



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

PO Box 712

TRENTON, NJ 08625-0712

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

CAROLE JOHNSON
Commissioner

MEGHAN DAVEY
Director

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

D.C.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE

& HEALTH SERVICES &

ESSEX COUNTY BOARD OF

SOCIAL SERVICES,

RESPONDENTS.

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 11733-2017

M.L.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE

& HEALTH SERVICES &

ESSEX COUNTY BOARD OF

SOCIAL SERVICES,

RESPONDENTS.

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 13373-2017

As Director 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. Petitioners filed exceptions in this matter. Procedurally, the time period for the Agency Head to file a Final Agency Decision is June 28, 2018, in accordance with an Order of Extension.

Petitioners are husband and wife and were terminated effective March 31, 2017 due to excess income and a change in household size.¹ A second notice in July 2017 was received by Petitioners and appealed. The couple's combined income is \$1,516. They do not contest that they are no longer eligible but argue that they cannot be terminated until they are transitioned "with certainty that they will both be SLMB [Specified Low-Income Medicare Beneficiaries] eligible and not again receive reduced SSD benefits." P-4A. The record is clear that Petitioners are financially eligible for SLMB, a Medicare savings program that allows states to pay Medicare Part B premiums, but are not eligible for Medicaid benefits. In the pendency of the fair hearing, Petitioners' elected to have their Medicaid benefits continued.

Petitioners received notices in December 2017 that SLMB eligibility had been denied as they are eligible for Medicaid. Petitioners' had also applied for two state run programs, Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Lifeline Utility Benefit. They were also denied PAAD due to their Medicaid eligibility. P-11. They were given the opportunity to send a letter that they had been terminated from Medicaid or to appeal the SLMB or the PAAD decision. The record contains no indication Petitioners did either. The issue of Petitioners' SLMB benefits was not transmitted to OAL.

I agree with the exceptions filed by Petitioners in so much as the Initial Decision incorrectly identified the Medicaid program they had been receiving medical benefits under. However, it does not change the fact that they are ineligible under any Medicaid program to receive medical benefits. What they would be eligible for is to have their Medicare Part B paid for under SLMB, thus, eliminating that deduction from the Social Security benefit. They

¹ Petitioners claimed that they did not receive this notice.

were provided with information about SLMB by Essex County. ID at 5. However, they must be ineligible for Medicaid in order to be enrolled in the SLMB program. As they have elected to continue benefits under Medicaid, there is no termination date on the system nor does it appear that Petitioners provided a copy of their termination letter with their SLMB application or after they received the December 2017 letter requesting such documentation.


What Petitioners are seeking is perfect performance of a system that relies on coordination between federal and state agencies. While that is desirable, it does not always work. The postponement of adding a Medicaid termination date, as evidenced by the open ended Medicaid eligibility for Petitioners, has put the cart before the horse. R-14 and R-15. Pursuant to N.J.A.C. 10:72-1.1 ii., “[p]ersons determined eligible as specified low-income Medicare beneficiaries are entitled to payment of Medicare Part B Premiums only, beginning in the month of application and up to three prior months.” (emphasis added). Petitioners cannot be eligible for Medicaid and SLMB in the same month. They have conceded that they are not eligible to have their medical services covered by Medicaid. When Essex County enters the termination date of those benefits, SLMB benefits will be able to be processed. As evidenced by the provision for retroactive SLMB benefits, should Petitioners’ Social Security benefits be reduced for the Medicare Part B premium, Social Security will adjust their benefit to receive reimbursement.

THEREFORE, it is on this ^{27th} day of JUNE 2018,

ORDERED:

That the Initial Decision is hereby ADOPTED in so far as Petitioners are not eligible for Medicaid coverage; and

That SLMB benefits shall be processed in accordance with the upholding of Petitioners' termination.


Meghan Davey, Director
Division of Medical Assistance
and Health Services