



evidence and the entire contents of the OAL case file. Procedurally, the time period for the Agency Head to file a Final Agency Decision is July 30, 2015, in accordance with an Order of Extension. The Initial Decision was received on April 30, 2015.

The Affordable Care Act regulations establish a new method for counting income based upon an applicant's Modified Adjusted Gross Income (MAGI). The countable income for MAGI is gross income according to the Internal Revenue Service Code. See 42 CFR 435.603. In accordance with the adoption of MAGI eligibility determinations, there is also a new method to determine household composition. The household unit is no longer based on who lives together. Rather each individual is required to have their own separate household determination. Med Comm 14-12. As a result, there may be several household units within one home.

Since MAGI methodology is based on the Internal Revenue Code, household compositions are identified as either tax filing or non-tax filing, with corresponding regulations governing each. 42 CFR 435.603(f). For individuals who neither file a tax return nor are claimed as a tax dependent, the household consists of the individual and, if living with the individual:

(i) The individual's spouse;

(ii) The individual's natural, adopted and step children under the age specified in paragraph (f)(3)(iv) of this section; and

(iii) In the case of individuals under the age specified in paragraph (f)(3)(iv) of this section, the individual's natural, adopted and step parents and natural, adoptive and step siblings under the age specified in paragraph (f)(3)(iv) of this section.

(iv) The age specified in this paragraph is either of the following, as elected by the agency in the State plan—

(A) Age 19; or

(B) Age 19 or, in the case of full-time students, age 21.

42 CFR 435.603(f)(3).

Petitioner and P.R. are not married. The evidence presented by Gloucester County Board of Social Services (GCBSS) indicates that Petitioner and P.R. reside together. Under MAGI, because Petitioner and P.R. are not married, their living arrangement does not alter the household composition for Petitioner. Therefore, Petitioner's failure to provide definitive proof that P.R. did not reside with her is irrelevant and her Medicaid benefits should not be terminated on that basis.

However, P.R.'s living arrangements may alter the household composition with regard to his children's eligibility. As stated above, "the household consists of the individual, and if living with the individual: the individual's natural, adopted and step children..." 42 CFR 435.603(f)(3). Whether the children referenced in the Initial Decision are P.R.'s natural, adopted or step children, is unclear from the record below. To the extent P.R. is living with any of his children, the household composition for that child may be affected and may alter his or her Medicaid eligibility. Accordingly, I am returning the matter to the GCBSS for determination of household composition and Medicaid eligibility.

THEREFORE, it is on this 14<sup>th</sup> day of JULY, 2015

ORDERED:

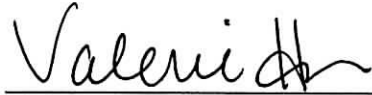
That the Initial Decision upholding the denial of benefits for failure to provide verification regarding P.R.'s residence is hereby REVERSED; and

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That this matter is RETURNED to the Gloucester County Board of Social Services to process Petitioner's eligibility in accordance with this Final Agency Decision.

IT IS FURTHER ORDERED:

That Gloucester County shall continue Petitioner's Medicaid benefits pending the redetermination of eligibility pursuant to this Final Agency Decision.



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Valerie J. Harr, Director  
Division of Medical Assistance  
and Health Services