

This matter arises from the August 23, 2023 termination of Petitioner's Medicaid coverage through the New Jersey FamilyCare Program (FamilyCare). The Initial Decision upheld the termination in this matter. Based upon my review of the record, I hereby ADOPT the findings and conclusions of the Administrative Law Judge (ALJ) finding that Petitioner's household income exceeded the maximum allowed income.

The Medicaid program is a cooperative federal-state venture established as Title XIX of the Social Security Act. 42U.S.C. § 1396et. Seq. It "is designed to provide medical assistance to persons whose income and resources are insufficient to meet the costs of necessary care and services." *L.M. v. Division of Medical Assistance & Health Services*, 140 N.J. 480, 484 (1995)(citations omitted). Medicaid is intended to be a funding of last resort for those in need. N.J.S.A.30:4D-2. In evaluating income eligibility, income is calculated to include both earned and unearned sources. Here, Petitioner's income includes a combination of their salary and their spouse's profit (or loss) from their personal businesses. Income from self-employment is determined pursuant to N.J.A.C.10:78-4.3.

Section (b) which provides:

1. For self-employed persons, income shall be calculated using adjusted gross income reported on the family's Federal income tax form(s) from the prior year as the baseline and adding back in reported depreciation, carryover loss, and net operating loss amounts that apply to the business in which the family is currently engaged. Applicants shall report the most recent financial situation of the family if it has changed from the period of time covered by the Federal income tax form. The report may be in the form of a percentage increase or decrease.
2. For wage earners, income shall be calculated based on gross income reported in the month immediately preceding application for NJ FamilyCare.

Therefore, based on the above cited regulation, losses shall not be deducted from other income to achieve a net household income. See L.B. and F.B. v. Gloucester County Board of Social Services and DMAHS, 2014 N.J. AGEN LEXIS 496, *7, Initial Decision (July 15, 2014) .

Here, on June 27, 2023 Petitioner applied for Medicaid renewal health coverage under FamilyCare. (R-2.) Based on Petitioner's household size of five members, the maximum allowed for FamilyCare eligibility is \$4,042. Initially, Ocean County Board of Social Services (Ocean County) calculated Petitioner's total countable household income to be \$6,851, exceeding the maximum allowable amount. The household's income was comprised of Petitioner's employment income of \$4,575, as verified through an employer letter, and Petitioner's spouse self-employment income of \$2,276.75 using four paychecks provided. (R-6). Petitioner requested a revaluation of income eligibility asserting their spouse's profit and loss statement reported a net profit loss of \$-13,796. (R-8, R-9).

Utilizing the appropriate income thresholds, Ocean County recalculated Petitioner's household income eligibility and again concluded Petitioner was no longer income eligible. Concurring with Ocean County's recalculation, the ALJ concluded that using only Petitioner's gross monthly income, irrespective of Petitioner's spouses income, the household income exceeded the applicable income threshold. I concur and find that the ALJ properly affirmed the FamilyCare termination based on Petitioner's household income ineligibility.

Accordingly, for the reasons set forth above, I hereby ADOPT the Initial Decision and find Petitioner's termination appropriate.

THEREFORE, it is on this 26TH day of JANUARY 2024,

ORDERED:

That the Initial Decision is hereby ADOPTED.

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Jennifer Langer
Jacobs

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