



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

JENNIFER LANGER JACOBS
Assistant Commissioner

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

B.R.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE

AND HEALTH SERVICES AND

SUSSEX COUNTY BOARD OF

SOCIAL SERVICES,

RESPONDENTS.

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 12369-2019

As Assistant Commissioner for the Division of Medical Assistance and Health Services, I have reviewed the record in this case, including the Initial Decision, the OAL case file and the documents filed below. No exceptions were filed in this matter. Procedurally, the time period for the Agency Head to render a Final Agency Decision is December 9, 2019 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 receipt. The Initial Decision was received on October 24, 2019.

The matter arises regarding the determination that Petitioner was not eligible for benefits based on her income. Petitioner's 2018 tax returns were reviewed as part of the application and showed annual wages of \$57,866 from employment in New York as well as a large taxable distribution from her retirement account. Her wages alone rendered her

ineligible for benefits. Petitioner no longer works at that employer and now earns considerably less. According the Initial Decision, her current monthly income is \$1,948.50. ID at 2. The maximum income for a single adult is \$1,437.

The Affordable Care Act regulations establish a 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. Since MAGI methodology is based on the Internal Revenue Code, household compositions are identified as either tax filing or non-tax filing, with corresponding regulations governing each. 42 CFR § 435.603(f). Petitioner is considered a tax filer as her income exceeds the federal income tax filing threshold for single dependents which was \$12,000. See 26 USC 6012(a)(1).

Medicaid eligibility is determined prospectively based on the information provided at the time of application or redetermination. The County Welfare Agencies (CWA) are required to estimate the income that will be available to the household unit. N.J.A.C. 10:78-4.2(a). The best estimate of income is "based on the average of the household unit's income for the full one-month period preceding the date of application or redetermination" and adjustments are made based on changes in income that have occurred or "which are reasonably anticipated to occur." N.J.A.C. 10:78-4.2(a). See also 42 CFR §435.603(h)(2). The MAGI method of income calculation, however, does not negate a state's responsibility to verify income or ensure that only eligible individuals receive benefits. 42 CFR §435.940.

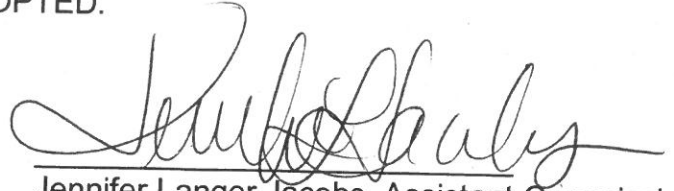
While Petitioner's income from her 2018 tax return would render her ineligible, her employment situation had changed at the time of application. She was no longer working at her prior job as evidenced by the unemployment notice. R-1. However, even at a lower pay her new position exceeds the income limit for an individual.

Based upon my review of the record, I hereby ADOPT the Administrative Law Judge's recommended decision. Petitioner may reapply if her situation changes.

THEREFORE, it is on this 5th day of DECEMBER 2019,

ORDERED:

That the Initial Decision is hereby ADOPTED.

A handwritten signature in cursive script, appearing to read "Jennifer Langer Jacobs", written over a horizontal line.

Jennifer Langer Jacobs, Assistant Commissioner
Division of Medical Assistance
and Health Services