



PHILIP D. MURPHY  
Governor

TAHESHA L. WAY  
Lt. Governor

**State of New Jersey**  
**DEPARTMENT OF HUMAN SERVICES**  
Division of Medical Assistance and Health Services  
P.O. Box 712  
Trenton, NJ 08625-0712

SARAH ADELMAN  
Commissioner

GREGORY WOODS  
Assistant Commissioner

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

J.P.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE  
AND HEALTH SERVICES AND  
ATLANTIC COUNTY DEPARTMENT  
OF FAMILY AND COMMUNITY  
DEVELOPMENT

RESPONDENTS.

**ADMINISTRATIVE ACTION**

**FINAL AGENCY DECISION**

**OAL DKT. NO. HMA 02735-2024**

As Assistant Commissioner for the Division of Medical Assistance and Health Services (DMAHS), I have reviewed the record in this case, including the Initial Decision and the Office of Administrative Law (OAL) case file. Neither party filed exceptions in this matter. Procedurally, the time period for the Agency Head to file a Final Agency Decision is September 26, 2024, in accordance with an Order of Extension.

This matter arises from the Atlantic County Department of Family and Community Development's (Atlantic County) January 9, 2024, denial of Petitioner's Medicaid application for failure to provide documentation necessary to determine eligibility. A Fair

Hearing was held and an Initial Decision was entered on June 26, 2024, vacating Atlantic County's denial of Petitioner's application.

Both the County Welfare Agency (CWA) and the applicant have responsibilities with regard to the application process. N.J.A.C. 10:71-2.2. Applicants must complete any forms required by the CWA; assist the CWA in securing evidence that corroborates his or her statements; and promptly report any change affecting his or her circumstances. N.J.A.C. 10:71-2.2(e). The CWA exercises direct responsibility in the application process to inform applicants about the process, eligibility requirements, and their right to a fair hearing; receive applications; assist applicants in exploring their eligibility; make known the appropriate resources and services; assure the prompt and accurate submission of data; and promptly notify applicants of eligibility or ineligibility. N.J.A.C. 10:71-2.2(c) and (d). CWAs must determine eligibility for Aged cases within forty-five days and Blind and Disabled cases within ninety days. N.J.A.C. 10:71-2.3(a) and 42 CFR § 435.912. The timeframe may be extended when documented exceptional circumstances arise preventing the processing of the application within the prescribed time limits. N.J.A.C. 10:71-2.3(c). The regulations do not require that the CWA grant an extension beyond the designated time period when the delay is due to circumstances outside the control of both the applicant and the CWA. At best, an extension is permissible. N.J.A.C. 10:71-2.3; S.D. v. DMAHS and Bergen County Board of Social Services, No. A-5911-10 (App. Div. February 22, 2013).

The Medicaid applicant is "the primary source of information. However, it is the responsibility of the agency to make the determination of eligibility and to use secondary sources when necessary, with the applicant's knowledge and consent." N.J.A.C. 10:71-1.6(a)(2). While the applicant has a duty to cooperate fully with the CWA, the CWA also has a duty to assist in retrieving that information.

If verification is required in accordance with the provisions of N.J.A.C. 10:71-4.1(d)(3), the CWA shall ... verify the existence or nonexistence of any cash, savings or checking accounts, time or demand deposits, stocks, bonds, notes receivable or any other financial instrument or interest. Verification shall be accomplished through contact with financial institutions, such as banks, credit unions, brokerage firms and savings and loan associations. Minimally, the CWA shall contact those financial institutions in close proximity to the residence of the applicant or the applicant's relatives and those institutions which currently provide or previously provided services to the applicant.  
[N.J.A.C. 10:71-4.2(b)(3).]

In the present matter, Petitioner filed a third Medicaid application<sup>1</sup>, on November 14, 2023. ID at 3. A Request for Information (RFI) was sent to the Petitioner on November 21, 2023, with response date due of December 5, 2023. Ibid. This was a first request for additional documentation and it specifically requested numerous documents and financial information for the prior sixty months. Ibid. A second RFI was sent to the Petitioner on December 6, 2023, with response date due of December 20, 2023. Ibid. This RFI specifically requested numerous documents and information for the prior sixty months. Ibid. While trying to satisfy the RFIs for this application, the Petitioner submitted numerous documents, including documents which were uploaded to the system, for Atlantic County's review, on December 11, 2023. Id. at 3-4. Those documents had just been provided to the Petitioner from the bank. Id. at 4. The Petitioner thought they had uploaded all the required documents from the bank but later realized that two requested documents were missing. Ibid. This error was not discovered until February 9, 2024, when a representative of a different state organization notified Atlantic County that the documents were provided to that state organization for a separate matter. Ibid.

The outstanding documents at the time of the Petitioner's denial were PNC Bank Statements for account 1615 from July 2021 to March 2022, and information regarding a

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<sup>1</sup> The petitioner filed his first Medicaid application on September 24, 2021, and his second Medicaid application on September 8, 2023. Both applications were denied.

\$675.51 deposit on December 9, 2019, into PNC account 6046. Ibid. Atlantic County maintains that they never received these statements with the Petitioner's application. Ibid. However, these statements were sent to Atlantic County by a state representative on February 9, 2024, after Atlantic County had already denied the Petitioner's application on January 9, 2024. Ibid.

In the Initial Decision, the Administrative Law Judge (ALJ) took into consideration that an inadvertent error was made by the Petitioner which was not discovered until preparing for this hearing. Id. at 5. The ALJ found that the Petitioner provided timely, if not complete, responses to the first and second RFIs. Ibid. The ALJ also found that while the Petitioner did not provide complete responsive answers to Atlantic County's first and second RFIs, but did provide substantial responses that deserved consideration and review from Atlantic County. Ibid. Additionally, the ALJ found that Atlantic County failed to communicate to the Petitioner that their response to the second RFI was insufficient, or that additional documentation was needed prior to denying their application for Medicaid. Ibid.

The ALJ concluded that Atlantic County did not sufficiently communicate with the Petitioner to explain why the response to the second RFI was insufficient. Id. at 8. In consideration of the Petitioner's prompt responses to all of Atlantic County's prior RFIs, the ALJ found that the Petitioner would have promptly responded to any notice by the Atlantic County of a deficiency and worked with the Agency to provide the information in a timely fashion. Ibid. As such, the ALJ concluded that Atlantic County's denial was unreasonable according to N.J.A.C. 10:71-2.3(a), and ordered that the January 9, 2024 denial be vacated and the November 14, 2023 application for Medicaid be reinstated.

I agree with the Initial Decision. N.J.A.C. 10:71-2.2 provides that applicants have a duty to complete their applications, it also provides that if the applicant needs assistance

in completing the application, the CWA shall assist him/her in completing the application. The deficiencies in the Petitioner's response to the second RFI were not communicated to the Petitioner in the denial letter dated January 9, 2024. ID at 6. Moreover, Atlantic County did not provide the Petitioner with a list of remaining items after the Petitioner's response to the second RFI. Additionally, Atlantic County did not discover its error in failing to process the documents sent by the other state agency on February 9, 2024. Ibid.

Thus, based on the record before me and for the reasons enumerated above, I hereby ADOPT the Initial Decision and FIND that the vacating of Atlantic County's denial of Petitioner's application and reinstating the November 14, 2023 application was appropriate.

THEREFORE, it is on this 23rd day of September, 2024,

ORDERED:

That the Initial Decision is hereby ADOPTED.

  
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Gregory Woods, Assistant Commissioner  
Division of Medical Assistance and Health Services