

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

In the Matter of	)	
	)	
M X	)	OAH No. 18-0781 MDE
	)	Agency No.

**DECISION**

**I. Introduction**

M X applied for Medicaid benefits for her and her husband, N X, on May 23, 2018. On July 16, 2018, the Division of Public Assistance (Division) determined that Mrs. X’s household’s monthly income exceeded the gross income limit and denied her application. On July 19, 2018, Mrs. X appealed and requested a fair hearing.

A hearing was conducted on September 5, 2018. The evidence presented at the hearing shows that Mrs. X’s monthly countable household income was greater than the limit allowed by law for a two-person household. Consequently, the Division’s denial is affirmed.

**II. Facts**

The facts in this case are undisputed by Mrs. X. She and Mr. X are a married couple, without disabilities.<sup>1</sup> They are each over 19 years old, under the age of 65 and have no children residing with them.<sup>2</sup> Mr. X is the sole income source, other than PFDs, for the household.

Mrs. X applied for Medicaid on behalf of her and her husband on May 23, 2018.<sup>3</sup> Mr. X’s job pays \$36.00 per hour. He earned a total of \$4,536 gross in March 2018, \$3,718 gross in April 2018, \$3,766.5 gross in May 2018, and \$4,797.28 gross in June 2018. This came to a total of \$16,817.75 for those four months.<sup>4</sup> He is paid weekly, which averages to \$934.32 gross income per week.<sup>5</sup> When that weekly amount is multiplied by 4.3 to arrive at an average gross monthly income, the result is \$4,017.57.<sup>6</sup>

The Division reviewed Mr. X’s payroll records. Even without including the PFDs, the Xs were found to exceed the income limit for the Medicaid program. The Division provided them

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<sup>1</sup> Exhibit 2.1; Exhibit 2.2.

<sup>2</sup> Exhibit 2.1; Exhibit 2.2.

<sup>3</sup> Exhibit 2- 2.9.

<sup>4</sup> Exhibits 4 – 4.6.

<sup>5</sup> The “Aries” worksheet shows that there were 18 pay weekly periods for March through June 2018. Exhibits 4.5 – 4.6.  $\$16,817.75 \div 18 = \$934.32$  per weekly pay period.

<sup>6</sup> Mr. Miller used various numbers of weeks to change to the average, as well as actual gross income for May. All combinations exceeded the 2-person household limit.

with an additional deduction of \$251.42 per month for medical insurance, as well as an \$86 income disregard.<sup>7</sup> The Division recalculated the X's income and determined that the Xs were still over the income threshold.

### III. Discussion

Because Mrs. X is an applicant for new services, she bears the burden of proof by a preponderance of the evidence.<sup>8</sup>

Medicaid is a federal program that is administered through the states. Based on Mrs. X's application, the assistance the Xs are eligible to apply for is Modified Adjusted Gross Income (MAGI) Medical Eligibility (ME).<sup>9</sup> Eligibility for MAGI ME is calculated by determining the number of members in the household, their adjusted income and then determining if that income falls below the income limit establishing by Medicaid.<sup>10</sup> To qualify for this service, the gross income limit for a household of two adults, after applying deductions and disregards, is \$2,281.<sup>11</sup>

The undisputed facts show that Mr. X's gross monthly employment income ranged from a low of \$3,718 in April to a high of \$4,797.28 in June. The amount of excess over the income limit is higher still when the X's PFD income of \$183.34 is factored in.

While the Xs were able to reduce their household income \$251.42 for medical insurance premiums, it still exceeded the income limit. Because the X's monthly countable household income still exceeds the program limit of \$2,281 even for the lowest income month of April, they were entitled to an \$86 deduction.<sup>12</sup> Again they far exceed the income limit for a two-person household.

Mrs. X argued that her family had needs which were not being met. She further argued that the Division should base its financial eligibility determinations on net income rather than gross income.

However, the federal MAGI Medicaid regulations require the Division to base its eligibility determinations upon gross income. Those regulations do not allow the Division any flexibility.<sup>13</sup> Because the X's monthly income, after allowing for applicable deductions and

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<sup>7</sup> Ms. X's testimony; Exhibit 7.3.

<sup>8</sup> 7 AAC 49.135.

<sup>9</sup> Exhibit 11.

<sup>10</sup> Id.

<sup>11</sup> Division Exhibit 7 (Family Medicaid Manual Addendum 5, MAGI Income Standards Effective April 1, 2018). "MAGI" stands for "Modified Adjusted Gross Income". See 42 CFR 435.603.

<sup>12</sup> Exhibit 7.3.

<sup>13</sup> 42 CFR 435.603.

disregards, exceeds the income limit established by the MAGI ME for a two-person household, the Xs aren't eligible for MAGI ME benefits.

**IV. Conclusion**

Ms. X expressed a real need for financial assistance and asked that based on their medical needs, that they receive even partial assistance. However, the family's monthly household income exceeds the income limit for their household, and there is no legal authority for partial assistance.

The Division's decision that Ms. X is not eligible for Medicaid is affirmed. This, however, does not prohibit her from filing in the future.

DATED: September 27, 2018.

*Signed* \_\_\_\_\_  
Hanna Sebold  
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 15<sup>th</sup> day of October, 2018.

By: *Signed* \_\_\_\_\_  
Signature  
Hanna Sebold \_\_\_\_\_  
Name  
Administrative Law Judge \_\_\_\_\_  
Title

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