



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

CAROLE JOHNSON
Commissioner

JENNIFER LANGER JACOBS
Assistant Commissioner

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

N.S.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE :

AND HEALTH SERVICES AND :

MIDDLESEX COUNTY BOARD OF :

SOCIAL SERVICES, :

RESPONDENTS. :

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 4424-2020

As Assistant Commissioner 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. Neither party filed exceptions to the Initial Decision in this matter. Procedurally, the time period for the Agency Head to render a Final Agency Decision is February 1, 2021 in accordance with an Order of Extension.

The matter arises regarding the February 2020 denial of Medicaid benefits for Petitioner due to excess income. Middlesex County determined that Petitioner's countable income of \$1,995 exceeded the Medicaid standard of \$1,468. Medicaid Communication 20-02. As such, benefits were denied.

The Initial Decision upheld the denial and found that Petitioner's income exceed the threshold for 2020. Petitioner claimed that his obligation to pay \$280 a week pursuant to a pendent lite order should be used to reduce his countable income.¹ He produced a pendent lite or temporary order filed July 2019.

After reviewing the record, I agree that Petitioner's application was properly denied. In determining Modified Adjusted Gross Income (MAGI) for Medicaid eligibty certain deductions that mostly align with the Internal Revenue Code are permitted. See 42 CFR § 435.603. The deductions for alimony changed in 2019 so that alimony in divorce orders finalized on or after January 1, 2019 was no longer deductible. See [https://www.irs.gov/forms-pubs/clarification-changes-to-deduction-for-certain-alimony-payments-effective-in-2019 #:~:text=Beginning%20Jan.,31%2C%202018](https://www.irs.gov/forms-pubs/clarification-changes-to-deduction-for-certain-alimony-payments-effective-in-2019#:~:text=Beginning%20Jan.,31%2C%202018). Petitioner's divorce order is still not finalized so any temporary or permanent alimony payments do not reduce his countable income. Thus, I hereby ADOPT the Initial Decision and uphold Middlesex County's denial of Petitioner's application for Medicaid due to excess income.

Petitioner may be eligible for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program and may call 1-800-792-9745 to find out more information.

¹ Petitioner also argued that his payments of Medicare premiums that began in July 2020 were deductible. While there are some tax ramifications for Medicare premiums, to the extent they are deductible under the tax code is irrelevant as MAGI rules do not apply to individual eligible for Medicare. 42 CFR § 435.119 (b)(3).

THEREFORE, it is on this ^{9th} day of JANUARY 2021,

ORDERED:

That the Initial Decision is hereby ADOPTED.



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