

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
PO Box 712
Trenton, NJ 08625-0712

CAROLE JOHNSON Commissioner

CAROL GRANT
Acting Director

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

C.N.,

PETITIONER,

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DIVISION OF MEDICAL ASSISTANCE:

AND HEALTH SERVICES AND

ATLANTIC COUNTY BOARD OF

SOCIAL SERVICES.

RESPONDENTS.

**ADMINISTRATIVE ACTION** 

ORDER OF RETURN

OAL DKT. NO. HMA 487-2019

As Acting Director of 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. Procedurally, the time period for the Agency Head to file a Final Decision is July 5, 2019, in accordance with an Order of Extension.

The matter arises regarding the termination of Petitioner's Medicaid benefits due to excess income. Petitioner is married and has two children. Their monthly income is \$3,330 which is above the maximum limit of \$2,887 for a family of four. However,

Petitioner claims her mother on her tax returns but this information was not included on her renewal application. Atlantic County terminated benefits due to excess income.

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). As Petitioner files taxes, her eligibility is reviewed under the tax-filer rules.

The Initial Decision determined that the record was not sufficient to conclude that Petitioner should be terminated and remanded the matter to Atlantic County for further action. At the hearing Petitioner provided a copy of her 2017 tax return that showed her mother was listed as a dependent. P-1. Petitioner did not provide information on whether Petitioner's mother would be claimed as a tax dependent prospectively. The tax return also shows that Petitioner claimed \$12,543 in income on line 17 from "[r]ental real estate, royalties, partnerships, S corporations, trusts, etc." The renewal application indicates that no one is self-employed and Petitioner failed to respond to the question regard rental income or royalties. R-1 at 15 and 16. It is unclear what is the source of this income and whether it had been disclosed in prior applications. Atlantic County needs to obtain further information about this income source and apply it as necessary to Petitioner's case. Thus, I hereby ADOPT the Initial Decision and RETURN the matter to Atlantic County for further action.

THEREFORE, it is on this Way of JUNE 2019,

ORDERED:

That the Initial Decision is hereby ADOPTED; and

That the matter is RETURNED to Atlantic County.

Carol Grant, Acting Director
Division of Medical Assistance
and Health Services