



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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KIM GUADAGNO
Lt. Governor

MEGHAN DAVEY
Director

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

C.E.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE
AND HEALTH SERVICES AND
HUDSON COUNTY BOARD
OF SOCIAL SERVICES,

RESPONDENTS.

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 06143-16

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 to the Initial Decision were filed. Procedurally, the time period for the Agency Head to render a Final Agency Decision is July 25, 2016 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 the agency's receipt. The Initial Decision was received on June 10, 2016.

Based upon my review of the record, I hereby REVERSE the Initial Decision and return the case to the Hudson County Board of Social Services to re-evaluate Petitioner's eligibility for the NJ FamilyCare program.

In this case, Hudson County's determination that Petitioner does not qualify for benefits was based upon Petitioner's 2015 Federal Income Tax Return which list her gross income as \$17,430. The County averaged her gross income over a 12-month period. In so doing, Petitioner's gross income of \$17,430 divided by twelve months resulted in an average monthly income of \$1452.50 which exceeds the NJ FamilyCare monthly eligibility limit of \$1317. However, the County's determination fails to take into account that Petitioner's gross income included a one-time lump sum pension payment of \$10,828. Petitioner elected to take this payment, which represented the total value of her vested benefit from the pension plan, in September 2015.

The Affordable Care Act regulations establish a new method for counting income based upon an applicant's modified adjusted gross income (MAGI). Under these regulations, "[a]n amount received as a lump sum is counted as income only in the month received." See 42 CFR 435.603(e)(1). Thus, the \$10,828 lump sum pension payment is countable income for Petitioner only in September 2015.

THEREFORE, it is on this 8th day of July 2016,

ORDERED:

That the Initial Decision affirming the denial of benefits is hereby REVERSED as the Final Decision, and

IT IS FURTHER ORDERED:

That the Hudson County Board of Social Services shall redetermine
Petitioner's eligibility for benefits in accordance with this Final Decision.



Meghan Davey, Director
Division of Medical Assistance
and Health Services