MIKIE SHERRILL
Governor

DR. DALE G. CALDWELL
Lt. Governor

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

STEPHEN CHA, MD, MHSR
Commissioner

GREGORY WOODS
Assistant Commissioner

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

A.D.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES AND MORRIS COUNTY DIVISION OF OF HUMAN SERVICES/OFFICE OF TEMPORARY ASSISTANCE,

RESPONDENTS.

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 03907-26

As Assistant Commissioner for the Division of Medical Assistance and Health Services (DMAHS), I have reviewed the record in this case, including the Office of Administrative Law (OAL) case file, all evidence, and the Initial Decision. Neither party filed exceptions to the Initial Decision. The deadline for the Agency Head to issue a Final Agency Decision is September 14, 2026, pursuant to N.J.S.A. 52:14B-10, which requires

the Agency Head to adopt, reject, or modify the Initial Decision within 45 days of the receipt.

The issue presented is whether the minimum monthly maintenance needs allowance (MMMNA) of $1,222.75 provided to Petitioner's spouse, Z.D., should be increased by Morris County Division of Human Services (Morris County) based upon exceptional circumstances resulting in significant financial distress, pursuant to 42 U.S.C. §1396r-5(e) (2) (B) and N.J.A.C. 10-71-5.7 (e).

Petitioner is a Medicaid recipient who was diagnosed with Amyotrophic Lateral Sclerosis (ALS) in 2020. ID at 1-2. In October 2025, Morris County renewed Petitioner's Medicaid benefits and set the MMMNA for Z.D. at $1,222.75. Ibid. Petitioner requires a ventilator and feeding tube on a 24-hour basis and resides in a nursing facility specializing in long-term care for ventilator-dependent patients. ID at 3. Before their diagnosis, Petitioner was the primary income earner for the household. Ibid.

Z.D., Petitioner's Designated Authorized Representative, resides in the marital home and is employed full-time. Ibid. Z.D.'s monthly net employment income is $2,745.05, and they receive an MMMNA of $1,222.75 from Petitioner's Medicaid benefits. Ibid. Petitioner's monthly nursing-facility cost share is $2,300. ID at 4. Z.D.'s monthly shelter and utility expenses total $3,196.86. Ibid. Additional monthly expenses total $1,659.16, bringing the total to $4,856.02. Ibid. Z.D.'s employment income and MMMNA total $3,967.80. Ibid.

On February 5, 2026, Z.D. appealed Morris County's decision about MMMNA amount and asked for it to be increased by $1,000. ID at 2.

The Administrative Law Judge (ALJ) determined that Petitioner's ALS and related circumstances left Z.D. with insufficient income to meet monthly obligations. ID at 5. Z.D. was frequently behind the mortgage, water, sewer, and electric payments making only

partial payments. Ibid. The ALJ determined that although Z.D. received the standard MMMNA of $1,222.75, their employment income and allowance did not cover the documented expenses. Ibid. The ALJ found that these circumstances to be exceptional and resulting in financial distress. Ibid. After reviewing Z.D.'s financial records, the ALJ determined that an additional $500 per month would alleviate the financial distress. Ibid. The ALJ concluded that Z.D. established grounds for an increased MMMNA and ordered that the allowance be increased from $1,222.75 to $1,722.75 per month.

After reviewing the record, I FIND the ALJ's determination reasonable and supported by the evidence.

N.J.A.C. 10:71-5.7 (c) allows for a deduction from the institutionalized spouse's income for the maintenance of the community spouse. It also permits an increase in the community spouse MMMNA when exceptional circumstances result in financial duress.

This regulation is consistent with the federal standard in 42 U.S.C. § 1396r-5(e)(2)(B), which permits an increase in the community spouse's MMMNA when exceptional circumstances result in significant financial distress.

In this matter, the standard MMMNA established for Z.D. was $1,222.75 per month. The ALJ did not conclude that Z.D. was entitled to an increased allowance solely because Petitioner has ALS. Instead, the ALJ considered both the medical and financial circumstances, and the supporting documentation. Specifically, Z.D. receives $2,745.05 in monthly net employment income and $1,222.75 in MMMNA, for a total of $3,967.80 per month. Z.D.'s documented monthly shelter and utility expenses are $3,196.86. and additional monthly expenses are $1,659.16, for total monthly expenses of $4,856.02. Based on the figures, Z.D. had a monthly shortfall of $889.20.

The record shows that Z.D. was frequently unable to pay the mortgage, water, sewer, and electric bills in full and was sometimes behind these obligations. For this

reason, Z.D. requested an additional $1,000 in MMMNA. After reviewing personal bank statements documenting Z.D.'s spending, the ALJ determined that an additional $500 per month would be sufficient to alleviate the financial distress. Accordingly, the ALJ increased the MMMNA from $1,222.75 to $1722.75 per month.

The evidence shows that Petitioner's ALS led to long-term institutionalization and significantly changed the couple's financial circumstances. Before the diagnosis, Petitioner was the family's primary earner. Z.D. is now responsible for maintaining the marital home and managing the financial consequences of Petitioner's institutional care.

The exceptional circumstances in this case are not limited to Petitioner's diagnosis. They include the combination of Petitioner's severe medical condition and resulting institutionalization, the change in the couple's financial situation, and Z.D.'s documented inability to meet necessary monthly obligations with available income. These circumstances support the ALJ's findings of financial distress under N.J.A.C. 10:71-5.7 (e).

Considering the totality of these circumstances, I ADOPT the Initial Decision, and the increase in Z.D.'s MMMNA from $1,222.75 to $1,722.75 per month is AFFIRMED.

THEREFORE, it is on this 9th day of SEPTEMBER 2026,

ORDERED:

That the Initial Decision is hereby ADOPTED.

Gregory Woods

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