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Commissioner

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Assistant Commissioner

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

D.A.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES AND FIDELIS CARE,

RESPONDENTS.

ADMINISTRATIVE ACTION

ORDER OF REMAND

OAL DKT. NO. HMA 07073-26N

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, the documents in evidence, and the Initial Decision. Neither party filed exceptions to the Initial Decision. Procedurally, the time period for the Agency Head to render a Final Agency Decision is July 27, 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 agency's receipt.

This case concerns the reduction of Petitioner's Personal Care Assistant (PCA) services from twenty-six hours to twenty hours per week by Fidelis Care. The primary issue presented here is whether Fidelis Care's reduction complied with Medicaid regulations.

PCA services are non-emergency, health-related tasks to help individuals with activities of daily living (ADLs) and with household duties essential to the individual's health and comfort, such as bathing, dressing, meal preparation. 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. Once PCA services are authorized, a nursing reassessment is performed every twelve months or more frequently if warranted to reevaluate the individual's need for continued care. N.J.A.C. 10:60-3.5(a)3. The assessments use the State-approved PCA Nursing Assessment Tool to calculate the hours.

In a 2016 unpublished opinion, the Appellate Division upheld the termination of PCA services, noting that a reassessment is required at least once every six months to evaluate an individual's need for continued PCA services. As a result, the Appellate Court found that "an individual who has received approval for eligible services is not thereby entitled to rely ad infinitum on the initial approval and remains subject to . . . reevaluation at least once every six months". J.R. v. Div. of Med. Assist. & Health Servs. and Div. of Disability Servs., No. A-0648-14 (App. Div. April 18, 2016). (Op. at 9).

Prior to transferring from Horizon to Fidelis Care, Petitioner received twenty-six hours of PCA services per week. ID at 2. Following the transfer, Fidelis Care conducted a functional assessment in January 2026. (R-2.) The registered nurse who conducted

the January 2026 assessment, noted that the eight-year-old Petitioner has cerebral palsy, right hemiplegia, and is scheduled for back surgery. Ibid. Petitioner was alert and oriented but had poor memory and required reminders and assistance with most daily activities. Ibid. The assessment found that Petitioner was unable to use their right arm, wears braces on both legs, is able to stand but not walk, and primarily users a wheelchair. Ibid. Petitioner also wears a protective undergarment due to bladder incontinence and requires hands-on assistance with personal hygiene, toileting, bathing, dressing, positioning, transfers, and ambulation. Ibid. Petitioner attends a special needs school, receives Personal Preference Program services, and is primarily cared for by their mother, with no recent hospitalization, ER visits, or falls reported. Ibid. Based on the functional assessment, Fidelis Care determined that twenty hours of PCA services per week were appropriate, as Petitioner's documentation did not indicate a need for additional hours. (R-1.)

The Administrative Law Judge (ALJ) found no evidence that the January 2026 assessment was improperly conducted or that the determination of twenty hours of PCA services was inconsistent with assessment criteria. ID at 5. The ALJ also found no evidence that twenty hours per week were insufficient to meet Petitioner's needs. Ibid. Although Petitioner's mother disagreed with the January 2026 assessment, the ALJ found that no credible evidence was presented to dispute the medical professionals' conclusions. Ibid. The ALJ concluded that Fidelis Care appropriately reduced PCA services from twenty-six to twenty hours based on the January 2026 assessment. Ibid. Following a subsequent assessment on June 10, 2026, Petitioner will receive twenty-three hours of PCA services. Ibid.

Upon review of the entire record, I FIND that the record does not contain sufficient evidence to support the ALJ's conclusion affirming Fidelis Care's reduction of Petitioner's PCA services from twenty-six to twenty hours per week.

New Jersey's contract with managed care organizations (MCOs) spells out expectations for MCO reductions in ongoing services as follows: "When an adverse determination is reducing, suspending, or terminating an ongoing service, the corresponding notification letter must explain the rationale for the decision in plain language. The explanation must include a detailed description of the changes between the member's previous condition and their current condition that justify the change in authorized hours/units. This information must be included within the notification letter itself; simply citing an assessment is not adequate." See New Jersey Managed Care Contract, Article 4.6.4.D (2025).

As a general matter, DMAHS acknowledges that when a member transfers from one MCO to another, it may not always be possible for the receiving MCO to provide as full an accounting of how the member's condition has changed as they would have been able to provide had the receiving MCO conducted the previous assessment itself. However, in such instances, the receiving MCO should work with the member (and care manager if applicable) to answer this question to the greatest extent possible. We reiterate that, whether or not it is possible to fully identify changes from a previous assessment conducted by a different MCO, in all cases the receiving MCO must provide a detailed, plain-language explanation of how they arrived at their current determination.

Here, while the January 2026 assessment details Petitioner's medical conditions and functional limitations at the time of the evaluation, it does not identify any changes in Petitioner's condition or functional abilities that would justify a reduction in authorized PCA services. The absence of the prior assessment in the record prevents a meaningful

comparison between Petitioner's previously assessed needs and those documented in January 2026. As a result, the record does not provide a sufficient factual basis to determine whether the reduction in services was supported by a change in Petitioner's condition and needs.

In addition, neither the Initial Decision nor the record includes any description of the arguments made by the Petitioner disputing Fidelis's assessment. The Initial Decision notes that "Nothing contained in the initial assessment, R-1, indicates it was improperly performed, or otherwise incorrect. No evidence was presented to indicate otherwise." However, as described above, in cases of reduction of service, whether the assessment was properly performed is not the only question at issue. If Petitioner made other arguments to dispute Fidelis's assessment, they should be considered in the Initial Decision. This concern is heightened by the existence of the subsequent (June 10, 2026) assessment, which resulted in the member being provided with twenty-three hours of services per week. It is unclear from the Initial Decision whether Fidelis's position is that the member's condition improved (to allow the reduction from twenty-six to twenty hours), and then subsequently worsened (to allow the increase from twenty hours to twenty-three hours), or if their position is that the January 2026 assessment that concluded the member required twenty hours was in fact incorrect. Obviously, the latter interpretation would be directly relevant for the current matter.

Accordingly, this matter is REMANDED for further proceedings. On remand, the ALJ shall develop a complete factual record and issue detailed findings of facts and conclusions. The ALJ shall address the specific basis of Petitioner's appeal and the arguments raised during the fair hearing. The ALJ shall also address the evidentiary basis for the January 2026 reduction in Petitioner's PCA services and determine whether the record contains sufficient evidence of any changes in Petitioner's medical condition or

functional abilities that would justify reducing authorized PCA services from twenty-six to twenty hours per week. In addition, the ALJ shall further spell out the Petitioner's disagreements with Fidelis's assessment and whether they are credible and clarify the interpretation of the subsequent June 10 assessment.

THEREFORE, it is on this 27th day of JULY 2026,

ORDERED:

That the Initial Decision is hereby REMANDED.

Gregory Woods

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