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

In the Matter of	)	
	)	
M.O	)	OAH No. 22-0159-MDE
	)	

DECISION

I. Introduction

M.O applied for Medicaid benefits through the Federally Facilitated Marketplace (FFM) and her application was denied. She requested a hearing to challenge that denial. Her hearing was held on March 16, 2022. Ms. O represented herself and testified on her own behalf. The Division of Public Assistance (Division) was represented by Sally Dial, one of its Fair Hearing Representatives, who also testified.

The evidence in this case shows that Ms. O's monthly gross income exceeds the Medicaid program's monthly gross income limit for her one-person household. As a result, she is not eligible for Medicaid benefits and the denial of her application is AFFIRMED.

II. Facts

Ms. O is a younger adult Alaska resident who applied for Medicaid benefits through the FFM on January 30, 2022. On her application, Ms. O reported that she was employed earning $18 per hour and that she was only applying for Medicaid benefits for herself.[1] Her application was denied because her income exceeded the Medicaid program's financial limits.[2]

Ms. O timely requested an appeal through the Alaska state agency (the Division), instead of through the FFM Appeals Center. In her appeal request, she stated that she could not afford to pay for either her prescriptions or a 2022 Marketplace health insurance plan.[3]

Ms. O provided three paystubs, which cover her work from January 21 through March 3, 2022, a total of three two-week pay periods. Those paystubs do not show any deductions for health insurance premiums, or contributions to any type of retirement or deferred contribution

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1 Ex. 1.6.
2 Exs. 2, 2.11.
3 Ex. 3.1.

plans. Her total gross income for those six weeks, excluding overtime, was $3,544.50. When this amount is calculated on a monthly basis, her average monthly gross income is $2,540.22.[4]

III. Discussion

The Medicaid program has numerous eligibility categories. Ms. O is an adult, who is under 65 years of age. There is no evidence in the record showing that she is legally disabled. As a result, she is only potentially eligible for Medicaid benefits under the Modified Adjusted Gross Income (MAGI) Medicaid category.

There is a financial eligibility test for the MAGI Medicaid category, which is dependent upon the size of the applicant's household. Ms. O has a household of one person.

A household of one person cannot earn more in gross income than $1,852 per month and qualify for MAGI Medicaid benefits.[5] An independent review of the Division's calculations shows that they were correct as to Ms. O's monthly gross employment income, which came to $2,540.22.[6] It should be noted that if Ms. O receives the PFD, the PFD would cause her gross income to further increase. Ms. O's employment income, without considering whether she also receives the PFD, places her over the income limit of $1,852.

Ms. O raised the issue of her prescription costs. She applied for Medicaid because she cannot afford medical care and prescription costs on her current income. The MAGI Medicaid benefit financial eligibility regulations do not allow a deduction from gross income for prescription costs or other medical costs in determining eligibility. A review of Ms. O's paystubs does not show that she pays any health insurance premiums, does not pay into any retirement plans, and does not contribute to a deferred compensation plan.[7] As such, she does not have any deductions available to her from her monthly gross income. The regulations do not contain a hardship exception to the financial income limits. Because Ms. O's monthly gross income exceeds the MAGI Medicaid's monthly gross income limit, she is not eligible for MAGI

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[4] *See* Exs. 9 – 9.2 and the Division's Supplemental Information prepared on March 15, 2022. Ms. O's first paycheck, for January 21 through February 3, 2022 was for a short pay period because she had just started her new job. *See* Ex. 9 and Ms. O's testimony. Her actual gross monthly is most likely higher.

[5] The base income limit is $1,784 for a one-person household. *See* Ex. 17. There is an "income disregard" of $68 for a four-person household. *See* Ex. 7. When that "income disregard" is applied, it increases the income limit for a one-person household to $1,852.

[6] *See* Exs. 9 – 9.2 and the Division's Supplemental Information prepared on March 15, 2022.

[7] *See* the *Alaska Medicaid Eligibility Manual (MAGI)* Addendums 3 and 4 for a list of excluded income and deductions. The manual is available online at dpaweb.hss.state.ak.us/manuals/MAGI2/magi.htm#t=magi_medicaid_eligibility_manual%2Fmagi_medicaid_eligibility_manual.htm (date accessed March 23, 2022).

Medicaid benefits. The Division does not have any discretion in this matter: "[a]dministrative agencies are bound by their regulations just as the public is bound by them."[8]

IV. Conclusion

Ms. O's monthly income exceeded the MAGI Medicaid program's income limit for her household size. Consequently, the denial of her application for Medicaid benefits is AFFIRMED.

Dated: March 24, 2022

Signed

Lawrence A. Pederson
Administrative Law Judge

[8] *Burke v. Houston NANA, L.L.C.*, 222 P.3d 851, 868 – 869 (Alaska 2010).

Adoption

The undersigned, by delegation from the Commissioner of Health and Social Services, 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 5th day of April, 2022.

By: *Signed*
Name: Lawrence A. Pederson
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.]