BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL BY THE COMMISSIONER OF HEALTH

In the Matter of	)	
	)	
T. B.	)	OAH No. 25-2888-MDE
	)	

DECISION

I. Introduction

T. B. applied for Medicaid on July 21, 2025.[1] On August 27, 2025, the Division of Public Assistance ("division") denied Mr. B.'s application due to his household income, which it determined was over the maximum limit for his beneficiary category.[2] On August 29, 2025, Mr. B. requested a fair hearing before this office.[3]

That hearing was held on October 1, 2025. Mr. B. participated telephonically. The agency participated through its fair hearing representative. Both Mr. B. and the agency representative testified.

The agency representative explained that she reviewed Mr. B.'s household income, and determined that he was ineligible for Medicaid because his household income exceeded the applicable maximum.[4] The agency representative reached this conclusion after accounting for Mr. B.'s unemployment insurance income, his Alaska Permanent Fund Dividend income, and his spouse's monthly income, then subtracting applicable deductions and comparing that result with the highest income limit applicable to Mr. B.'s case.[5]

At the hearing, Mr. B. did not dispute the agency's calculations, but expressed his acute need for Medicaid coverage due to his serious medical conditions.[6] Unfortunately, as the agency representative clarified, no needs-based exception to the income thresholds exist under the laws and regulations governing Mr. B.'s coverage category.

Because Mr. B.'s household income exceeds the maximum allowable income for his Medicaid category, the agency's denial of Mr. B.'s application is AFFIRMED.

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1 Exhibit 1.
2 Exhibit 3.
3 Exhibit 4.
4 Exhibit 6.
5 *Id.*
6 *Id*.

II. Facts

The facts of this case are not disputed. Mr. B. is 58 years old.[7] He is not disabled. He resides with his spouse and their two minor children.[8] He receives $418 per week in unemployment benefits. Mr. B. received the 2024 Alaska Permanent Fund Dividend of $1702. When divided over the course of 12 months, that results in additional income of $141 per month.[9] Thus, the agency calculated Mr. B.'s average monthly income at $1939.[10]

Mr. B.'s spouse is employed.[11] The agency calculated her average monthly income at $3970 per month. When applicable deductions were subtracted from her wages, the agency calculated her monthly income for eligibility purposes at $3330 per month.[12] Thus, the agency calculated the B.' total household income at slightly more than $5200 per month. ($1939 + $3330 = $5269).[13]

III. Discussion

Because Mr. B. challenges the agency's denial of an application for a new benefit, the burden rests with Mr. B. to establish his entitlement to the benefit by a preponderance of the evidence.[14]

As outlined above, the agency calculated Mr. B.'s monthly household income for Medicaid eligibility purposes at $5269 per month.[15] Mr. B. does not challenge this calculation.

The highest monthly income threshold limit which would apply to Mr. B.'s case is $4455 per month.[16] Thus, Mr. B.'s household income exceeds that limit. Accordingly, Mr. B. has not sustained his burden to establish his entitlement to the benefit he seeks.

In response, Mr. B. does not challenge these calculations – either in his pre-hearing conference with the division representative or in his sworn testimony at this hearing.[17] Rather,

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7 Exhibit 1.
8 *Id.*
9 Exhibit 6.
10 Exhibit 6.
11 Exhibit 1.12.
12 Exhibit 6.1.
13 Exhibit 6.1; division representative hearing testimony.
14 7 AAC 49.135.
15 Exhibit 6.1.
16 Exhibit 7; Medicaid expansion group (133% of federal poverty level; income limit for a household of four = $4455 per month); *see also* division representative hearing testimony.
17 Exhibit 6; appellant's hearing testimony.

Mr. B. expressed that his current medical challenges are severe, potentially life-threatening, and that treatment costs are financially crippling for his family.[18]

Regrettably, no hardship exception or deduction for medical expenses exists for Mr. B.'s Medicaid category.[19] Nor does this tribunal have the authority to create such an exception to the statutes and regulations governing the program.[20] The income restrictions governing Medicaid eligibility are functions of federal regulation.[21] The balancing of applicable income limits, deductions, and coverage restrictions is, fundamentally, a policy determination committed to the United States Department of Health and Human Services in its regulation of state Medicaid programs. Neither the division (nor this office) has legal authority to rewrite, countermand or create equitable exceptions to those provisions of federal law.

This issue has been addressed in other administrative decisions which reached the same conclusion: the division may not relax the income limits governing the Medicaid program based on need, as Mr. B.'s has requested here.[22] As the supreme court has noted, the Division does not retain equitable discretion in this matter. "Administrative agencies are bound by their regulations just as the public is bound by them."[23]

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18 Appellant's hearing testimony.

19 Division representative hearing testimony.

20 *Id.*

21 7 CFR §435.119(b).

22 *See e.g., In re T.D.*, OAH No. 24-0373-MDE (Comm'r of Health 2024) (affirming Medicaid denial where elderly disabled couple's household income exceeded limit by about $1,000 per month; despite extreme medical hardship claim) (decision available at https://aws.state.ak.us/OAH/Decision/Display?rec=7106); *In re M.B-Q.*, OAH No. 21-0466-MDE (Comm'r of Health and Soc. Serv. 2021) (affirming Medicaid denial where sole provider for a family of four had a household income exceeding upper limit by about $50 per month; despite hardship claim) (decision available at: https://aws.state.ak.us/OAH/Decision/Display?rec=6661); *In re U.N.*, OAH No. 19-0057-MDE (Comm'r of Health and Soc. Serv. 2019) (affirming benefits denial where applicant failed to submit financial information from her husband, who had "abandoned her and left her destitute" and remained estranged from her for nearly 20 years; despite extreme medical hardship claim) (decision available at: https://aws.state.ak.us/OAH/Decision/Display?rec=6474); *In re N.E.*, OAH No. 18-0457-MDE (Comm'r of Health and Soc. Serv. 2018) (affirming Medicaid denial where applicant's household income exceeded upper limit by about $500 per month; despite hardship claim) (decision available at: https://aws.state.ak.us/OAH/Decision/Display?rec=6336).

23 *Burke v. Houston NANA, L.L.C.*, 222 P.3d 851, 868-69 (Alaska 2010).

IV. Conclusion

Mr. B.'s monthly household income exceeds the Medicaid program's income limit for his household size. As a result, the agency's denial of Mr. B.'s application is AFFIRMED.

DATED: October 13, 2025.

By: SIGNED
James Fayette
Administrative Law Judge

Adoption

The undersigned, by delegation from the Commissioner of Health, 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 3rd day of November, 2025.

By: SIGNED
Name: James Fayette
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.]