

PHILIP D. MURPHY Governor

SHEILA Y. OLIVER Lt. Governor

DEPARTMENT OF HUMAN SERVICES DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES PO Box 712 TRENTON, NJ 08625-0712

CAROLE JOHNSON Commissioner

MEGHAN DAVEY Director

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

F.S.,

PETITIONER,

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

DIVISION OF MEDICAL ASSISTANCE:

AND HEALTH SERVICES AND

MORRIS COUNTY BOARD OF

SOCIAL SERVICES.

OAL DKT. NO. HMA 3381-2018

RESPONDENTS.

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. Neither party filed exceptions in this matter. Procedurally, the time period for the Agency Head to file a Final Agency Decision in this matter is August 9, 2018 in accordance with an Order of Extension.

The matter arises regarding Petitioner's May 2017 application for Medicaid benefits. Petitioner was found eligible as of October 1, 2017 but subject to a transfer penalty of 70 Petitioner has been days stemming from a transfer of \$30,000 in August 2016. institutionalized since late 2016. At issue is a \$30,000 check written to the estate or trust of J.H., Petitioner's former neighbor. Petitioner provided a copy of a promissory note wherein he agreed to pay J.H. \$15,000 for value received. P-3. Petitioner testified that J.H. had lent him this money at a time when he was out of work. The note, which is signed and notarized, contains no repayment date but requires Petitioner to repay the \$15,000 upon the death of either party. Petitioner also produced a handwritten note dated June 11, 2012 purporting to acknowledge a loan from J.H. for \$30,000. P-2. J.H. died sometime prior to October 2015 when Petitioner finally sold his home.

The Initial Decision found that Petitioner had demonstrated a due and owing obligation to pay J.H.'s estate \$15,000. The promissory note is specific in the amount received as well as either party's death triggering the debt to become due. However, there was no competent evidence to suggest that Petitioner owed J.H. any other funds. transfer penalty was reduced to \$15,000 which Petitioner was unable to demonstrate was in repayment of a debt and must be considered a transfer for less than fair market value.

Based on my review of the record. I am satisfied that Petitioner's had a debt of \$15,000 that became due in or around October 2015. While he did not pay this amount until the following August, it is clear that in 2002, Petitioner and J.H. agreed that either's death would require repayment. Thus, I hereby ADOPT the Initial Decision.

THEREFORE, it is on this of day of AUGUST 2018,

ORDERED:

That the Initial Decision is hereby ADOPTED: and

That the transfer penalty of \$15,000 is upheld.

Meghan Bayey, Director

Division of Medical Assistance

and Health Services