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

In the Matter of	)	
	)	
K. W.	)	OAH No. 23-0706-MDE
	)	

DECISION

I. Introduction

K. W. (K.) is a Medicaid recipient whose benefits expired at the end of August 2023. He applied to renew his Medicaid benefits on September 15, 2023. The Division of Public Assistance denied his application on October 25, 2023.

F. W. is K.'s court-appointed guardian. He requested a hearing to challenge the denial of K.'s Medicaid application. That hearing was held on December 5, 2023. Mr. W. represented K.'s interests and testified on his behalf. Sally Dial, a Division Fair Hearing Representative, represented the Division.

The record was held open after the hearing for Mr. W. to provide additional financial information.

The evidence in this case shows that K.'s resources, specifically his bank accounts, exceeded the Medicaid program's resource limit of $2,000 at the beginning of September and October 2023. Accordingly, K. was not financially eligible for Medicaid benefits during September 2023 or in the succeeding month of October 2023. The Division's denial of his September 15, 2023 Medicaid application is therefore AFFIRMED.

II. Facts

K. is a Medicaid recipient whose benefits expired at the end of August 2023. Mr. W. applied to renew those benefits on September 15, 2023. The application disclosed that K. had two bank accounts (Bank A and Bank B) with a total combined balance of $2,730.47, along with cash of $50.[1] The Division requested that Mr. W. provide it with copies of bank account statement information for June 1, 2023 through September 1, 2023.[2] Mr. W. responded to the Division's request on October 2 and 3, 2023 and provided with bank account information that showed the following:

---

1 Exs. 2.1 – 2.6.

2 Ex. 3.

Beginning Balance as of the first day of the Month	Bank A	Bank B	Total
June 1, 2023	$2,929.83[3]	$1,056.35[4]	$3,986.18
July 1, 2023	$1,332.69[5]	$ 428.35[6]	$1,761.04
August 1, 2023	$1,459.20[7]	$ 575.35[8]	$2,034.55
September 1, 2023	$ 463.68[9]	$3,075.35[10]	$3,539.03

The bank account statements provided by Mr. W. on October 2 and 3, 2023 were the most current then available. Based on the ending balances shown on both statements, the Division estimated that K.'s bank account balances as of the beginning of the day on October 1, 2023 would be $1,556.76 for the Wells Fargo account and $769.35 for the Global account.[11] This would constitute a total of $2,326.11.

On October 25, 2023, the Division notified Mr. W. that K.'s September 15, 2023 Medicaid application was denied because his resource (bank account balances) exceeded the Medicaid program's resource cap of $2,000. That same notice informed him that the Division could redetermine K.'s October 2023 Medicaid eligibility if he provided proof that the bank account balances totaled less than $2,000 as of the beginning of the day on October 1, 2023.[12]

Mr. W. requested a hearing to challenge the denial of K.'s Medicaid application. He subsequently provided copies of documents showing that K.'s Bank A account balance was $1,534.82 at the very beginning of the day on October 1, 2023, and K.'s Bank B account balance was $769.35 at the very beginning of the day on October 1, 2023.[13]

Mr. W. testified at hearing. In his testimony, he stated that he had made a mistake and not paid some of K.'s bills, which caused K.'s bank account balances to exceed the Medicaid

---

3 Exs. 4.1 – 4.3.
4 Ex. 4.17
5 Exs. 4.5 – 4.7.
6 Ex. 4.14.
7 Exs. 4.8 – 4.9.
8 Ex. 4.18.
9 Exs. 4.11 – 4.13.
10 Exs. 4.35 – 4.36.
11 Ex. 4.
12 Ex. 5.
13 *See* Mr. W.'s submission of December 5, 2023.

limit as of September 1 and October 1, 2023. He noted that K. had been a Medicaid recipient for quite some time and that this was the first time, there had been a financial issue with K.'s eligibility. He also noted that the lack of Medicaid funding jeopardized K.'s very successful living situation in the Assisted Living Home where he resides and requested a hardship exception.

III. Discussion

The Alaska Medicaid program contains a variety of coverage categories.[14] Each of these categories has differing eligibility requirements. These include financial requirements which limit how much monthly income a Medicaid applicant may have, and how much in resources (cash, other personal property, and real property) an applicant may retain. This case therefore involves the question of whether K. is financially eligible for Medicaid coverage during the month of application, September 2023 and for the following month of October 2023.

Because K.'s Medicaid benefits expired at the end of August 2023, his September 15, 2023 application is considered a new application for benefits.[15] He therefore has the burden of proof, by a preponderance of the evidence, to demonstrate that he is financially eligible for those benefits.[16]

K., who is unmarried and resides in an assisted living home, may not own resources that exceed $2,000.00. The resources are counted at the beginning of the month.[17] Resources are defined as "any real or personal property that an applicant … owns and can convert to cash to be used for his or her support or maintenance."[18] Bank accounts, as cash, are therefore a countable resource.

K.'s bank accounts had a combined balance of over $2,000.00 at the beginning of both September and October 2023. This bank balance, just by itself, therefore caused K. to exceed the Medicaid program's $2,000 resource limit during September and October 2023. Consequently, K. was not eligible for Medicaid benefits during either September, 2023, the month of his application, nor in October 2023, the following month.

---

[14] *See,* 7 AAC 100.002.
[15] 7 AAC 100.022(c).
[16] 7 AAC 49.135.
[17] The standard Medicaid resource eligibility requirements are contained in 7 AAC 100.400(a)(14) which in turn incorporate the Adult Public Assistance eligibility requirements contained in 7 AAC 40.270. Pursuant to that regulation, a single applicant/recipient may not have more than $2,000.00 in countable resources, which is measured "at any time on the first day of the calendar month."
[18] 7 AAC 40.260. *See* note 17 above.

Mr. W. requested a hardship exception, noting that he, the guardian who handles K.'s financial affairs, made a mistake that potentially affects K.'s current successful living situation, and K.'s future finances. Mr. W.'s concerns are genuine. However, the Alaska Medicaid regulations do not allow hardship to be considered as a factor.

IV. Conclusion

The Division's denial of K.'s September 15, 2023 Medicaid application, which found him ineligible for Medicaid benefits during both September and October 2023, is AFFIRMED.

Dated: December 29, 2023

SIGNED
Lawrence A. Pederson
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 12th day of January, 2024.

By: SIGNED
Name: Lawrence A. Pederson
Title: Administrative Law Judge

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