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**State of New Jersey**  
**DEPARTMENT OF HUMAN SERVICES**  
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GREGORY WOODS  
Assistant Commissioner

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

F.T.,

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 06134-2024**

As Assistant Commissioner for the Division of Medical Assistance and Health Services, I have reviewed the record in this case, including the Initial Decision and the Office of Administrative Law (OAL) case file. No exceptions were filed in this matter. Procedurally, the time period for the Agency Head to render a Final Agency Decision is January 6, 2024, in accordance with an Order of Extension.

This matter arises from the imposition of a transfer penalty on Petitioner's receipt of Medicaid benefits. The Camden County Board of Social Services (Camden County) notified Petitioner that a transfer penalty of six months and twenty-one days was assessed, resulting from a check dated September 5, 2019, from Columbia Bank that

was made payable to C.T., the administrator of the Petitioner's estate, in the amount of \$76,582.02. ID at 1.

In determining Medicaid eligibility for someone seeking institutionalized benefits, counties must review five years of financial history. Under the regulations, "[i]f an individual . . . (including any person acting with power of attorney or as a guardian for such individual) has sold, given away, or otherwise transferred any assets (including any interest in an asset or future rights to an asset) within the look-back period," a transfer penalty of ineligibility is assessed. N.J.A.C. 10:71-4.10(c). "A transfer penalty is the delay in Medicaid eligibility triggered by the disposal of financial resources at less than fair market value during the look-back period." E.S. v. Div. of Med. Assist. & Health Servs., 412 N.J. Super. 340, 344 (App. Div. 2010). "[T]ransfers of assets or income are closely scrutinized to determine if they were made for the sole purpose of Medicaid qualification." Ibid. Congress's imposition of a penalty for the disposal of assets for less than fair market value during or after the look-back period is "intended to maximize the resources for Medicaid for those truly in need." Ibid.

The applicant "may rebut the presumption that assets were transferred to establish Medicaid eligibility by presenting convincing evidence that the assets were transferred exclusively (that is, solely) for some other purpose." N.J.A.C. 10:71-4.10(j). The burden of proof in rebutting this presumption is on the applicant. Ibid. The regulations also provide that "if the applicant had some other purpose for transferring the asset, but establishing Medicaid eligibility appears to have been a factor in his or her decision to transfer, the presumption shall not be considered successfully rebutted." N.J.A.C. 10:71-4.10(i)2.

In the Initial Decision the Administrative Law Judge (ALJ) found the Petitioner submitted 205 pages of documents, but these documents were largely self-created quick

book entries that had no bank statements or records to verify C.T.'s claim that the transfer at issue was not made to qualify for Medicaid. ID at 2. As such, the ALJ affirmed Camden County's imposition of a transfer penalty of 199 days under N.J.A.C. 10:71-4.10. Ibid. Based on my review of the record, I hereby ADOPT the findings and conclusions of the ALJ.

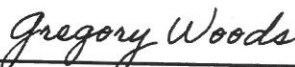
The Petitioner improperly transferred \$76,582 in assets within the lookback period under N.J.A.C. 10:71-4.10(a), and failed to rebut the presumption that the transfer was made to qualify for Medicaid under N.J.A.C. 10:71-4.10(j) and (k). Therefore, I find that the petitioner is subject to a transfer penalty of 199 days Medicaid ineligibility under N.J.A.C. 10:71-4.10, and that the effective date of Medicaid eligibility is September 1, 2023.

Thus, for the reasons set forth above and those contained in the Initial Decision, I hereby ADOPT the Initial Decision in this matter.

THEREFORE, it is on this 6th day of January 2025,

ORDERED:

That the Initial Decision is hereby ADOPTED.

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