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

R.B.,

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 03601-22**

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 July 17, 2025, 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 Atlantic County Department of Family and Community Development (Atlantic County) notified Petitioner that a transfer penalty of 542 days was

assessed, beginning on April 1, 2022 and ending September 24, 2023, resulting from a transfer of assets in the amount of \$196,010.75 less than fair market value. 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. According to N.J.A.C. 10:71-4.1(e)(6), there shall not be a transfer penalty when, "a satisfactory showing is made to the State that: (ii) The assets were transferred exclusively for a purpose other than to qualify for medical assistance."

On April 18, 2022, Atlantic County approved the Petitioner's Medicaid application with an imposition of a penalty for numerous withdrawals/transfers made from TD checking account 1306 within the sixty-month look-back period prior to the date of Petitioner's first application. Id. at 3. At the Fair Hearing, Mary Lange (Lange), administrative supervisor for the Atlantic County Medicaid Long Term Care Unit, testified that fourteen payments are in question for a total amount of \$196,010.75. These were withdrawals from TD account 8901 that were made by C.C., a friend of the Petitioner and also their power of attorney (POA). Id. at 4. Lange also identified a number of bank statements for an account ending in 8901 beginning in 2012. At that time, the account was only in the name of C.C. On September 4, 2012, C.C. added the Petitioner to account 8901. Ibid. On February 24, 2017, \$151,503.72 was withdrawn from TD account 8901, and the same amount was deposited to account 6283. Ibid. Lange identified the 8901 closeout amount of \$151,503.72 and the other transfers from account 8901 to account 1306, and was questioned on a number of deposits and withdrawals, none of which were handled by the Petitioner. Ibid.

The Petitioner's friend, C.C., also testified at the Fair Hearing and stated she had been the Petitioner's friend for fifty years. Id. at 5. She testified that she added the Petitioner to her TD account on September 4, 2012, to assist her in her banking, as C.C. had a number of severe health issues around that time. Ibid. C.C. recuperated, and it was not necessary for the Petitioner to take any banking action on the Petitioner's behalf. Ibid. C.C.'s account balance before adding the Petitioner was \$183,046.24. Ibid. C.C. did not know that by putting the Petitioner on her account, they had access to all her funds, nor did the Petitioner. Ibid. C.C. then removed the Petitioner from her account. Ibid. C.C. became POA for the Petitioner after they had some mental and emotional problems after an operation that necessitated their admission to Ancora Hospital. Ibid.

As POA, C.C. made payments to Ancora for the Petitioner using funds from the Petitioner's account. C.C. verified the payments detailed by Lange previously. Ibid.

Atlantic County found petitioner eligible for MLTSS on April 1, 2022, with the imposition of a 542-day penalty due to ineligible transfers of \$196,010.75. Ibid. The transfers at issue were classified as an initial amount of \$151,503.72 and the balance of several subsequent amounts from March 3, 2017, to August 16, 2018. Id. at 6. The Petitioner is contesting the penalty for all amounts, asserting that these funds were withdrawn by C.C. Ibid. from an account that only contained her funds, which the Petitioner never touched nor took any action on. Ibid. Also, C.C. took action to assist the Petitioner by helping them process payments from an account that was the Petitioner's. Ibid. These payments were for, among other things, charges from Ancora Hospital and for other medical services. Ibid.

A conveyance of funds made during the look-back period raises a rebuttable presumption that the resource was transferred to establish Medicaid eligibility. N.J.A.C. 10:71-4.10(j). The burden of proof to rebut the presumption is upon the applicant, and in this instance, petitioner has met that burden. Ibid. At the Fair Hearing, the Administrative Law Judge (ALJ) found that the Petitioner met this burden. Ibid. I agree. The ALJ found there was no other purpose in these transfers other than the Petitioner giving assistance to C.C. after a major health crisis as a POA. The testimony of C.C. makes clear that both C.C. and the Petitioner had health issues, which resulted in them adding each other to their respective bank accounts as POA.

Accordingly, based on the record before me and for the reasons set forth above, I hereby ADOPT the Initial Decision.

THEREFORE, it is on this 14th day of July 2025,

ORDERED:

That the Initial Decision is hereby ADOPTED as set forth above.

*Gregory Woods*

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