

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

In the Matter of	)	
	)	
M.K	)	OAH No. 25-3489-MDE
_____	)	

Decision

I. Introduction

M.K appeals the Division’s denial of her application for Medicaid benefits. Ms. K applied for Medicaid benefits in August 2025.¹ The Division of Public Assistance (the “Division”) failed to timely process her application. In October 2025, Ms. K submitted a fair hearing request, seeking review of the delay.

In February 2026, following initial hearings in her case, the Division determined that her income exceeds the maximum income for Medicaid eligibility by about \$600 per month. The evidence supports that conclusion. Accordingly, the Division’s denial is AFFIRMED.

II. Facts

The facts of this case are not disputed.² Ms. K is 43 years old and unmarried.³ She is not disabled. Ms. K works approximately 40 hours per week at a job that pays her \$17 per hour. The 2025 Alaska PFD is her only other income source.

Ms. K applied for Medicaid benefits in August 2025.⁴ When the Division failed to timely process this application, Ms. K filed a fair hearing request in response to the delay.⁵

In February 2026, following the initial appearances in this case, Ms. K submitted updated January-February 2026 payroll documentation to the Division. The Division processed this payroll information, and calculated Ms. K’s November 2025 through April 2026 monthly income for Medicaid eligibility purposes at \$2,774 per month.⁶ This exceeds the maximum monthly household income limit for the eligibility category which applies to Ms. K’s case. That limit is \$2167 per month. The Division determined that Ms. K was over-income, and sent her a notice to that effect.⁷ Ms. K sought fair hearing review of that denial.⁸

¹ Exhibit 1.

² The facts outlined in this section were established by a preponderance of the evidence.

³ Exhibits 2.1-2.2.

⁴ *Division position statement*, (February 25, 2026), pg. 2.

⁵ Exhibit 3.

⁶ Exhibit 18.3.

⁷ Exhibit 17.1.

⁸ Exhibit 12; *Division position statement*, *id.*

A hearing was held on March 6, 2026. The division hearing representative testified consistently with the summary offered above. Specifically, the hearing representative testified that she had calculated Ms. K's eligibility based upon the January-February 2026 payroll documentation Ms. K submitted. That payroll documentation reflects that Ms. K worked roughly 40 hours per week (with slight variations) from late January to early February 2026. When Ms. K's wages were averaged out to a monthly figure, and then added to the 2025 Alaska Permanent Fund Dividend payment (again, divided out as a monthly figure) – the Division concluded that Ms. K's gross monthly income for Medicaid purposes is \$2856.⁹ Then, the Division applied an \$82 per month “disregard” figure, and arrived at Ms. K's monthly income for Medicaid purposes as \$2,774 per month.¹⁰

The upper income limit for the applicable Medicaid eligibility group that applies to Ms. K's case is \$2167 per month.¹¹ Thus, the Division concluded that Ms. K was “over income” by about \$600 per month.

III. Discussion

Because Ms. K appeals the Division's denial of an application for a new benefit, the burden of proof to establish her eligibility is allocated to her. That burden is a preponderance of the evidence.¹²

The evidence here was not disputed. Ms. K is under 65 years of age. She is not disabled. Therefore, the only eligibility category which might potentially provide coverage for Ms. K is the Modified Adjusted Gross Income (MAGI) Medicaid category. There is a financial eligibility test for this category which is dependent upon the applicant's household size. Ms. K lives with a partner; however, they are an unmarried couple. Therefore, Ms. K's partner is not considered a household member.¹³ Therefore, her eligibility is calculated as single-member household.

The Division's calculations were based upon recent payroll documentation that Ms. K herself submitted.¹⁴ At the hearing, Ms. K did not dispute their accuracy or offer any contrary testimony.

Therefore, the undisputed hearing evidence established that Ms. K's gross monthly wage income combined with her PFD (averaged to a monthly figure) exceeded \$2800 per month. Awarding Ms. K the benefit of the nominal, monthly \$82 “disregard” figure yields a result of \$2,774 per month. Ms. K did not challenge the Division's calculation.

Rather, at the hearing, Ms. K expressed frustration that she had difficulty making ends meet, that her rent in City A was very high, that she is barely able to cover her expenses, and that she was living basically paycheck-to-paycheck.¹⁵

⁹ *Division position statement, id.*; Exhibit 15-15.3.

¹⁰ *Id.*

¹¹ Exhibits 18.3; 19.7.

¹² 7 AAC 49.135.

¹³ Hearing representative testimony.

¹⁴ Exhibit 14; 15.4.

There is no doubt Ms. K faces considerable challenges covering her expenses. But Medicaid eligibility is limited to those beneficiaries whose income falls under an upper cutoff point which is prescribed by federal law. The maximum monthly gross income figure that applies to Ms. K's eligibility category is \$2,167 per month.¹⁶ No case-specific hardship deductions exist.¹⁷ The unchallenged hearing evidence shows that Ms. K's monthly income exceeds the maximum limit by nearly \$600 per month. Therefore, the Division's denial of Ms. K's Medicaid application is affirmed.

IV. Conclusion

Ms. K's gross monthly household income exceeds the maximum income limit for her eligibility category. Consequently, the denial of her application is affirmed.

This result is regrettable for Ms. K. However, nothing in this decision bars Ms. K's future re-application should she experience a reduction in household income in the future.

DATED: March 19, 2026.

By: Signed
James Fayette
Administrative Law Judge

¹⁵ Hearing record.

¹⁶ Exhibit 18.3; 18.5; Division representative hearing testimony.

¹⁷ See e.g. *In re M.B-Q*, OAH no. 21-0466-MDE (Alaska Comm'r Heath & Social Services 2021) (affirming denial where household income exceeded maximum by less than \$100/month; despite applicant's claim of unusually high, uncovered household medical expenses) (decision available at: <https://aws.state.ak.us/OAH/Decision/Display?rec=6661>).

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 8th day of April, 2026.

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

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