



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

OAL DKT. NO. HMA 01054-24

Agency No. 0720481986-01

A.G.,

Petitioner,

v.

**ESSEX COUNTY DIVISION OF FAMILY
ASSISTANCE & BENEFITS,**

Respondent.

A.G., petitioner appearing pro se

Julia Harris, Family Services Worker, for respondent under N.J.A.C. 1: -1-5.4(a)(3)

Record Closed: May 2, 2024

Decided: May 3, 2024

BEFORE **NANCI G. STOKES, ALJ:**

STATEMENT OF THE CASE

Respondent denied petitioner's Aged, Blind, and Disability application due to excess income under N.J.A.C. 10:72-4.1

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PROCEDURAL HISTORY

On October 26, 2023, respondent terminated petitioner's Medicaid upon renewal because petitioner was over the applicable income limit.

Petitioner appealed the termination.

The Division of Medical Assistance and Health Services (DMAHS) transmitted this case to the Office of Administrative Law (OAL), where it was filed on January 26, 2024, as a contested case under the Administrative Procedure Act, N.J.S.A. 52:14B-1 to-15, and the act establishing the OAL, N.J.S.A. 52:14F-1 to-13, for a hearing under the Uniform Administrative Procedure Rules, N.J.A.C. 1:1-1.1 to -21.6.

I held the hearing on May 2, 2024, and closed the record.

FINDINGS OF FACT

Based on the testimony provided and my assessment of its credibility, together with the documents submitted and my evaluation of their sufficiency, I **FIND** the following as **FACT**:

Petitioner is the applicant and has the authority to pursue this appeal.

In August 2023, respondent provided petitioner with a Medicaid renewal packet under the Aged, Blind, and Disabled (ABD) program. Petitioner is a household of one.

Respondent reviewed petitioner's income and resources to determine her eligibility. Undeniably, petitioner receives \$1,544 monthly in Retirement, Survivors and Disability Insurance (RSDI) benefits from the Social Security Administration.

However, the ABD program income limit in 2023 was \$1,215. Therefore, petitioner's unearned income exceeds the program limit when respondent processed her

Medicaid renewal. Although income changes for Medicaid programs available to working disabled individuals changed in February 2024, those changes were not effective in October 2023 and are inapplicable to this case. Petitioner can reapply.

Respondent must use an electronic asset verification system (AVS) to collect information directly from financial institutions to determine whether Medicaid applicants have assets, including checking and savings accounts, stocks, or other financial interests or instruments. See Medication Communication No. 17-06. A.G. questioned the amount cited by respondent. Yet, although respondent determined that A.G. had resources in an account, those funds were under the program resource limit of \$4,000. In other words, petitioner's resources, even if disputed, did not impact her Medicaid eligibility.

DISCUSSION AND CONCLUSIONS OF LAW

Congress created the Medicaid program under Title XIX of the Social Security Act. 42 U.S.C. §§1396 to 1396w. The federal government funds the program that the states administer. Once the state joins the program, it must comply with the Medicaid statute and federal regulations. Harris v. McRae, 448 U.S. 297, 300 (1980). New Jersey participates in Medicaid through the New Jersey Medical Assistance and Health Services Act (Act). N.J.S.A. 30:4D-1 to -19.5.

Under the Act's authority, the Commissioner of the Department of Human Services (DHS) promulgated regulations implementing New Jersey's Medicaid programs to explain each program's scope and procedures, including income and resource eligibility standards. See, e.g., N.J.A.C. 10:71-1.1 to -9.5 (Medicaid Only); N.J.A.C. 10:72-1.1 to -9.8 (Special Medicaid Programs); E.S. v. Div. of Med. Assistance and Health Servs., 412 N.J. Super. 340, 347 (App. Div. 2010).

The Act also established the Division of Medical and Health Services (DMAHS) within the DHS to perform the administrative functions concerning Medicaid program participation. Bergen Pines County Hosp. v. New Jersey Dep't of Human Serv., 96 N.J. 456, 465 (1984); see also N.J.S.A. 30:4D-4, -5.

County welfare agencies (CWA), such as respondent, assist [DMAHS] in processing applications for Medicaid and determining whether applicants have met the income and resource eligibility standards." Cleary v. Waldman, 959 F. Supp. 222, 229 (D.N.J.1997), aff'd, 167 F.3d 801 (3d Cir.), cert. denied, 528 U.S. 870 (1999). Significantly, an applicant bears the burden of establishing eligibility for Medicaid benefits. D.M. v. Monmouth Cnty. Bd. of Soc. Servs., HMA 6394-06, Initial Decision (April 24, 2007), adopted, Dir. (June 11, 2007), <http://njlaw.rutgers.edu/collections/oal/>.

N.J.A.C. 10:72-2.3(a) requires respondent to verify all eligibility factors. Under N.J.A.C. 10:72-4.4, respondent determines income eligibility under the Aged, Blind, and Disabled (ABD) program using the income eligibility standards within N.J.A.C. 10:71-5.1 to -5.9, with certain exceptions. Similarly, respondent's resource eligibility determination follows resource standards at N.J.A.C. 10:71-4.1 to -4.11 according to N.J.A.C. 10:72-4.5. No facts support any income exclusions.

Here, I found that petitioner's unearned income exceeded the program income limit of \$1,215. See N.J.A.C. 72-4.1(a) (explaining that the federal poverty guidelines control).

Therefore, because petitioner is over the applicable income limit, I **CONCLUDE** that she is income **INELIGIBLE** for ABD Medicaid benefits under N.J.A.C. 72-4.1(a) and that her appeal should be **DISMISSED**.

ORDER

Based on my findings of fact and conclusions of law, I **ORDER** that petitioner is ineligible for ABD Medicaid benefits under N.J.A.C. 72-4.1(a) and that petitioner's appeal is hereby **DISMISSED**.

I **FILE** this initial decision with the **ASSISTANT COMMISSIONER OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**. This recommended decision is deemed adopted as the final agency decision under 42 U.S.C. § 1396a(e)(14)(A) and N.J.S.A. 52:14B-10(f). The **ASSISTANT COMMISSIONER OF THE**

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES cannot reject or modify this decision.

If you disagree with this decision, you have the right to seek judicial review under New Jersey Court Rule 2:2-3 by the Appellate Division, Superior Court of New Jersey, Richard J. Hughes Complex, PO Box 006, Trenton, New Jersey 08625. A request for judicial review must be made within 45 days of the date you receive this decision. If you have any questions about an appeal to the Appellate Division, you may call (609) 815-2950.

May 3, 2024



DATE

NANCI G. STOKES, ALJ

Date Record Closed:

May 2, 2024

Date Filed with Agency:

January 26, 2024

Date Sent to Parties:

May 10, 2024

ljb

APPENDIX

Witnesses

For Petitioner:

A.G.

For Respondent:

Julia Harris, FSW

Exhibits

For Petitioner:

N/A

For Respondent:

R-1 Fair hearing packet, including denial and income limits.