

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

In the Matter of:)
)
D.K.)
_____) OAH No. 22-0286-MDE

DECISION

I. Introduction

D.K. applied for Medicaid benefits in November 2021. His application included a request for retroactive benefits for the three months preceding his application. The Department of Health and Social Services, Division of Public Assistance (Division) denied his application because his income during the relevant time periods was greater than the income limit allowed by the Medicaid program. D.K. requested a hearing to contest the Division’s decision.

A hearing was held on April 25, 2022. D.K. and K.C. testified on D.K.’s behalf. Fair Hearing representative Sally Dial represented the Division and testified on its behalf.

The evidence establishes that D.K.’s monthly household income exceeded the applicable income limit under the Medicaid program. The Division’s denial of the application and request for retroactive benefits is affirmed.

II. Facts

D.K. is 29-years old, single, and lives alone.¹ He applied for Medicaid benefits for himself on November 9, 2021, and requested Medicaid benefits retroactively for August, September, and October of 2021.²

In his application, D.K. stated that he earns \$15.00 per hour and works 32 hours per week.³ Based on this statement, the Division determined that his average monthly income from employment was \$2,064.00.⁴ Because he also received a 2021 Permanent Fund Dividend (PFD) of \$1,114.00, the Division determined that his monthly income from the PFD was \$92.83.⁵ Adding the income from employment and from the PFD together (\$2,064.00 + \$92.83), D.K.’s

¹ Exs. 2.1 and 2.4.

² Exs. 2.0 – 2.14.

³ Ex. 2.

⁴ The Division arrived at this figure by determining D.K.’s weekly income and multiplying it by 4.3 (the average number of weeks in a month): \$15.00/hour x 32 hours/week x 4.3weeks/month = \$2,064.00/month.

⁵ The 2021 PFD amount of \$1,114.00, when divided by 12 months, comes to \$92.83/month.

average monthly income was determined to be \$2,064.00. The Division found that this amount exceeded the Medicaid income eligibility limit, which it determined to be \$1,852.00.

The Division also calculated D.K.'s average monthly income another way: using quarterly income reported to the Department of Labor by his employer. This data showed D.K. had reportable wages of \$1,924.80 for the third quarter of 2021 and \$2,586.45 for the fourth quarter of 2021.⁶ These amounts equated to \$1,924.80 and \$2,586.45 per month for the third and fourth quarters of 2021, respectively. When added to D.K.'s monthly PFD income, his total monthly gross income was \$2,045.23 for the months in the third quarter of 2021 and \$2,679.28 for the months in the fourth quarter of 2021, which were still above the income eligibility limit of \$1,852.00. The Division notified D.K. that his application was denied because his monthly income was greater than allowed by the Medicaid program.⁷

D.K. testified that he has been getting ongoing medical treatments since July 2019. The treatment costs make it difficult for him to pay all his monthly expenses. He believed the Division's calculations were incorrect and presented his paystubs from November 12, 2021 through April 15, 2022.⁸

The Division reviewed D.K.'s paystubs and concluded that he was still over the eligibility limit under the Medicaid program. That review showed D.K.'s gross income was \$2,139.73 in November of 2021 and \$1,905.58 in December of 2021, which are the two months the Division considers in determining eligibility.⁹

III. Discussion

The Alaska Medicaid program contains a variety of coverage categories.¹⁰ Each of these categories has different eligibility requirements, including financial requirements that limit how much monthly income a Medicaid applicant may have to be eligible for benefits. Because D.K. is applying for benefits, he has the burden of proof, by a preponderance of the evidence, to demonstrate that he is financially eligible for those benefits.¹¹

⁶ Ex. 2.15.

⁷ Exs. 3 – 3.1.

⁸ Exs. 15.1 - 15.11.

⁹ To arrive at these figures, \$1,061.25 from the November 12, 2021 paystub, \$985.65 from the November 26, 2021 paystub, and \$92.83 in PFD income were added together to obtain \$2,139.73 in income for the month of November 2021. Similarly, \$873.90 from the December 10, 2021 paystub, \$938.85 from December 24, 2021 paystub, and \$92.83 in PFD income were added together to obtain \$1,905.58 in income for the month of December 2021. *See* Ms. Dial's testimony.

¹⁰ 7 AAC 100.002.

¹¹ 7 AAC 49.135.

D.K. is an adult under the age of 65 and is not legally disabled. Thus, he falls under the Denali Care, also known as the Medicaid Expansion, category.¹² The monthly household income limit for this category is 133% of the federal poverty level (FPL) for Alaska, which changes yearly.¹³ For the time period from April 1, 2021 to March 31, 2022, the applicable level for a household of one in the Medicaid Expansion category was \$1,784.00.¹⁴ After taking a \$68 monthly income “disregard” into account, this raised the income limit for D.K. to \$1,852.00¹⁵

The next step is to assess whether D.K.’s monthly income exceeded the Medicaid eligibility limit for both his November 2021 application for prospective benefits and his request for retroactive benefits. His income for Medicaid is determined using the Internal Revenue Service rules for countable income and deductions.¹⁶ His countable income is his taxable income, which consists of his wages and PFD. He is not entitled to any of the specified deductions.¹⁷

No matter which data is used to determine D.K.’s monthly countable income, his income exceeds the income eligibility limit under the Medicaid program. Using the weekly wage information he specified on his application, his estimated monthly income is \$2,064.00. This is greater than the Medicaid eligibility limit of \$1,852.00. Alternatively, using the Department of Labor data for the fourth quarter of 2021 (the quarter applicable to his November 2021 application for prospective benefits) yields the same outcome: his estimated monthly income of \$2,679.28 exceeds the eligibility limit of \$1,852.00. The same result is achieved using the paystub information for November and December 2021: D.K.’s income of \$2,139.73 for November and \$1,905.58 for December exceeds the eligibility limit of \$1,852.00. Thus, D.K. is not eligible for prospective Medicaid benefits.

Regarding D.K.’s request for retroactive benefits for August, September, and October, his estimated income for each of those months using either the information on his Medicaid application (\$2,064.00) or the relevant Department of Labor data (\$2,045.23 and \$2,679.28 for

¹² State of Alaska Department of Health and Social Services Division of Public Assistance MAGI Medicaid Eligibility Manual, §816-1G.

¹³ 7 CFR §435.119(b).

¹⁴ Ex. 11.2.

¹⁵ Ex. 11.3. Alternatively, rather than adding the \$68.00 disregard to obtain the Medicaid income eligibility limit, the disregard could instead be subtracted from D.K.’s monthly income as a deduction to obtain his monthly adjusted gross income. There is no difference between these two methods for eligibility purposes.

¹⁶ Prospective eligibility is based on the best estimate of expected income. 7 AAC 100.154. Retroactive eligibility is based on actual income received during the months for which benefits are requested. 7 AAC 100.072.

¹⁷ Exs. 12 – 12.4.

the third and fourth quarters of 2021, respectively) exceeds the \$1,852.00 eligibility limit.¹⁸ Again, no matter which data is used, D.K.'s income exceeds the eligibility limit, which disqualifies him for retroactive benefits.¹⁹

IV. Conclusion

Based on the evidence in the record, D.K. was ineligible for both prospective Medicaid benefits and retroactive benefits for August, September, and October of 2021. The Division's decision to deny his November 9, 2021 Medicaid application is AFFIRMED.

Dated: May 18, 2022

Signed

Lisa M. Toussaint

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 1st day of June, 2022.

By:

Signed

Signature

Lisa M. Toussaint

Name

Administrative Law Judge

Title

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

¹⁸ The third quarter of 2021 includes August and September, and the fourth quarter includes October.

¹⁹ D.K. did not provide paystubs for August, September, or October 2021.