



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
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PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

CAROLE JOHNSON
Commissioner

MEGHAN DAVEY
Director

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE
AND HEALTH SERVICES**

A.F.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE
AND HEALTH SERVICES AND
SALEM COUNTY BOARD OF
SOCIAL SERVICES,
RESPONDENTS.

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 686-2018

As Director of the Division of Medical Assistance and Health Services, I have reviewed the record in this matter, consisting of the Initial Decision, the documents in evidence and the contents of the OAL case file. No exceptions to the Initial Decision were filed. Procedurally, the time period for the Agency Head to file a Final Agency Decision in this matter is June 4, 2018 in accordance with an Order of Extension

This matter concerns the termination of Petitioner's Medicaid benefits due to excess income. Salem County found that Petitioner had been receiving unemployment benefits since August 2017 in addition to a Social Security benefit. This brought his income to \$1,910 which is over the Medicaid limit.

At the hearing, Petitioner presented bills such as car insurance, fuel receipts and storage fees. While the ALJ did not consider these bills, the documents were given credence as having an effect on his month income. This is simply not the case. 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 Code (IRC). See 42 CFR 435.603. Since MAGI methodology is based on the IRC, household compositions are identified as either tax filing or non-tax filing, with corresponding regulations governing each. 42 CFR § 435.603(f). Petitioner's expenses are not permitted as deductions in his income determination. He presented no other information to counter the income Salem County discovered. Thus, Salem County was correct in finding that Petitioner is not eligible for Medicaid. Petitioner may reapply if his income has changed.

THEREFORE, it is on this ^{31st} day of MAY 2018,

ORDERED:

That the Initial Decision is hereby REVERSED.


Meghan Davey, Director
Division of Medical Assistance
and Health Services