

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

In the Matter of )  
 )  
B J ) OAH No. 21-0941-MDE  
 ) Agency No.  
\_\_\_\_\_)

**DECISION**

**I. Introduction**

B J and his wife S J applied for Medicaid benefits for themselves and their minor children. Their application was denied by the Division of Public Assistance (Division).<sup>1</sup> The Js requested a hearing to challenge that denial.

The Js’ hearing was held on June 9, 2021. Mr. and Ms. J participated. They represented themselves and testified. Jeff Miller, a Fair Hearing Representative with the Division, represented the Division and testified on its behalf.

**II. Facts**

Mr. and Ms. J applied for Medicaid benefits for themselves and their three minor children on March 8, 2021.<sup>2</sup> Following an eligibility interview held on April 8, 2021, the Division sent the Js a request for information on April 9, 2021. The information that the Division requested was copies of past paychecks from the Employer A Corporation (EAC) and verification that that job had ended for both Mr. and Ms. J, verification of Ms. J’s new job and income, proof of Ms. J’s citizenship, and proof of the income that Ms. J receives from a rental property that she owns, which included the rental payment and expenses such as her mortgage payment, real estate property taxes, etc. The due date for providing that information was April 19, 2021. The notice advised the Js that if the requested information was not received by the due date, the Medicaid application could be denied.<sup>3</sup>

The Js provided the Division with proof of the mortgage interest and property taxes that Ms. J paid on property she owned, copies of paystubs from EAC, a copy of Ms. J’s most recent

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<sup>1</sup> The Division also looked to see if Mr. J might be eligible for Medicaid in a different Medicaid coverage category, the Adult Public Assistance related Medicaid category. The Division determined that he was not financially eligible for Medicaid coverage through that category. As discussed with the parties during the June 9, 2021 hearing, that is not an issue for this case. If Mr. J wishes to challenge that determination, he will need to make a separate hearing request.

<sup>2</sup> Exs. 2 – 2.12.

<sup>3</sup> Exs. 3 – 3.1, 4 – 4.1.

paystub, a copy of Ms. J's passport showing her citizenship, and an email from Ms. J that stated that Ms. J's rental payment for her property was \$900 for two months, along with March 2021 bank statements, before the April 19, 2021 deadline.<sup>4</sup> The Js did not provide job ending information for their jobs with EAC, nor did they provide proof, beyond Ms. J's email, of the rent received for her rental property or of the underlying mortgage payments.<sup>5</sup> The Division contacted EAC directly to try and obtain the job ending information and was unable to obtain that information.<sup>6</sup>

On April 26, 2021, the Division notified the Js that their Medicaid application was denied because they had not provided all of the necessary information by the deadline. The notice listed the following as not having been provided: job ending information from EAC for both Mr. and Ms. J, proof of Ms. J's income from her new job, and proof of Ms. J's rental income.<sup>7</sup>

On May 3, 2021, the Js supplied the Division with current paystubs and verification of employment from Ms. J's current employer, in addition to other documents. Those documents, however, did not include job ending verification for Mr. J, just information about a work-related injury and information that there were some issues with his supervisor.<sup>8</sup> On June 7, the Js supplied a copy of a letter from EAC showing that Ms. J's job with it ended on January 19, 2021.<sup>9</sup>

### **III. Discussion**

A person who wishes to receive Medicaid benefits must first submit an application for those benefits.<sup>10</sup> The Medicaid program allows the Division to request information about an applicant's eligibility for benefits.<sup>11</sup> If the Division determines that it needs further documentation to determine eligibility, it must send a notice requesting the additional documentation, and the notice must give the applicant at least 10 days to respond.<sup>12</sup> If the applicant does not provide the Division with the information necessary to calculate eligibility, the Division may deny the benefits.<sup>13</sup>

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<sup>4</sup> Exs. 5.1 – 5.22.

<sup>5</sup> Mr. Miller's testimony.

<sup>6</sup> Mr. Miller's testimony.

<sup>7</sup> Exs. 6 - 6.1. The notice also listed a failure to provide proof of Ms. J's citizenship. However, she had already provided a copy of her passport before the deadline.

<sup>8</sup> Exs. 7 – 7.16.

<sup>9</sup> Ex. 19.1.

<sup>10</sup> 7 AAC 100.004.

<sup>11</sup> 7 AAC 100.016(a).

<sup>12</sup> 7 AAC 100.022(a).

<sup>13</sup> 7 AAC 100.016(b).

The type of Medicaid that the Js applied for has an income test. Rental income and employment income are both countable as income.<sup>14</sup> What this means in the Js' case is that the Division was justified in asking for proof of Ms. J's rental income and expenses (mortgage, taxes) in order to determine her net monthly income from the rental. Ms. J did not provide actual proof of her rental income such as a receipt or proof of her mortgage payment, so the Division did not have that information. The job ending information and pay information about the Js' employment with EAC was necessary to determine how long they received that income and the amount of the income when it was received. Similarly, the employment confirmation and more than one paycheck from the Ms. J's new job were necessary to determine when she started working and what her income was during the application period. The Division was also justified in requesting this information.

The Js supplied most of the requested information. However, they did not supply the necessary rental income information. And they did not supply all of the employment income that was requested. And a large part of what they supplied was not provided by the Division's deadline, but rather provided after their application was denied.

The Js argued that they were not given enough time to provide the requested information. However, the Medicaid regulations only require that they be given ten days. The Division gave them ten days, until April 19, 2021. Because the Js did not supply all of the requested relevant information, which the Division needed to determine if they were financially eligible for Medicaid benefits, by the April 19, 2021 deadline, the Division action in denying their application on April 26, 2021 is supported by the Medicaid program's regulations.

#### **IV. Conclusion**

The Division's April 26, 2021 decision denying the Js' March 8, 2021 Medicaid application is AFFIRMED.

Dated: June 22, 2021

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

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<sup>14</sup> 42 C.F.R. § 435.603(d) and (e); Exs. 13 – 13.2.

## 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 8<sup>th</sup> day of July, 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.]