

State of New Jersey Department of Human Services Division of Medical Assistance and Health Services PO Box 712 Trenton, NJ 08625-0712

JENNIFER VELEZ Commissioner

VALERIE HARR Director

	STATE OF NEW JERSEY DEPARTMENT OF HUMAN SERVICES DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
E.F.,	:
PETITIONERS,	ADMINISTRATIVE ACTION
ν.	FINAL AGENCY DECISION
۷.	: OAL DKT. NO. HMA 02467-12
DIVISION OF MEDICAL ASSISTANCE	
AND HEALTH SERVICES AND	
OCEAN 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 to the Initial Decision were filed. Procedurally, the time period for the Agency Head to render a Final Agency Decision is October 30, 2014, in accordance with <u>N.J.S.A.</u> 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 September 15, 2014.

CHRIS CHRISTIE Governor

KIM GUADAGNO Lt. Governor Based upon my review of the record, I hereby ADOPT the Administrative Law Judge's recommended decision. The Petitioner in this matter used monetary gifts from her father, sister and father-in-law toward the purchase of a new home. The ALJ disagreed with the County's determination that a period of ineligibility was warranted based on the receipt of these lump sum payments. The ALJ reasoned that the regulations addressing lump sum payments carve out an exception if the funds were "earmarked" and used for the purpose for which they were paid. That regulation states in part:

When a beneficiary receives nonrecurring earned or unearned lump sum income, including . . . payments in the nature of a windfall, such as inheritances and lottery winnings, personal injury and worker compensation awards, to the extent it is not earmarked and used for the purpose for which it was paid . . . that income will be added together with all other income received that month by the eligible family . . . N.J.A.C. 10:69-10.23 (emphasis added).

The sums provided by Petitioner's family members were dedicated exclusively for a particular purpose, (i.e., the purchase of a home) and "used for the purpose for which it was paid." Therefore, I agree that Petitioner's benefits should not have been terminated.

I note that this case stems from an eligibility determination made in 2012. At that time, the applicable regulation addressing lump sum income was <u>N.J.A.C.</u> 10:69-23. 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). 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). THEREFORE, it is on this 20^{+10} day of October 2014,

ORDERED:

That the Initial Decision reversing the termination of eligibility is ADOPTED as the Final Agency Decision in this matter.

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