

activities of daily living (ADLs) and with household duties essential to the individual's health and comfort, such as bathing, dressing, and ambulation. The decision regarding the appropriate number of hours is based on the tasks necessary to meet the specific needs of the individual and the hours necessary to complete those tasks. The regulations provide that PCA services are only warranted when the beneficiaries are "in need of moderate, or greater, hands-on assistance in at least one activity of daily living (ADL), or, minimal assistance or greater in three different ADLs, one of which must require hands-on assistance." N.J.A.C. 10:60-3.1(c). Additionally, instrumental activities of daily living (IADL) "such as meal preparation, laundry, housekeeping/cleaning, shopping, or other non-hands-on personal care tasks shall not be permitted as a stand-alone PCA service." N.J.A.C. 10:60-3.1(c)(1). The assessments use the State-approved PCA Nursing Assessment Tool (PCA Tool) to calculate the hours.

Medicaid and NJ FamilyCare are "last-payment benefits," meaning that all other liable third-party payers, including private insurance, must be utilized first and to the fullest extent. N.J.A.C. 10:49-7.3. The regulations further provide that Medicaid "will supplement the amount paid by a third party, but the combined total paid to the provider shall not exceed the total amount payable under the program in the absence of any [third party liability]." N.J.A.C. 10:49-7.3(c).

In this matter, Petitioner is a fourteen-year-old who has global developmental delays, cerebral palsy, hearing deficits, poor vision, chronic respiratory failure, is nonverbal, and requires a gastrostomy tube and ventilator. (R-5). Petitioner is authorized to receive in-home PDN services seven days per week, twenty-four hours per day. ID at 3. These services are provided through his parents' primary commercial insurance, Horizon Blue Cross Blue Shield, New Jersey Direct 15. Ibid. The company that provides PDN services to Petitioner was understaffed and nurses were not consistently assigned

to certain PDN shifts. Ibid. Consequently, Petitioner does not always receive PDN services twenty-four hours per day, seven days per week. Ibid. On September 19, 2023, Horizon conducted an assessment and authorized PCA services through the Personal Preference Program (PPP) because there were not enough nurses available to provide PDN services through his parents' primary commercial insurance. Ibid. Petitioner's father is authorized and paid to provide the PCA services when a PDN provider is unavailable. Ibid. On October 28, 2024, Horizon conducted another assessment and determined that Petitioner was not eligible for PPP/PCA services because he was approved for PDN services twenty-four hours per day, seven days per week, "with the exception of call outs etc." (R-3) ID at 4. In the November 20, 2024, letter to Petitioner, Horizon acknowledged that the previous authorizations of PPP/PCA services were erroneous and that services would end effective January 1, 2025, because they were duplicative of the authorized PDN services. (R-1) ID at 4.

During the hearing, Petitioner argued that the PDN services provided by their primary commercial insurance and the PPP/PCA services are not duplicative because the PCA and PDN providers may not perform each other's services. ID at 4. Petitioner states that if the PCA services are denied, he will be without medically necessary care during unstaffed PDN hours. Ibid. Petitioner further argues that Horizon must maintain a provider network sufficient to deliver all covered services and that it cannot terminate PPP/PCA because of its own failure to provide PDN. ID at 4-5. Lastly, Petitioner argues that since Horizon did not conduct a person-centered planning meeting or identify a change in his condition, it is not authorized to modify Petitioner's services. ID at 5.

Horizon argues that PDN services are not allowed to overlap with PCA services because PCA services are included within the scope of PDN services. Ibid. Horizon further argues that New Jersey's regulations that govern PDN services are inapplicable

here because the PDN services provided to Petitioner are through his family's commercial, non-Medicaid health insurance. Ibid.

In the Initial Decision, the Administrative Law Judge (ALJ) found that Horizon's MCO contract expressly states that PDN care is not permitted to overlap with PCA or Self Direction hours as these services are included in PDN services and thus considered a duplication of services. ID at 7. The ALJ went on to acknowledge that Petitioner's private PDN provider has been unable or unwilling to provide services to Petitioner at all times but pointed out that Petitioner did not cite a regulation that indicates that Medicaid is legally obligated to enforce or remedy a private insurer's inability to provide staff for authorized services. ID at 8. The ALJ pointed out that Respondent Horizon is the MCO that operates through the MLTSS program while Horizon Blue Cross Blue Shield is Petitioner's commercial insurer, which operates outside of the MLTSS program. Ibid. The ALJ found that since Horizon terminated Petitioner's PCA hours due to an administrative error, rather than a change in condition, a reassessment was unnecessary prior to termination. ID at 9-10. Finally, the ALJ concluded that the notice provided Petitioner was sufficient, even if the notice was inadequate Petitioner was not deprived of their due process rights, and that the termination of Petitioner's PPP/PCA services was appropriate. ID at 10-11.

Based upon my review of the record, for the reasons set forth in the Initial Decision, and for the reasons set forth herein, I hereby find that since Horizon terminated Petitioner's PCA hours due to an administrative error, rather than a change in condition, a reassessment was unnecessary prior to termination. I also find that the notice provided to Petitioner was sufficient, under these circumstances, and therefore Petitioner was not deprived of their due process rights. Regarding the ultimate question of whether the termination of Petitioner's PPP/PCA services was appropriate, this matter is REMANDED

for further fact finding.

It is clear that PDN care is not permitted to overlap with PCA or Self Direction hours as these services are included in PDN services and thus they would be considered a duplication of services. It also appears that Petitioner's primary payer, Horizon BCBS, has been unable or unwilling to provide PDN services to Petitioner at all times. However, additional information and/or testimony is needed to identify what steps, if any, Horizon BCBS took to remedy their inability to fully provide the approved PDN services and their overall legal obligation to provide the approved services. This fact-finding may include, but not necessarily be limited to, clarifying the following questions: (1) Once it became clear that the existing provider was not able to provide adequate staff for the allocated PDN services, did Horizon BCBS offer coverage through an alternate provider? (2) What formal steps, if any, Petitioner took with Horizon BCBS to enforce the services Horizon BCBS authorized? This information is needed to assess the question of whether the PPP/PCA was truly duplicative of the covered services under private insurance.

THEREFORE, it is on this 20th day of MAY 2026,

ORDERED:

That the Initial Decision is hereby REVERSED; and

That the matter is REMANDED to OAL for further testimony and findings as set forth above.

Gregory Woods

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