

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

T.S.,

PETITIONER,

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

V.

OAK DKT. NO. HMA 16292-17

CAMDEN COUNTY BOARD OF

SOCIAL SERVICES.

RESPONDENTS.

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 entire contents of the OAL case file. Neither Party filed exceptions. Procedurally, the time period for the Agency Head to file a Final Decision in this matter is July 26, 2018 in accordance with an Order of Extension. The Initial Decision in this matter was received on April 25, 2018.

Based on my review of the record, I hereby adopt the findings and conclusions of the Administrative Law Judge in their entirety and I incorporate the same herein by reference. 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. N.J.A.C. 10:78-4.3(a) specifically states that, "countable income shall include the income of all members of the household unit . . ." Household unit "means those persons whose income is counted in the determination of eligibility...The following persons, if they reside with the program applicant or beneficiary, shall be considered members of the household unit:

- 1. In the case of a parent or caretaker:
- i. The parent or caretaker;
- ii. The spouse of the parent or caretaker;
- iii. The parent or caretaker's natural or adoptive children under the age of 21 See N.J.A.C. 10:78-3.5(a)(1) (emphasis added). However, the income of a child or tax dependent, "who is not expected to be required to file a tax return under section 6012(a)(1) of the Code of the taxable year in which eligibility for Medicaid is being determined, is not included in household income whether or not the individual files a tax return." See 42 CFR 435.603(d)(2). 26 USC 6012(a)(1) requires that a tax return is required to be filed for every individual having for the taxable year gross income which equals or exceeds the exemption amount.

The 2017 federal income tax filing threshold for single dependents was \$6,350. Based on the paystubs provided and Petitioner's statement that T.H. worked 20-25 hours per week, T.H.'s income was calculated to \$9,024, which was above the

exemption amount.¹ As a result, her income was included in the Petitioner's household income. Consequently, Petitioner's gross monthly household income was \$2,914, which exceeded the \$2,349 maximum gross monthly household income for a family of three.

THEREFORE, it is on this day of JULY 2018,

ORDERED:

That the Initial Decision is ADOPTED.

Meghan Davey, Director

Division of Medical Assistance

and Health Services

¹ Petitioner did not present any evidence at the hearing to support her claim that Petitioner's income did not exceed the federal exemption amount or that she was claimed as a dependent on Petitioner's 2017 tax filings.