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

R.N.,

PETITIONER,

v.

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

RESPONDENTS.

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 08389-23

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 August 1, 2024 in accordance with an Order of Extension.

This matter arises from the Atlantic County Department of Family & Community Development's (Atlantic County) August 10, 2023 denial of Petitioner's Medicaid application for failure to provide information necessary to determine eligibility. The issue presented here is whether Petitioner provided the required verifications for Atlantic County to determine eligibility when they applied for Medicaid on June 27, 2023.

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 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 45 days and Blind and Disabled cases within 90 days. N.J.A.C. 10:71-2.3(a); MedCom No. 10-09; and 42 CFR § 435.912. The time frame 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).

On June 27, 2023, Petitioner, through their Designated Authorized Representative (DAR), applied for Medicaid benefits with Atlantic County. (R-1 at 2-10.) Included with

the application, Petitioner submitted a Prudential statement indicating that funds were transferred from a Prudential 403(b) account in 2020. (R-1 at 25.) Atlantic County sent Request for Information (RFI) letters on June 29, 2023, and on July 19, 2023, asking for statements from the 403(b) account that Petitioner held through his employer (AtlantiCare), covering transactions from March 2018 through March 2019. (R-1 at 13-23.) Petitioner did not provide the statements from March 2018 to March 2019. ID at 8. Atlantic County denied Petitioner's June 27, 2023, application on August 10, 2023, for failure to provide the requested information required to determine eligibility in a timely manner. (R-1 at 11-12.) Petitioner appealed the August 10, 2023 denial.

The Medicaid supervisor for Atlantic County testified that they relied upon N.J.A.C. 10:71-2.10 (c), N.J.A.C. 10:71-2.2(e), MedCom 22-04, and 42 C.F.R. § 435.952 in making the determination to deny Petitioner's application. ID at 6. The supervisor further testified that Petitioner had filed multiple previous applications, in addition to June 27, 2023 application that is in question in this case. The first such application was submitted on March 13, 2023, and was denied on April 25, 2023 for failure to provide verifications. ID at 4. On April 26, 2023, Petitioner filed a second application, and it was also denied for failure to provide verifications, on June 5, 2023. Ibid. Petitioner appealed the denial of the second application. Ibid. During a telephone status conference prior to the scheduling of a fair hearing for the second application denial, there was a discussion with the Administrative Law Judge (ALJ) as to what might be acceptable documentation in lieu of missing 403(b) account statements from March 2018 to March 2019.¹ ID at 6. The ALJ suggested that information contained in Petitioner's tax returns may be sufficient to process the application. Ibid. Petitioner supplied their tax returns and withdrew the

¹ This status conference on the denial of the second application occurred after Atlantic County had already denied Petitioner's third application for Medicaid.

appeal on the second application. Ibid. After this conference with the ALJ, Petitioner filed a fourth application on October 12, 2023, and this application was approved with retroactive benefits to July 5, 2023. ID at 4.

The Medicaid supervisor for Atlantic County testified that Atlantic County requested Petitioner to provide bank statements because tax returns do not always provide the necessary information. ID at 6. However, Atlantic County accepted Petitioner's tax return instead of the bank statements, per the ALJ's suggestion, to process their fourth application. Ibid.

The Initial Decision upholds the denial. I agree. The Administrative Law Judge found that at the time of the denial of the third application, the requested information on the AtlantiCare 403(b) investment account for statements from March 2018 through March 2019 were outstanding, preventing Atlantic County from making a timely determination regarding Petitioner's resource eligibility for Medicaid. ID at 10. Additionally, the ALJ found that no documented exceptional circumstances existed to warrant an extension of the deadline and the regulations do not require Atlantic County to grant Petitioner an extension. Ibid.

Based on the record before me, I hereby ADOPT the Initial Decision in its entirety and incorporate the same herein by reference. Petitioner failed to provide the information necessary to make a determination on their third Medicaid application. Petitioner has presented no evidence that they provided the requested AtlantiCare 403(b) investment account statements from March 2018 through March 2019 to Atlantic County or alternative acceptable documentation prior to the denial. Without this information, Atlantic County was unable to complete Petitioner's eligibility determination and the denial of the third application was appropriate. Although Petitioner's fourth application was approved without the AtlantiCare 403(b) statements being provided, Petitioner provided alternative

documentation to support that application. Atlantic County cannot retroactively approve an application that was previously denied for failure to provide necessary verifications, since the requested information was received after a denial.

Thus, I hereby ADOPT the Initial Decision.

THEREFORE, it is on this 1st day of AUGUST 2024,

ORDERED:

That the Initial Decision is hereby ADOPTED.

Gregory Woods

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