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

In the Matter of	)	
	)	
S.S	)	OAH No. 26-0387-MDE
	)	

DECISION

I. Introduction

Respondent S.S requested a fair hearing on the decision by the Division of Public Assistance ("DPA") to terminate his Medicaid coverage. At hearing, the DPA acknowledged the termination was in error and restored his benefits. Accordingly, the DPA's original determination to terminate Mr. S's Medicaid is REVERSED.

II. Background[1]

On March 31, 2026, DPA sent Mr. S a notice that his Medicaid coverage would end April 30, 2026 because he did not send DPA required documentation.[2] On April 22, 2026 Mr. S or his care coordinator, L.C, sent information to DPA.[3] On April 30, 2026, DPA wrote Mr. S back, saying they needed more information.[4] Mr. S requested a fair hearing on April 22, 2026.[5] On May 1, 2026, Ms. C followed up with DPA on the fair hearing request.[6] DPA referred the matter to OAH on May 5, 2026.[7] On May 7, 2026, DPA informed Mr. S his Medicaid application was approved.[8] On the same day DPA notified Mr. S that his cost of care (the portion of care for which he must pay) for home and community care is zero.[9] Also on May 7, 2026, the DPA representative wrote Ms. C informing her of Mr. S's approval and asking if he, or Ms. C as his representative, would like to withdraw the fair hearing request.[10] Ms. C replied, "[m]y client would like to move forward with the fair hearing due to how he was mistreated by his case worker and she was also rude to me." A hearing in this matter took place on May 19, 2026.

III. Discussion

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1 DPA never sent a position statement or exhibits and restored Mr. S's benefits. Factual development over the undisputed error in terminating Mr. S's Medicaid was limited. Mr. S's testimony focused on the harm the erroneous termination of Medicaid caused and the Division's testimony focused on apologizing for the error.

2 Referral Packet at 5.

3 *Id.* at 7.

4 *Id.*

5 *Id.* at 4.

6 *Id.* at 3.

7 *Id.* at 1.

8 Medicaid Approval Notice.

9 Cost of Care Notice.

10 May 7, 2026 email from J. Leffew. to L.C.

Federal regulation requires state agencies to "grant an opportunity for a hearing [when] [a]ny individual requests it because he or she believes the agency has taken an action erroneously[.]"[11] Alaska regulation requires that recipients must be granted the opportunity for a hearing when, among other things, their medical assistance benefits are suspended, terminated or reduced.[12]

At this hearing, Mr. S testified solely about the impact the termination had on him. He testified that while he was without Medicaid he had to ration essential medicines, including medicines that should only be tapered under a physician's supervision. Mr. S suffered a traumatic brain injury, which affects his cognition, impairs his processing efficiency, and hinders ability to navigate bureaucratic processes, Mr. S also suffers from asthma, high blood pressure, and sleep apnea. The loss of medical coverage placed him at heightened medical risk. He testified his asthma worsened during this period, causing increased difficulty breathing. The lack of access to treatment of his hypertension and sleep apnea increased his anxiety about his overall health stability.

At the hearing Mr. S was very articulate, but spoke slowly and earnestly, and often took time to search for the right word. He testified that he felt like the state must need to cut people from Medicaid rolls when there are too many people. Mr. S testified that he thought the state must have wanted to "get rid" of him. He testified the state should euthanize people rather than make them suffer as he did. Notably, Mr. S stated this as a sincere belief, not as sarcasm or a rhetorical flourish. He stated that people on Medicaid are some of society's most vulnerable. He stated he was lucky he does not live in a nursing home because "they would kick you out and hit the bricks." He stated that his brain injury should have been considered by DPA in communicating with him. Mr. S testified that he did not have necessary help with activities of daily living while cut off from Medicaid. Ms. C also testified that, during the period he was without Medicaid, Mr. S thought he might die. She reassured him that if things got bad enough, he could go to the emergency room, and the emergency room could not turn him away.

DPA Eligibility Technician Calvin Williams testified on behalf of the Long-Term Care section of DPA. He apologized profusely for the incorrect denial of benefits and the suffering Mr. S endured while without health insurance. He agreed that long-term care patients are among society's most vulnerable. Both he and Agency Representative Jennifer Leffew acknowledged the

[11] 42 C.F.R. § 431.220(a)
[12] 7 AAC 49.020(2).

significantly detrimental impact the oversight had on Mr. S's physical and mental wellbeing. Such an error is truly regrettable, and DPA is urged to take the measures necessary to ensure that no other Alaskans experience what happened to Mr. S.

IV. Conclusion

There is no dispute that DPA erroneously terminated Mr. S's Medicaid coverage. Therefore, that determination is REVERSED. However, the state has already corrected this error and no further action need be taken on this reversal.

DATED: June 9, 2026.

By: *Signed*
Robert H. Schmidt
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.

Mr. S. filed a Proposal for Action requesting that the Commissioner implement various policy, training, communication, and administrative reforms relating to the administration of Medicaid eligibility determinations by the Division of Public Assistance.

I have carefully reviewed Mr. S.'s requests. However, this hearing is only about the Medicaid eligibility decision in his case. Under AS 44.64.060(e), the Commissioner's authority when reviewing a proposed decision is limited to adopting the proposed decision, returning the case for additional proceedings, revising the outcome of the case, modifying findings of fact, or modifying legal conclusions. The Commissioner's authority in this administrative appeal extends only to deciding the issues presented in this case. It does not include directing broad policy or operational changes within the Department, such as creating new policies, changing procedures, or requiring staff training.

Because the requested actions concern general agency administration rather than the proposed decision in this appeal, the Department declines to adopt the requested proposals. The final decision-maker has nevertheless reviewed the concerns raised by Mr. S. and will refer them to appropriate program leadership for consideration outside the administrative hearing process.

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 of July, 2026.

By: *Signed*
Name: Daniel R. Phelps II
Title: Process Improvement Manager
Office of the Commissioner
Alaska Department of Health

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