



**State of New Jersey**

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

PO Box 712

TRENTON, NJ 08625-0712

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

JENNIFER VELEZ  
*Commissioner*

VALERIE HARR  
*Director*

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

L.B. and F.B.,	:	
	:	
PETITIONERS,	:	<b>ADMINISTRATIVE ACTION</b>
	:	
<b>V.</b>	:	<b>ORDER OF RETURN</b>
	:	
DIVISION OF MEDICAL ASSISTANCE	:	<b>OAL DKT. NO. HMA 6943-2014</b>
	:	
AND HEALTH SERVICES &	:	
	:	
GLOUCESTER 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 contents of the OAL case file. No exceptions were filed in this matter. Procedurally, the time period for the Agency Head to render a Final Agency Decision is November 20, 2014, in accordance with an Order of Extension.

This matter concerns the application filed for Petitioners who are husband and wife. They have dependent children listed on their tax returns but are not seeking benefits for them. They operate several business and rental properties.

In a notice dated April 29, 2014, Gloucester County Board of Social Services denied the application finding that the couple's income was above the eligibility standards. In support for this, Gloucester County relied on 10:69-10.3(a) and 10:78-3.5.

The Initial Decision upheld the denial of benefits using the rules contained in N.J.A.C. 10:78 to determine that Petitioner had monthly income of \$7,198.37.

However, as of January 1, 2014, the financial methodologies set forth in the Affordable Care Act (ACA) regulations must be used in determining the financial eligibility of all individuals for Medicaid. The ACA regulations establish a new method for counting income based upon an applicant's modified adjusted gross income (MAGI). See 42 CFR 435.603. Petitioners claim that their 2013 taxes were not filed until October 2014 but failed to provide an extension letter from the Internal Revenue Service.

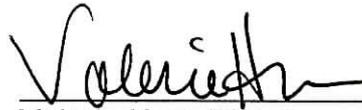
It is unclear if Gloucester County used the MAGI rules when it determined Petitioners' case. As such, I hereby REVERSE the Initial Decision in so much as the MAGI rules should have been used and RETURN the matter to Gloucester County for further review of Petitioners' application using MAGI rules.

THEREFORE, it is on this 18<sup>th</sup> day of NOVEMBER 2014

ORDERED:

That the Initial Decision in this matter is hereby REVERSED; and

That this matter is hereby RETURNED to Gloucester County Board of Social Services to recalculate Petitioners' income using MAGI.



---

Valerie Harr, Director  
Division of Medical Assistance  
and Health Services