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

A.G.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE

AND HEALTH SERVICES AND

OCEAN COUNTY BOARD

OF SOCIAL SERVICES,

RESPONDENTS.

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 03439-2024

As Assistant Commissioner for the Division of Medical Assistance and Health Services (DMAHS), I have reviewed the record in this case, including the Initial Decision and the Office of Administrative Law (OAL) case file. Neither party filed exceptions in this matter. Procedurally, the time period for the Agency Head to file a Final Agency Decision is August 8, 2024, in accordance with an Order of Extension.

This matter arises from the Ocean County Board of Social Services' (Ocean County) January 24, 2024, denial of Petitioner's Medicaid application because Petitioner's gross monthly income exceeded the maximum allowed pursuant to 42 C.F.R. §

435.119(B)(5) (2024). A Fair Hearing was held and an Initial Decision was entered on May 8, 2024, reversing Ocean County's denial of Petitioner's application.

The federal Medicaid Act, Title XIX of the Social Security Act, 42 U.S.C. § 1396, et seq., provides for a joint federal-state program to provide medical assistance to individuals whose income and resources are insufficient to meet the "costs of necessary medical services." 42 U.S.C. § 1396-1. Medicaid provides "medical assistance to the poor at the expense of the public." Estate of DeMartino v. Div. of Med. Assist. & Health Servs., 373 N.J. Super. 210, 217 (App. Div. 2004) (quoting Mistrick v. Div. of Med. Assist. & Health Servs., 154 N.J. 158, 165 (1998); citing Atkins v. Rivera, 477 U.S. 154, 156, 106 S. Ct. 2456, 2458, 91 L. Ed. 2d 131, 137 (1986)), certif. denied, 182 N.J. 425 (2005); see also 42 U.S.C. § 1396-1. The New Jersey Legislature intended the Medicaid program "to provide medical assistance, insofar as practicable, on behalf of persons whose resources are determined to be inadequate to enable them to secure quality medical care at their own expense." N.J.S.A. 30:4D-2.

42 C.F.R. § 435.603(h)(3) (2024) addresses the calculation of household income:

In determining current monthly or projected annual household income ..., the agency may adopt a reasonable method to include a prorated portion of reasonably predictable future income, to account for a reasonably predictable increase or decrease in future income, or both, as evidenced by a signed contract for employment, a clear history of predictable fluctuations in income, or other clear indicia of such future changes in income.

In the present matter, Petitioner has a disabling medical condition that causes Petitioner's immune system to be severely compromised and Petitioner requires routine blood transfusions, which occur during work hours. ID at 2. Petitioner was employed until June 2, 2023, when Petitioner lost their job. Ibid. Prior to losing the most recent job, Petitioner was employed by a company for a limited period of time in 2023, during which

Petitioner earned gross wages of \$2,291. R-3. Petitioner was employed by a third company in 2023 and 2022 with gross wages of \$1,211 and \$865, respectively. Ibid.

Petitioner received gross unemployment insurance (UI) of \$515 per week from September 9, 2023, through March 2, 2024, when these benefits ended. ID at 2. From January 2024 through March 2, 2024, Petitioner received a gross total of \$4,635 in UI benefits. Ibid. When Petitioner applied for Medicaid in January 2024, Ocean County multiplied \$515 by 4.333, which totals \$2,231.49. R-4. This amount exceeded the maximum monthly amount allowed for Medicaid eligibility, which is \$1,732 in 2024 and was \$1,677 in 2023. R-5.

Ocean County argues that it could not have projected Petitioner's future income because Petitioner earned income in 2023 from three employers and he applied for UI between jobs. ID at 3. Additionally, Ocean County argues that there was no basis upon which it could conclude that Petitioner would not get another job. Ibid.

Petitioner argues that due to the circumstances of their chronic medical condition impacting their ability to secure employment and having no prospect of doing so, their UI income should have been averaged over twelve months and therefore it would not have exceeded the income threshold. ID at 2-3.

The Administrative Law Judge (ALJ) disagreed with Ocean County's denial of Petitioner's Medicaid application and concluded that 42 C.F.R. § 435.603(h)(3) directed Ocean County to calculate Petitioner's financial eligibility for Medicaid benefits based upon Petitioner's projected annual income, taking into account the months Petitioner would receive UI and that Petitioner had no present expectation of future income. ID at 4. In making this determination, the ALJ relied on J.M. v. Middlesex County Board of Social Services, HMA 05125-19, initial decision (June 12, 2019), adopted, final decision (Aug. 7, 2019). Similar to the present matter, in J.M., it was determined that petitioner

had no current prospects for employment and there was no indication that his monthly income would increase because his unemployment benefits would end after six months. The Initial Decision in J.M. stated that the agency was wrong in denying the application and that the agency should have calculated the petitioner's monthly income by averaging over twelve months the total he received in UI benefits. In the Final Agency Decision, the Director agreed and found that the agency "failed to take into account all the information ... including notice that [J.M.'s] unemployment benefits would expire after [twenty-six] weeks, in order to project his income over the course of twelve months." See also J.S. v. Hudson Cnty. Dep't of Soc. Servs., HMA 00844-20, final decision (Oct. 1, 2020).

I agree with the Initial Decision and I FIND that Ocean County improperly denied Petitioner's application. Petitioner received UI for a limited duration and Petitioner did not have any prospects for employment and therefore there was no indication that Petitioner's income would increase. As the Initial Decision stated, Petitioner has the obligation to notify Ocean County if Petitioner obtains employment so that an income redetermination can be completed. ID at 4.

Thus, based on the record before me and for the reasons enumerated above, I hereby ADOPT the Initial Decision and FIND that the denial of Petitioner's application was inappropriate. This matter is RETURNED to Ocean County to process Petitioner's application in accordance with this decision.

THEREFORE, it is on this 6th day of AUGUST, 2024,

ORDERED:

That the Initial Decision is hereby ADOPTED.



Gregory Woods, Assistant Commissioner
Division of Medical Assistance and Health Services