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**STATE OF WISCONSIN**  
**Division of Hearings and Appeals**

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In the Matter of

[REDACTED]

**DECISION**

Case #: MLL - 220239

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**PRELIMINARY RECITALS**

Pursuant to a petition filed on September 23, 2025, under Wis. Admin. Code § HA 3.03(1), to review a decision by the Division of Medicaid Services regarding Medical Assistance (MA), a hearing was held on November 12, 2025, by telephone.

The issue for determination is whether the agency erred in its denial of the petitioner's undue hardship waiver.

There appeared at that time the following persons:

**PARTIES IN INTEREST:**

Petitioner:

[REDACTED]

Respondent:

Department of Health Services  
201 E. Washington Ave.  
Madison, WI 53703

By: R. Heaney  
Division of Medicaid Services  
PO Box 309  
Madison, WI 53701-0309

**ADMINISTRATIVE LAW JUDGE:**

John Tedesco  
Division of Hearings and Appeals

**FINDINGS OF FACT**

1. Petitioner is a resident of Dane County.
2. The department sought Medicaid estate recovery from the estate of Medicaid recipient [REDACTED].

3. The department sent notice of this recovery on 6/20/25. This mailing included a Wisconsin Estate Recovery Program Notice to Heir, Beneficiary or Co-Owner of Hardship Waiver Provisions. The notice explained “[a]n heir or beneficiary must request a hardship waiver in writing within 45 days of this notice. In this case a request must be postmarked by August 4, 2025.”
4. Petitioner filed a written request for undue hardship waiver on August 21, 2015.
5. The request was denied.
6. Petitioner appealed to DHA.

## **DISCUSSION**

The Estate Recovery Hardship Waiver process is governed by Wis. Admin. Code § DHS 108.02(12), which indicates, in pertinent part, as follows:

**(12) HARDSHIP WAIVERS UNDER ESTATE RECOVERY.**

\* \* \*

**(b) Hardship waiver criteria.**

1. A beneficiary or heir of a decedent may apply to the department for a waiver of an estate claim filed by the department. The department shall review an application for a waiver under this subsection and shall determine whether the applicant meets the criterion under subd. 2. a., b. or c. If the department determines that the criterion under subd. 2. a., b. or c. is met, the department shall waive its claim as to that applicant.

2. Any of the following situations constitutes an undue hardship on the waiver applicant:

a. The waiver applicant would become or remain eligible for supplemental security income (SSI), food stamps under 7 USC 2011 to 2029, aid to families with dependent children (AFDC), or medical assistance if the department pursued its claim;

b. A decedent's real property is used as part of the waiver applicant's business, which may be a working farm, and recovery by the department would affect the property and would result in the waiver applicant losing his or her means of livelihood; or

c. The waiver applicant is receiving general relief, relief to needy Indian persons (RNIP) or veterans benefits based on need under s. 45.40 (1m), Stats.

**(c) Notice.**

1. The department shall provide written notice of the hardship waiver provisions to the person handling the decedent's estate, if that person can be ascertained from the probate information provided to the department, or, if that person cannot be ascertained, the department shall include the notice with the copy of the claim it files with the probate court.

2. The person handling the decedent's estate shall be responsible for notifying the decedent's beneficiaries and heirs of the hardship waiver provisions.

3. The department's notice shall include the following information:

a. The individuals who are eligible to apply for a waiver;

b. The criteria for granting a waiver as specified in par. (b) 2. a., b. or c.,

- c. The application and review process as specified in par. (d); and
- d. The waiver applicant's right to a hearing as specified in par. (e).

**(d) Application and review process.**

**1. A waiver applicant shall mail his or her application for a waiver in writing to the department within 45 days after the date the department mailed its claim or affidavit pursuant to s. 49.496 or 49.849, Stats., or its notice under par. (c), whichever is later.** The application shall include the following information:

- a. The relationship of the waiver applicant to the decedent and copies of documents establishing that relationship; and
- b. The criterion under par. (b) 2. a., b., or c. which is the basis for the application and documentation supporting the waiver applicant's position.

2. The department shall review each application and issue a written decision within 90 days after the application was received by the department. The department shall consider all information received within 60 days following receipt of the application. The department's decision shall be based on information received within that time-period. The department's written decision shall include information regarding the waiver applicant's right to a hearing under par. (e).

**(e) Hearing rights.**

1. If a waiver applicant wishes to contest the department's decision denying a waiver, the waiver applicant shall serve the department with a request for a hearing within 45 days of the date the department's decision was mailed. The hearing request shall be in writing and shall identify the basis for contesting the decision. The request shall be submitted to the department of administration's division of hearings and appeals. The date on which the division of hearings and appeals receives the request shall be the date of service.

**Note:** The mailing address of the division of hearings and appeals is P.O. Box 7875, Madison, Wisconsin 53707.

2. If a waiver applicant wishes to introduce information at the hearing that he or she did not submit to the department under par. (d), the applicant shall provide the department with that information by mailing it to the department with a postmark of at least 7 working days prior to the hearing date.

3. The issue for hearing shall be whether the department's decision was correct based on the information submitted to the department by the waiver applicant within the time periods specified in par. (d) 2. and subd. 2. No other information may be considered by the hearing examiner unless the hearing examiner finds that the applicant did not timely provide the information to the department for good cause. The hearing decision shall be the final decision of the department. The hearing shall be held in accordance with the provisions of ch. 227, Stats.

Wis. Admin. Code § DHS 108.02(12).

I note that the Wisconsin Estate Recovery Program Notice to Heir, Beneficiary or Co-Owner of Hardship Waiver Provisions was sent to petitioner on June 20, 2025. The notice explained “[a]n heir or beneficiary must request a hardship waiver in writing within 45 days of this notice. In this case a request must be postmarked by August 4, 2025.” Petitioner concedes that he received this. I find the language clear and understandable. I am not persuaded that noncompliance was justified or understandable based on a flaw

in the notice. Petitioner simply did not read this carefully, or elected not to comply with the requirement that a request be sent in writing.

Petitioner's only written hardship waiver request was received at the department on 8/21/25 which was 17 days past the deadline. Prior to that, petitioner was under the mistaken understanding that his oral communications with department representatives were sufficient. But, the notice provided clear guidance that the request was required to be in writing. The written request was simply untimely.

### **CONCLUSIONS OF LAW**

The petitioner has not established good cause for failing to file a timely hardship waiver.

**THEREFORE, it is**

**ORDERED**

That this appeal is dismissed.

### **REQUEST FOR A REHEARING**

You may request a rehearing if you think this decision is based on a serious mistake in the facts or the law or if you have found new evidence that would change the decision. Your request must be **received within 20 days after the date of this decision**. Late requests cannot be granted.

Send your request for rehearing in writing to the Division of Hearings and Appeals, 4822 Madison Yards Way, 5<sup>th</sup> Floor North, Madison, WI 53705-5400 **and** to those identified in this decision as "PARTIES IN INTEREST." Your rehearing request must explain what mistake the Administrative Law Judge made and why it is important or you must describe your new evidence and explain why you did not have it at your first hearing. If your request does not explain these things, it will be denied.

The process for requesting a rehearing may be found at Wis. Stat. § 227.49. A copy of the statutes may be found online or at your local library or courthouse.

### **APPEAL TO COURT**

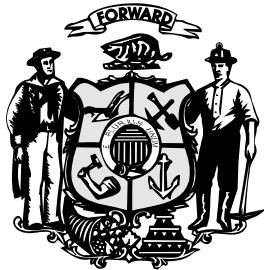
You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 201 E. Washington Ave., **and** on those identified in this decision as "PARTIES IN INTEREST" **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing (if you request one).

The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Madison,  
Wisconsin, this 10th day of December, 2025

\s \_\_\_\_\_  
John Tedesco  
Administrative Law Judge  
Division of Hearings and Appeals





**State of Wisconsin\DIVISION OF HEARINGS AND APPEALS**

Brian Hayes, Administrator  
5<sup>th</sup> Floor North  
4822 Madison Yards Way  
Madison, WI 53705-5400

Telephone: (608) 266-7709  
FAX: (608) 264-9885  
email: DHAmail@wisconsin.gov  
Internet: <http://dha.state.wi.us>

The preceding decision was sent to the following parties on December 10, 2025.

Division of Medicaid Services