



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
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Assistant Commissioner

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

M.C.,	:	
	:	
PETITIONER,	:	ADMINISTRATIVE ACTION
	:	
v.	:	FINAL AGENCY DECISION
	:	
DIVISION OF MEDICAL ASSISTANCE	:	OAL DKT. NO. HMA 01550-2023
AND HEALTH SERVICES AND	:	
CAMDEN COUNTY BOARD	:	
OF SOCIAL SERVICES,	:	
RESPONDENTS.	:	

As Assistant Commissioner for the Division of Medical Assistance and Health Services, I have reviewed the record in this case, including the Initial Decision, the Office of Administrative Law (OAL) case file, the documents filed below. The Initial Decision was received on June 14, 2023. Petitioner filed Exceptions to the Initial Decision on June 20, 2023. Procedurally, the time period for the Agency Head to render a Final Agency Decision is September 14, 2023 pursuant to an Order of Extension.

This matter arises from the Camden County Board of Social Services' (CCBSS) January 20, 2023 notice denying Petitioner's Medicaid application for failure to provide

information necessary to determine eligibility. The only issue presented here is whether Petitioner provided the necessary verification for CCBSS to make an eligibility determination.

The record discloses the following facts and procedural history. Petitioner currently resides at Ocean Healthcare nursing home. On November 16, 2022, an application was completed on Petitioner's behalf. (R 1-at 1-9.) On December 22, 2022, CCBSS sent a letter requesting following verification of the withdrawals and deposits from Citizens checking account number XXXXXX3732: a) \$4,425 withdrawal on October 29, 2019; b) \$3,500 withdrawal on May 6, 2019; c) \$4,600 deposit on October 8, 2019; d) \$4000 deposit on May 6, 2019; and e) \$3,500 deposit on March 26, 2019. (R 2.) On January 20, 2023, CCBSS denied Petitioner's November 16, 2022 application for Medicaid benefits due to failure to provide necessary verification, specifically information about the three deposits referenced above, to determine eligibility in a timely manner. (R-2; R-3.) A timely appeal was filed, and the matter proceeded before the Administrative Law Judge (ALJ) on May 24, 2023. On June 14, 2023, the ALJ issued her initial decision affirming the decision made by the CCBSS that Petitioner was not eligible for Medicaid benefits, concluding that Petitioner failed to provide the required information. On June 16, 2023, Petitioner's counsel filed Exceptions to the Initial Decision asserting that the required documentation did not exist.

The Medicaid program was created when Congress added Title XIX to the Social Security Act, 42 U.S.C. §§ 1396 to 1396 w-5 "for the purpose of providing federal assistance to the States that choose to reimburse certain costs of medical treatment for needy persons." *Harris v. McRae*, 448 U.S. 297, 302, 100 S.Ct. 2671, 65 L.Ed.2d 784 (1980) Participation in the Medicaid program is optional for states, however, "once a State elects to participate, it must comply with the requirements of Title XIX." *Ibid*. The New Jersey Medical Assistance and Health Services Act, N.J.S.A. 30:4 D -1 to 19.5, authorizes New Jersey's participation in the Medicaid program. The Commissioner of the New Jersey Department of Human Services has the power to issue regulations dealing with eligibility for medical assistance. N.J.S.A. 30:4D-7. DMAHS is a division of the Department of Human Services that operates the

Medicaid program in New Jersey. N.J.S.A. 30:4D-4. County welfare agencies (CWAs), like CCBSS, evaluate Medicaid eligibility. N.J.S.A. 30:4D-7a; N.J.A.C. 10:71-2.2(c). Eligibility is established based on the legal requirements of the program that include income and resource eligibility standards for all applicants. N.J.A.C. 10:70-4.1 to -5.4, :71-3.15, -4.1 to -5.9. Applicants must provide the CWA with verifications that are identified for the applicant, and must "assist the CWA in securing evidence that corroborates his or her statements." N.J.A.C. 10:71-2.2(e)(2).

During the hearing, both parties testified. B.H., CCBSS' representative, testified that CCBSS received verification regarding the withdrawals, however, they did not receive verification regarding the deposits. In order to make an eligibility determination, CCBSS needed the origin of the deposits. According to B.H., the deposits could have come from another account, like an Individual Retirement Account (IRA), stocks, bonds, or another account. CCBSS denied Petitioner's application due to failure to provide the requested documentation. B.H. also testified that, after issuing the denial notice, CCBSS received an email from Ocean Healthcare representative suggesting that CCBSS could assess a penalty for the unaccounted-for funds. However, B.H. testified that CSBSS could only assess a penalty for the unaccounted for withdrawals, not deposits. The ALJ accepted the testimony of B.H. as credible.

Both Petitioner and his Power of Attorney (POA), D.H., testified under oath and the ALJ found both of them to be credible witnesses. D.H. testified that she was familiar with the unaccounted-for funds but could not find the source. She was not aware of any Petitioner's relatives who could help with the unaccounted-for funds. Per D.H., CSBSS requested verification that did not exist.

Petitioner testified from memory regarding the deposits that were made stating the unaccounted-for funds were cash deposits from his now-deceased sister. Petitioner further testified that his sister gave Petitioner the money to hire contractors to repair her house. Petitioner testified it was ten or eight years ago; and the money was advance payment for

Petitioner's contactor friend. Petitioner did not document any transaction between him and contractor. Petitioner testified that D.H. knows the contractor, but no one contacted the contractor to obtain an affidavit from him regarding the money paid to him. Petitioner also testified that he does not have IRAs, bank accounts or life insurance policies.

Here, CCBSS requested, as part of the Medicaid application process, documentation of deposits as well as withdrawals from Petitioner on December 19, 2022. The missing verifications were needed in order to verify whether the funds that were deposited into Petitioner's account were resources that belonged to Petitioner and thus should be counted as resources as part of the eligibility determination. Petitioner does not have any documentation regarding the unaccounted –for funds. The Initial Decision upholds the denial of Medicaid application. I agree with the ALJ that Petitioner failed to provide the origin of three deposits that CCBSS requested and that this failure to provide the documentation required the denial of the application.

In Exceptions, Petitioner's counsel argues that there is no specific regulation requiring an explanation of all deposits. However, Petitioner ignores the regulation that requires an applicant's cooperation in the application process, including assisting the CCBOS in securing documentation that supports the applicant's statements. N.J.A.C. 10:71-2.2(e). The regulations clearly establish that an applicant must provide sufficient information and verification to CCBSS in timely manner to allow it to determine eligibility. In this matter, Petitioner's application is denied because it is incomplete. Without the origin of three deposits CCBSS was unable to complete its eligibility determination and denial was appropriate. Petitioner can re-apply for Medicaid benefits after obtaining the verification of the origin of the deposits from the bank. While Petitioner did provide some documentary evidence about the deposits into Petitioner's bank account (R4), that information is incomplete as it raises questions about the origin of the funds that were deposited into the account. Two different routing numbers and account numbers were reflected on each of the records of the deposits. Petitioner can ask the bank for additional information concerning the transactions for


example, if the deposits were made into Petitioner's account by check instead of cash. The bank should have photocopies of the checks which can be provided to Petitioner to submit as verification.

I FIND that CCBSS correctly denied Petitioner's January 20, 2023 application for failing to provide information necessary to determine eligibility. Thus, for the reasons set forth above and those contained in the Initial Decision, I hereby ADOPT the Initial Decision's conclusions.

THEREFORE, it is on this 14th day of September 2023,

ORDERED:

That the Initial Decision is hereby ADOPTED.



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