 18, 2021. He immediately applied for Medicaid benefits. Ms. S-N spoke to a Division eligibility technician about Mr. B-Q’s eligibility. The eligibility technician told her that Mr. B-Q would be approved for benefits. However, the next day that same eligibility technician called her back and told her that she had made a mistake because she thought that Ms. S-N and Mr. B-Q were married.

Mr. B-Q was approved for Medicaid benefits effective March 1, 2021. He was not approved for February, because the Division found that his income during that month exceeded

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<sup>1</sup> Unless specifically provided otherwise, these facts are derived from the hearing testimony of Mr. B-Q, Ms. S-N, and Mr. Miller.

the income limit of \$3,576 for his household size.<sup>2</sup> Mr. B-Q received a total of \$3,530.08 in gross wages from his job in February.<sup>3</sup> In addition, both he and two of his minor children received the 2020 PFD, which was \$992 apiece, which, if averaged on a monthly basis is \$82.67 apiece. When multiplied by three for Mr. B-Q's PFD and the two children's PFDs, the average monthly PFD amount is \$248. When Mr. B-Q's employment income of \$3,530.08 and the averaged PFD amount of \$248 are added together, the result is \$3,778.09.<sup>4</sup>

Mr. B-Q had unplanned medical costs of over \$10,000 in late February, which are not otherwise covered.

### **III. Discussion**

The Medicaid program has numerous eligibility categories. Mr. B-Q is an adult, who is under 65 years of age. There is no evidence in the record showing that he is legally disabled. As a result, he is only potentially eligible for Medicaid benefits under the Modified Adjusted Gross Income (MAGI) Medicaid category.

There is a financial eligibility test for the MAGI Medicaid category, which is dependent upon the size of the applicant's household. Mr. B-Q is considered to have a household of four people: himself and his three minor children. Although he lives with Ms. S-N, she cannot be considered part of his household. In order for Ms. S-N to be considered part of Mr. B-Q's household for Medicaid eligibility purposes, she would need to be his spouse or claimed as his dependent for federal tax purposes.<sup>5</sup> Although Mr. B-Q credibly testified that he is the entire financial support for the entire family, there is no evidence showing that Ms. S-N is his claimed tax dependent. In fact, a Division casenote from March 4, 2021 states that Ms. S-N "files single and is not a dependent of" Mr. B-Q.

A household of four people cannot earn more than \$3,576 per month and qualify for benefits.<sup>6</sup> Mr. B-Q did not disagree that his household income during February was greater than that limit. An independent review of the Division's calculations shows that they were correct as

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<sup>2</sup> Ex. 6.1.

<sup>3</sup> Exs. 8.1 – 8.4.

<sup>4</sup> Division's denial notice erroneously says that Mr. B-Q's monthly income is \$4,816. Ex. 6.1. However, this is not a material error inasmuch as Mr. B-Q's income exceeds the income limit of \$3,576 as discussed in this decision.

<sup>5</sup> 42 C.F.R. § 435.110; *Alaska MAGI Medicaid Eligibility Manual* § 817-1.

<sup>6</sup> The base income limit is \$3,437 for a four-person household. See Ex. 11. There is an "income disregard" of \$139 for a four-person household. See Ex. 11.3. When that "income disregard" is applied, it increases the income limit for a four-person household to \$3,576.

to Mr. B-Q's employment income and his PFD, which together total \$3,612.75.<sup>7</sup> This combination of Mr. B-Q's employment income received in February and his PFD, without counting the children's PFDs, placed him over the income limit of \$3,576.<sup>8</sup>

Mr. B-Q also raised the issue of his outstanding medical bills that he incurred in February. That is a factor that cannot be considered in determining his eligibility. Although he only slightly exceeds the income limit for February, that is dispositive of this case. The Division does not have any discretion in this matter: "[a]dministrative agencies are bound by their regulations just as the public is bound by them."<sup>9</sup> As a result, the denial of his request for Medicaid benefits for February 2021 is upheld.

#### **IV. Conclusion**

Mr. B-Q's monthly income in February 2021 exceeded the MAGI Medicaid program's income limit for his household size. Consequently, the denial of his request for Medicaid benefits for February 2021 is upheld.

Dated: April 26, 2021

*Signed*  
\_\_\_\_\_  
Lawrence A. Pederson  
Administrative Law Judge

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<sup>7</sup> February 2021 employment income of \$3,530.08 plus averaged monthly PFD of \$82.67.

<sup>8</sup> It is arguable that the Division overcounted Mr. B-Q's household income when it counted not only his PFD income but also the PFDs of the two minor children. As provided in 42 C.F.R. § 435.603(d)(2)(i):

(2) Income of children and tax dependents.

(i) The MAGI-based income of an individual who is included in the household of his or her natural, adopted or step parent and is not expected to be required to file a tax return under section 6012(a)(1) of the Code for the taxable year in which eligibility for Medicaid is being determined, is not included in the household income whether or not the individual files a tax return.

Regardless, it is not necessary to resolve this question, because even without taking the children's PFDs into account, Mr. B-Q's employment income and PFD caused him to exceed the MAGI Medicaid income limit in February.

<sup>9</sup> *Burke v. Houston NANA, L.L.C.*, 222 P.3d 851, 868 – 869 (Alaska 2010).

## 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 10<sup>th</sup> day of May, 2021.

By: Signed \_\_\_\_\_  
Name: Lawrence A. Pederson  
Title: Administrative Law Judge

[This document has been modified to conform to the technical standards for publication. Names may have been changed to protect privacy.]