



the Initial Decision within 45 days of the agency's receipt. The Initial Decision was received on July 31, 2014.

Based upon my review of the record, I hereby ADOPT the Initial Decision. 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. Additionally, 42 CFR 435.603(d)(2)(i), the regulation that addresses the income of children and tax dependents provides:

The MAGI-based income of an individual who is included in the household of his or her natural, adopted or step parent and is not expected to be required to file a tax return under section 6012(a)(1) of the Code for 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. (Emphasis added)

As explained in the Initial Decision, Petitioner's son is not required to file a tax return and, as a result, his \$1263 in monthly social security benefits is not included in the household's income. The total income for this household is \$1163 per month. Since this amount is below the \$1744 monthly income limit for a family of two, Petitioner and her son are eligible for Medicaid benefits.

THEREFORE, it is on this 5<sup>th</sup> day of September 2014,

ORDERED:

That the Initial Decision reversing the denial of benefits is hereby ADOPTED as the Final Decision in this matter.



---

Valerie J. Harr, Director  
Division of Medical Assistance  
and Health Services