State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION
OAL DKT. NO. HMA 00140-26
AGENCY DKT. NO. N/A

M.A.,
Petitioner,
v.
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES,
Respondent.

M.A., petitioner, pro se

Judith Coles, Support Specialist, for respondent pursuant to N.J.A.C. 1:1-5.4(a)(2)

Record Closed: April 16, 2026 Decided: May 1, 2026

BEFORE **TAMA B. HUGHES**, ALJ:

STATEMENT OF THE CASE

M.A. (petitioner) appeals the determination of the Division of Medical Assistance and Health Services ("DMAHS" or "respondent") finding the household ineligible for NJ FamilyCare Medicaid benefits because the household income exceeded the maximum allowable limit for a household of five.

PROCEDURAL HISTORY

On March 19, 2024, petitioner submitted a renewal application for NJ FamilyCare Medicaid benefits (Application) to DMAHS. (R-1, Ex. A.) By letter, dated June 25, 2024, DMAHS advised petitioner that their NJ FamilyCare Medicaid benefits would terminate effective July 31, 2024. (R-1, Ex. E.) Petitioner timely appealed the termination. DMAHS transmitted the matter to the Office of Administrative Law, where it was filed as a contested case on January 5, 2026. N.J.S.A. 52:14B-1 to -15; N.J.S.A. 52:14F-1 to -23.

The hearing was held on April 16, 2026, at which time the record was closed.

TESTIMONY AND FINDINGS OF FACT

Judith Coles (Coles), Support Specialist for DMAHS, testified that she has been with DMAHS for eleven years. As part of her job responsibilities, she handles Fair Hearings and reviews the denial applications to ensure that the application is processed in accordance with State and Federal guidelines.

She is familiar with petitioner's file and the agency's determination to terminate Medicaid benefits. The basis of the termination was due to the household's gross income being over the income limit. The household's gross income in 2024 was $5,200/month; however, the program limit for a household size of five was $4,207. (R-1, Ex. E.)

While petitioner requested a review of the termination determination, citing to the fact that he had monthly expenses (rent, car payments, car insurance, utility bills and food costs) that were high, the agency did not rescind their action because, by law, such expenses cannot be deducted in determining program eligibility. (R-1, Exs. F and G.)

No other witnesses testified in this matter.

Based upon the testimony and undisputed documentary evidence presented in this matter, I **FIND** the following as **FACT**:

On or around March 19, 2024, petitioner submitted a NJ FamilyCare Renewal application to DMAHS. (R-1, Exs. A and B.) At the time of filing, petitioner reported that he was a household of five and that his biweekly pay was $2,400. (R-1, Ex. A.)

Upon review, the agency determined that petitioner's countable Modified Adjusted Gross Income (MAGI) was $5,200/month. (R-1, Ex. E.) This was based upon petitioner's gross monthly income of $4,800. (R-1, Ex. D.)

By letter, dated June 25, 2024, DMAHS notified petitioner that he did not meet the income requirements to receive NJ FamilyCare Medicaid benefits. (R-1, Ex. E.) In the explanation of eligibility determination, it stated that petitioner's MAGI was $5,200/month and that the program limit for a household of five was $4,207. (R-1, Ex. E.)

By correspondence of unknown date, petitioner requested a review of the agency's determination, citing the fact that he was a household of five and that their financial obligations (i.e. car payment, car insurance, electricity bills, food costs) made it difficult to afford health insurance.

By letter, dated September 18, 2024, DMAHS acknowledged receipt of petitioner's correspondence, further informing petitioner that the matter would be forwarded to the OAL if it could not be resolved. (R-1, Ex. G.)

At the time of refiling, M.A.'s gross income was in excess of the program limit for a household of five.

LEGAL ANALYSIS AND CONCLUSIONS

Medicaid is a cooperative federal-state venture established by Title XIX of the Social Security Act. 42 U.S.C. §§ 1396 to 1396w-8. It is "designed to provide medical assistance to persons whose income and resources are insufficient to meet the costs of necessary care and services." Atkins v. Rivera, 477 U.S. 154, 156 (1986); see also 42 U.S.C. § 1396-1; N.J.S.A. 30:4D-2. The New Jersey Medical Assistance and Health Services Act, N.J.S.A. 30:4D-1 to -19.5, created New Jersey's Medicaid program and DMAHS to perform administrative and operational functions related to the program. See N.J.S.A. 30:4D-4. Once a state joins the Medicaid program, it must comply with Medicaid statute and federal regulations. Harris v. McRae, 448 U.S. 297, 301 (1980). Finally, Medicaid benefits must be provided to individuals whose household income is at or below 133 percent of the federal poverty level based on the family size. 42 C.F.R. § 435.119(b)(5) (2026).

At the time of filing, petitioner's gross monthly income was $5,200.08, which exceeded the program limit for a household of five ($4,207) by several hundred dollars. For this reason alone, I **CONCLUDE** that DMAHS appropriately determined that petitioner was not eligible for NJ FamilyCare Medicaid benefits.

ORDER

For the foregoing reasons, it is hereby **ORDERED** that DMAHS' termination of petitioner's NJ FamilyCare Medicaid benefits is hereby **AFFIRMED**.

I **FILE** this initial decision with the **ASSISTANT COMMISSIONER OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**. This recommended decision is deemed adopted as the final agency decision under 42 U.S.C. § 1396a(e)(14)(A) and N.J.S.A. 52:14B-10(f). The **ASSISTANT COMMISSIONER OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES** cannot reject or modify this decision.

If you disagree with this decision, you have the right to seek judicial review under New Jersey Court Rule 2:2-3 by the Appellate Division, Superior Court of New Jersey, Richard J. Hughes Complex, PO Box 006, Trenton, New Jersey 08625. A request for judicial review must be made within forty-five days from the date you receive this decision. If you have any questions about an appeal to the Appellate Division, you may call (609) 815-2950.

May 1, 2026
DATE

Tama B. Hughes
TAMA B. HUGHES, ALJ

Date Received at Agency: May 1, 2026

Date Mailed to Parties: May 1, 2026

TBH/dc

APPENDIX

Witnesses

For petitioner:

None

For respondent:

Judith Coles, Support Specialist

Exhibits

For petitioner:

None

For respondent:

R-1 Fair Hearing Packet containing Exhibits A–G