



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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Acting Commissioner

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

MEGHAN DAVEY
Director

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

D.H.,

PETITIONERS,

v.

DIVISION OF MEDICAL ASSISTANCE

AND HEALTH SERVICES AND

CAMDEN COUNTY BOARD OF

SOCIAL SERVICES,

RESPONDENTS.

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 18715-16

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 entire 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 May 1, 2017, 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 March 16, 2017.

At issue is the penalty imposed due to Petitioner's sale of her home. By notice dated November 29, 2016, the Camden County Board of Social Services found Petitioner eligible for Medicaid benefits as of March 1, 2016, but assessed a transfer penalty of \$75,203.95. At the hearing Petitioner argued that the \$71,000 price that her home sold for was fair market value. However, Camden County used the tax assessed value pursuant to N.J.A.C. 10:71-4.1(d)(1)(iv) and determined that the sale price did not reflect fair market value. The Initial Decision reversed the transfer penalty finding that the \$71,000 sale price was fair market value based on the deplorable condition of the house, the comparable sales in the area and an appraisal of the property. I FIND the record before me supports that conclusion and ADOPT the Initial Decision.

The equity value of real property is "the tax assessed value of the property multiplied by the reciprocal of the assessment ratio as recorded in the most recently issued State Table of Equalized Valuations, less encumbrances, if any..." N.J.A.C. 10:71-4.1(d)(1)(iv). The regulation is very specific, it states that "[t]he equity value of real property is" based on this calculation and does not leave room for interpretation. While the tax assessed value of a home is not necessarily an accurate reflection of the price that the property "can reasonably be expected to sell for on the open market in the particular geographic area" absent credible independent evidence, the regulation provides for a uniform determination of the value of property, which can be a subjective art. N.J.A.C. 10:71-4.1(d). See also N.J.A.C. 10:71-4.7(b).


In this case, Petitioner's claim that the municipal tax assessment was too high and did not reflect the market value of the property is supported by competent evidence. N.J.A.C. 1:1-15.5(b), the residuum rule, requires "some

legally competent evidence" to exist "to an extent sufficient to provide assurances of reliability and to avoid the fact or appearance of arbitrariness." Here, the appraisal of the property and corroborating testimony by a certified real estate appraiser provides sufficient evidence to overcome the tax assessment and establish that Petitioner's property was sold for fair market value.

THEREFORE, it is on this 24th day of April 2017,

ORDERED:

That the Initial Decision reversing the transfer penalty is hereby ADOPTED as the Final Agency Decision.


Meghan Davey, Director
Division of Medical Assistance
and Health Services