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

R.E. PETITIONER, v. DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES, RESPONDANT.	**ADMINISTRATIVE ACTION** **FINAL AGENCY DECISION** **OAL DKT. NO. HMA 12078-26**

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. Petitioners filed exceptions in this matter. Procedurally, the time period for the Agency Head to file a Final Agency Decision is September 28, 2026, in accordance with N.J.S.A. 52:14B-10 which requires an Agency Head to adopt, reject, or modify the Initial Decision within 45 days of the agency's receipt.

This matter arises from the Department of Human Services, Division of Aging Services' (DoAS) March 10, 2026, denial of Petitioner's Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), Qualifying Individual Medicare Savings Program (QI) benefits application. A Fair Hearing was held and an

Initial Decision was entered on August 12, 2026, upholding DoAS' 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.

N.J.A.C. 10:78-4.1(b) governs eligibility for benefits for certain SLMB beneficiaries and establishes that these will be set at 120% of the annual federal poverty level. The federal government revises the federal poverty level standards annually and publishes them on the U.S. Department of Health and Human Services website, HHS.gov.

In the present matter, Petitioner, who is married, applied for the QMB/SLMB/QI program, which would pay for their Medicare Part B premiums. (R-1). DoAS conducted a verification of Petitioner's income from Social Security as well as that of her husband, so that DoAS could determine their income. (R-2). DoAS calculated the household's total countable income as $29,830.40. ID at 3. The maximum income allowed for a married couple in the program is $29,200, therefore DoAS found Petitioners ineligible for the program benefits. Ibid.

During the fair hearing, Petitioner did not dispute her annual gross income. ID at 3. Petitioner argued that her net unearned income should be considered in the income eligibility calculations, rather than her joint gross income. Ibid.

The Administrative Law Judge (ALJ) determined that calculations of countable income require using the gross income attributable to a beneficiary, pursuant to N.J.A.C. 10:72-4.5 and N.J.A.C. 10:71-5.1-5.3. The ALJ concluded that Petitioner failed to meet the income eligibility required for the SLMB MSP program under N.J.A.C. 10:72-4.1(b).

I agree with the Initial Decision and I FIND that DoAS' determination was proper as Petitioner is not eligible for QMB/SLMB/QI benefits. Medicaid Communication No. 26-03 states that the maximum gross monthly household income limit for SLMB/QI for a married couple is $2,435. As Petitioners' monthly gross household income is $2,465.83, Petitioner exceeds the limit.

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 appropriate.

THEREFORE, it is on this 22nd day of SEPTEMBER 2026,

ORDERED:

That the Initial Decision is hereby ADOPTED.

Gregory Woods

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