

SUPREME COURT OF KANSAS

Fischer v. State Department of Social & Rehabilitation Services, 271
Kan. 167

21 P.3d 509 (2001) · No. No. 84,681 · Decided April 20, 2001

SUMMARY

Donald Fischer appealed the denial of Medicaid eligibility based on the Kansas Department of Social and Rehabilitation Services' classification of farm property and related assets as exempt resources. The Kansas Supreme Court held that the applicants bore the burden of proving that the farmland was not exempt under the applicable regulations, including the requirement that income-producing property generate income consistent with its fair market value. The court affirmed the district court's judgment upholding the agency's determination.

CASE DETAILS

COURT	Supreme Court of Kansas
WRITING FOR THE COURT	Lockett, J.
JURISDICTION	Kansas
DECIDED	April 20, 2001
DOCKET	No. 84,681
DISPOSITION	affirmed
PROCEDURAL POSTURE	Donald Fischer appealed the district court's affirmance of the Kansas Department of Social and Rehabilitation Services' determination that farm resources were exempt and that he was ineligible for Medicaid. The case was transferred from the Kansas Court of Appeals to the Supreme Court of Kansas.
STANDARD OF REVIEW	Under the Kansas Act for Judicial Review and Civil Enforcement of Agency Actions, the court reviews whether the agency erroneously interpreted or applied the law and whether its factual determinations are supported by substantial evidence in light of the record as a whole. Allocation of the burden of proof is a question of law reviewed de novo or without deference.
PRECEDENTIAL VALUE	Published Kansas Supreme Court opinion; precedential

PARTIES

Donald F. Fischer v. State Department of Social and Rehabilitation Services

TOPICS

medicare medicaid nursing home liability judicial review of agency action administrative law
statutory interpretation

PRACTICE AREAS

Medicaid eligibility administrative law judicial review of agency action
statutory and regulatory interpretation

QUESTIONS PRESENTED

1. Which party bore the burden of producing evidence concerning whether the farm property produced income consistent with its fair market value and therefore qualified as exempt property under the Medicaid regulations?
2. Whether SRS properly classified the Fischers' farm property and personal property as exempt resources and correctly determined that Donald Fischer was ineligible for Medicaid assistance.

HOLDINGS

1. The Medicaid applicant bears the burden of proving eligibility, including proving that the farmland was not exempt because it failed to produce income consistent with its fair market value.
2. SRS properly classified the Fischers' farm operation as an exempt resource and correctly determined that Donald Fischer was not eligible for Medicaid assistance.

KEY QUOTATIONS

"The burden of proof was on the Fischers to prove that the farmland was not exempt." (177)

"as is the case when applying for most governmental benefits, applicants ... bear the burden of showing their eligibility in all respects." (176)

FACTUAL BACKGROUND

Donald Fischer entered long-term nursing-home care in June 1996 after previously owning and managing the family farm. The Fischers owned farmland, farm equipment, livestock, grain, hay, and liquid assets; they rented out the farmland and received rental income. After selling the farm resources, Betty Fischer applied for Medicaid assistance for Donald in October 1998, listing the remaining liquid assets but treating the sold farm property as countable when calculating the spousal resource allowance. SRS reclassified the farm property and implements as exempt income-producing property, which reduced the historical resource base and caused Donald's current resources to exceed the applicable allowance.

PROCEDURAL HISTORY

Fischer applied for Medicaid assistance in October 1998 after entering long-term nursing-home care and selling farm real and personal property. SRS classified the farm property and implements as exempt income-producing resources, resulting in countable resources above the Medicaid eligibility limit. After an agency hearing officer affirmed the determination, the district court affirmed the agency's final order; Fischer appealed, and the case was transferred to the Kansas Supreme Court.

DISPOSITION

affirmed

CASES CITED

- Glassman v. Costello, 267 Kan. 509, 986 P.2d (1999)
- Lavine v. Milne, 424 U.S. 577, 582-83, 96 S. Ct. 1010, 47 L. Ed. 2d 249 (1976)
- Bonanza, Inc. v. Carlson, 269 Kan. 705, Syl. ¶ 6, 9 P.3d 541 (2000)