

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

In the Matter of	)	
	)	
C.T	)	OAH No. 25-1613-MDE
_____	)	

DECISION

I. Introduction

C.T applied for Medicaid benefits on April 15, 2025.¹ The Division of Public Assistance (Division) denied his application because his income during the relevant time period exceeded the income limits permitted by the Medicaid program. Mr. T requested a hearing to challenge the Division’s decision. Based upon evidence in the record, as well as Mr. T’s testimony at the hearing, the Division’s eligibility determination is affirmed.

II. Facts

C.T is 59 years old, and he lives alone.² On April 15, 2025, he applied for Medicaid benefits. The Division determined he was over income and sent him notice to that effect on April 21, 2025.³ On May 9, he filed an appeal.⁴ A Division Fair Hearing representative contacted Mr. T on May 21 and explained that the Division calculated his monthly household income at \$2,275 – a monthly income which exceeds the upper limit for all income categories which would potentially apply to his case.⁵ His application was denied for this reason.

On June 25, 2025, a telephonic hearing was held on Mr. T’s appeal. The Division was represented by its Fair Hearing Representative, Jennifer Leffew. Mr. T participated on a *pro se* basis.

The Division representative testified that the Division calculated Mr. T’s monthly household income at \$2,275.⁶ This figure included Mr. T’s social security income of \$1,868, his Medicare payment of \$185, and a recoupment of \$222. The Division hearing representative compared this monthly income figure to all potentially applicable beneficiary categories, finding

¹ Division hearing exhibit, p. 2.11.

² Division hearing exhibits, p. 2.1-2.2, & 7.

³ Division hearing exhibit, p. 7.

⁴ Division hearing exhibit, p. 6.

⁵ Division hearing exhibit, p. 7.

⁶ Division hearing representative testimony, at 12:23. Division hearing exhibit, p. 12.1.

that Mr. T's income exceeded them.⁷ The Division representative explained that a source of potential confusion in this case was inclusion of the recoupment figure. The recoupment represented recapture of a previous overpayment – apparently apportioned over many months or years. The Division representative explained that recoupments are specifically required to be included as deemed present income.⁸

In his testimony, Mr. T confirmed the amounts of his monthly social security payment, his monthly Medicaid premium, and the recoupment total upon which the Division's denial had been based.⁹ Mr. T testified that the \$222 monthly recoupment represented a recapture of a previously overpaid benefit.¹⁰ He testified that the recoupment process was likely to extend for several years.¹¹

In response, the Division representative pointed to a specific section of its administrative manual which requires inclusion of recoupment amounts in its calculation.¹² The representative provided the pertinent manual excerpt to the parties at the conclusion of the hearing.

III. Discussion

This case involves an initial application for benefits. As a result, Mr. T bears the burden of establishing his eligibility for Medicaid by a preponderance of the evidence.¹³

In this case, the pertinent facts are undisputed. Mr. T confirmed the dollar figures upon which the Division's denial was based.¹⁴ Mr. T's primary issue was his objection to the inclusion of the recoupment figure which, as he argued, "conveniently" pushes him over the upper eligibility limit. Yet, this issue is law-bound. The pertinent regulations compel the Division to include this sum, and no legal authority permits the Division to ignore it.

⁷ *Id.*

⁸ *Alaska Adult Public Assistance Manual*, §443-1 & §443-2. (Available at http://dpaweb.hss.state.ak.us/manuals/apa/apa.htm#t=transmittals%2Ftitle_page.htm) (last visited July 28, 2025).

⁹ *Mr. T's testimony*, at 38:22.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Alaska Adult Public Assistance Manual*, §443-2. This section provides, "If a benefit program (including the SSI program) withholds any part of an applicant's or recipient's monthly benefit to recover a previous overpayment, the portion of the monthly payment that is withheld is counted as income in determining eligibility and payment for the APA program. In addition, if SSI withholds any part of an applicant's or recipient's SSI benefits to penalize a recipient for any reason, the gross SSI benefit amount, before withholding, counts in determining eligibility and payment for the APA program."

¹³ 7 AAC 49.135 ("For a request for new or additional benefits, the burden of proof is on the applicant or recipient requesting the service, and is by a preponderance of evidence.")

¹⁴ *Mr. T's testimony*, at 38:22.

The result is unfortunate but, “[a]dministrative agencies are bound by their regulations just as the public is bound by them.”¹⁵ Likewise, the Office of Administrative Hearings has no authority to create eligibility exceptions.¹⁶

IV. Conclusion

Therefore, Mr. T did not sustain his burden of proof by a preponderance of the evidence to establish that he was financially eligible for Medicaid benefits. Accordingly, the Division was correct when it denied his application. The Division’s denial of Mr. T’s application for Medicaid benefits is AFFIRMED.

Dated: August 1, 2025.

Signed

James Fayette
Administrative Law Judge

¹⁵ *Burke v. Houston NANA, L.L.C.*, 222 P.3d 851, 868-69 (Alaska 2010).

¹⁶ 7 AAC 49.170 (limits of the hearing authority).

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 28th day of August, 2025.

By: *Signed*
Name: James Fayette
Title: Administrative Law Judge

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