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

D.M.,

PETITIONER,

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 11736-23

As Assistant Commissioner for the Division of Medical Assistance and Health Services (DMAHS), I have reviewed the record in this case, including the OAL case file, the documents in evidence, and the Initial Decision in this matter. Neither Party filed exceptions. Procedurally, the time period for the Agency Head to render a Final Agency Decision is June 20, 2024 in accordance with an Order of Extension.

This matter arises from the Camden County Board of Social Services' (Camden County) October 11, 2023 denial of Petitioner's Medicaid application due to excess income and resources. The issue presented here is whether Camden County correctly determined that Petitioner's countable income and resources were over the income and resource limit.

On May 17, 2023, Petitioner applied for Medicaid through their designated authorized representative (DAR) with Camden County. (R-1 pages 1-11.) On June 22, 2023, Camden County sent a request for information (RFI) asking for additional documents including the gross amount of Petitioner's pension and proof of initiating the Qualified Income Trust (QIT) to make an eligibility determination. (R-1 pages 12-13.) In response, Petitioner uploaded the requested documentation including the QIT to the Division of Medical Assistance and Health Services' (DMAHS) portal on July 6, 2023. (R-1 pages 14-25.) On July 31, 2023, Camden County sent a second RFI asking for a properly funded QIT by August 6, 2023.¹ (R-1 pages 26-27.) This information was not provided and on October 11, 2023, Camden County denied Petitioner's May 17, 2023 application for being over income and resources. (R1 page 34.)

Petitioner appealed the denial, and the matter was transmitted to the OAL for a fair hearing. A hearing was conducted on January 16, 2024 and the Administrative Law Judge (ALJ) found that Camden County acted in good faith in processing Petitioner's application. The ALJ also found the information supplied by Petitioner, specifically regarding the funding of the QIT, was not sufficient in its details to provide the information needed to determine eligibility by the deadline set by Camden County, nor did Petitioner

¹ The RFI letter states that the "QIT is being funded improperly and we cannot grant eligibility until the month it is fully funded correctly. The only income that is over the Medicaid income limits is to be deposited in the QIT monthly. Please review QIT guidelines and correct them as you are currently over income. You must provide proof of funding for the month of August to avoid denial."

request an extension. Accordingly, Camden County properly denied the application. ID at 8.

Based upon my review of the record, I hereby adopt the findings, conclusions, and recommended decision of the ALJ with regard to Petitioner's application.

In New Jersey, the Medicaid program is administered by DMAHS pursuant to the New Jersey Medical Assistance and Health Services Act, N.J.S.A. 30:4D-1 to -19.5. Through its regulations, DMAHS establishes "policy and procedures for the application process" N.J.A.C.10:71-2.2 9b. To be financially eligible, the applicant must meet both income and resource standards. Income eligibility is based on an examination of all earned and unearned income which has or will be received during the month for which application is made, beginning with the first day of such month. The local county welfare agencies (CWA) evaluate Medicaid eligibility. N.J.S.A. 30:4D-7a; N.J.A.C.10:71-1.5, 2.2 (c).

An applicant who would otherwise be over-income may place excess income in a Qualified Income Trust (QIT) also known as a "Miller Trust". The QIT was established in New Jersey on December 1, 2014. The Miller Trust was created so that people who require care or disabled with excess income can still become eligible for Medicaid benefits. The DMAHS addressed this in Medicaid Communication No.14-15, dated December 19, 2014 (Med. Comm. No.14-15) which provided in part:

QIT are Trust documents tied to a special bank account. The primary function of a QIT is to disregard an individual's income above 300% of the Federal Benefit Rate(FBR). In order for this income to be disregarded, it Must be deposited monthly into the QIT bank account. Checks deposited into the QIT bank account must include the entire amount of the income source.

Regarding resources, individual participation in the program shall be denied or terminated if the total value of an individual's resource exceeds \$ 2,000. N.J.A.C. 10:71-4.5(c). A resource which is classified as excludable shall not be considered either in the deeming of resources or in the determination of eligibility for participation in the Medicaid Only Program. N.J.A.C. 10:71-4.4 (a).

Here, Petitioner listed two sources of income on their application. One income source was the Social Security Administration (SSA) in the amount of \$658.00 and other income in the amount of \$2077.60. Upon reviewing Petitioner's application, in the first RFI Camden County requested Petitioner provide additional documentation including verification of gross pension and a properly funded QIT to determine eligibility. In response, Petitioner provided a letter dated June 14, 2023 from the Office of Personnel Management (OPM) stating that Petitioner's pension was \$2,858.00. The 2023 Managed Long Term Services and Supports (MLTSS) DMAHS income limit is \$2,742.00. (R-1 page 28.) Petitioner had established a QIT to place excess income in. Schedule A of the QIT dated May 9, 2024, only lists the Social Security income deposited into the account in the amount of \$658.00. (R-1 pages 21-22.) As part of Petitioner's response to the RFI; however, they provided pages 1 and 6 of the QIT which noted "updated 7/1/2023" with update to funding stating OPM \$2,306.72. (R-1 pages 24-25.) This information prompted Camden County's second RFI request seeking a fully executed and corrected QIT written agreement. Petitioner originally opted to fund the QIT with the income from Social Security (R-4) and later changed the income going into the QIT bank account from SSA to OPM. Camden County requested the properly executed and corrected QIT, however, Petitioner failed to provide a fully executed and corrected QIT showing the change from SSA to OPM income. ID at 3.

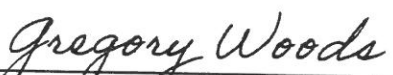
Additionally, Petitioner also provided their American Heritage Federal Credit Union statements showing that they had \$20, 281. 87 in their checking account and \$600.21 in their Holiday Club account on April 30, 2023. (R-1 pages 29-31.) Camden County completed the Medicaid Eligibility Worksheet deducting \$12,783. 25 for prepaid funeral expenses; \$658.00 Social Security income, and \$2, 277.608 OPM from \$ 20, 281.87. However, the remaining balance of \$7,333.63 is higher than the resource limit of \$2,000 making Petitioner over resourced. (R-1 page 32.)

For the above-stated reasons, I conclude that Petitioner has failed to prove that Camden County erred in its decision by denying their application for Medicaid. Camden County correctly determined that Petitioner's QIT was improperly funded and void, and that they were over income by not providing a fully executed and corrected QIT during the application process. The bank statements and the QIT documents must align to show compliance with federal law to permit the income to be excluded. Additionally aside from the improperly funding QIT, Petitioner also failed to prove that their resources were not over the resource limit of \$2.000 when Camden County denied their application on October 11, 2023. As a result, Petitioner's income and resources exceeded the standard at the time of the denial.

THEREFORE, it is on this 6th day of JUNE 2024,

ORDERED:

That the Initial Decision is hereby ADOPTED.



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

OBO JLJ