State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION
OAL DKT. NO. HMA 01634-26
AGENCY DKT. NO. N/A

D.S.,

Petitioner,

v.

MIDDLESEX COUNTY
BOARD OF SOCIAL SERVICES,

Respondent.

Eliyahu Pekier, Esq., appearing for petitioner, (attorney)

Kurt Eichenlaub, Human Services Specialist 3, appearing for respondent under N.J.A.C. 1:1-5.4(a)(3)

Record Closed: May 19, 2026 Decided: June 9, 2026

BEFORE **DIANE HOAGLAND**, ALJ:

STATEMENT OF THE CASE

On August 28, 2025, petitioner, D.S., applied to respondent, Middlesex County Board of Social Services (Middlesex County), for Medicaid. On November 5, 2025, and November 24, 2025, Middlesex County requested information. On November 19, 2025, and on December 5, 2025, D.S. provided the requested information. Is D.S. ineligible for

Medicaid for failure to provide the requested information? No. The County Social Services Agency (CSSA) must process the Medicaid Only application to determine eligibility upon receipt of the application forms and requested information from the Medicaid applicant. N.J.A.C. 10:71-2.2(c)(5).

PROCEDURAL HISTORY

On August 28, 2025, D.S. applied to respondent, Middlesex County, for the Medicaid Only program. On November 5, 2025, Middlesex County sent Chavoly, Designated Authorized Representative (DAR) for D.S., a Request for Information (RFI). On November 19, 2025, Chavoly sent bank statements and financial records in response to the RFI, along with a request for an extension because she was actively working on getting the requested information. On November 24, 2025, Middlesex County sent Chavoly a second RFI. On December 5, 2025, Chavoly sent the additional bank statements and financial records in response to the second RFI, along with written explanations regarding the various transactions in the financial records produced. On December 11, 2025, Middlesex County notified Chavoly that D.S. was ineligible for Medicaid because she failed to provide the requested information.

On December 31, 2025, Chavoly requested a fair hearing.

On January 30, 2026, the Division of Medical Assistance and Health Services transmitted the case to the Office of Administrative Law as a contested case under N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13.

On May 19, 2026, I held the hearing and closed the record.

FINDINGS OF FACT

On August 28, 2025, D.S. applied to respondent, Middlesex County, for the Medicaid Only program. On November 5, 2025, Middlesex County sent Chavoly, DAR for D.S., an RFI. On November 19, 2025, Chavoly sent bank statements and financial records in response to the RFI, along with a request for an extension because she was

actively working on getting the requested information copies. On November 24, 2025, Middlesex County sent Chavoly a second RFI. In this second request, Middlesex County requested the current face and cash surrender value of an AARP/New York Life Insurance policy and statements from two Santander accounts with verification of all recurring deposits, deposit funds, large withdrawals, cash app withdrawals to her son, and all transfers to an account ending in 4520.

The RFI provided examples of acceptable verifications for deposits and withdrawals. Acceptable verifications of deposits include check images, deposit slips for all counter and ATM deposits showing if the deposit was a cash or check deposit, and written explanations for the source of funds. Acceptable verifications of withdrawals include check images, receipts for paid bills, and written explanations of how the funds were spent. The RFI explains that transfers to other accounts require copies of bank statements or other verification from the bank showing the account owner and written explanation for the transfer and that cash app transfers require written explanation and verification of why the money was transferred.

On December 5, 2025, in response to the first RFI, Chavoly sent Middlesex County PNC bank statements and copies of checks. In her cover letter, Chavoly explained that all cash withdrawals or checks made out to cash were for D.S.'s daily living expenses and that the PNC bank loan was a student loan D.S. took out for her son. On that same date, in response to the second RFI, Chavoly sent Middlesex County the AARP Life Insurance statement and the additional Santander bank statements, including deposit slips and copies of checks. On the deposit slip for a $5,000 deposit made on October 19, 2023, a handwritten note states, "bank unable to pull her deposit." In her cover letter, Chavoly explained that Santander Bank was unable to provide the deposit image for the $5,000 deposit made on October 19, 2023. The $5,000 deposit was also not a check deposit.

In addition, Chavoly provided a letter from D.S. explaining that the cash app transactions to her son were funds she lent to him that he has been repaying, and a letter from D.S. explaining that the transfers to the account ending in 4520 were payments to her landlord for her monthly rent. Chavoly also provided a check payable to D.S.'s landlord with his account number ending in 4520 written on the top of the check. Chavoly

ended her letter with a request to advise her if any additional information is needed to approve D.S.'s application.

On December 11, 2025, Middlesex County notified Chavoly that D.S. was ineligible for Medicaid because she failed to provide the requested information; however, the notice did not explain what information was missing or if any of the information provided was inadequate.

Chavoly later submitted a second and third application on behalf of D.S. for the Medicaid Only program; however, those too were denied for failure to provide verification of the $5,000 deposit made on October 19, 2023.

On February 12, 2026, Chavoly made a second request to Santander to provide a copy of the deposit slip and image for the deposit made on October 19, 2023, or to provide a letter that they are unable to provide verification. Santander responded that the transaction was not a check and that they are only able to provide images of canceled checks.

On April 13, 2026, four months after Middlesex County notified D.S. that she was ineligible for Medicaid, Middlesex County explained to Chavoly for the first time that the Medicaid application was denied for failure to provide verification of deposits and verification as to the owner of a specific bank account. Chavoly responded to Middlesex County by directing them to the packet of information previously provided on December 5, 2025, which included the requested verifications. On April 28, 2026, Middlesex County advised that the deposit slip for the $5,000 deposit made on October 19, 2023, was insufficient verification because Chavoly did not indicate whether the deposit was a cash or check deposit and did not provide an image of the deposit. Middlesex County also advised that Chavoly did not verify the source of the funds. Finally, Middlesex County advised that Chavoly did not verify the owner of the account ending in 4520.

This is not so. Chavoly had provided all of that requested information and verification. The only verification she could not provide was the source of funds for the $5,000 deposit because the bank could not provide a deposit image for a cash deposit.

CONCLUSIONS OF LAW

The Division of Medical Assistance and Health Services is responsible for coordinating the administration of the Medicaid Only program and establishing policies for the application process. N.J.A.C. 10:71-2.2(a) and N.J.A.C. 10:71-2.2(b). The CSSA is responsible for the application process, including informing the applicants about the purpose and eligibility requirements for Medicaid Only and assisting applicants in becoming eligible for the Medicaid Only program. N.J.A.C. 10:71-2.2(c). A Medicaid applicant must assist the CSSA in securing evidence that corroborates his or her statements in the Medicaid application. N.J.A.C. 10:71-2.2(e).

The maximum time to process an application for the aged is forty-five days. N.J.A.C. 10:71-2.3(a). Exceptions, however, exist. The CSSA can extend the processing of the application where it has determined that the applicant's proof of eligibility is inconclusive and the applicant should be given a further opportunity to develop additional evidence of eligibility before final action is taken on his or her application. N.J.A.C. 10:71-2.3(c). The CSSA can send an additional RFI letter if the applicant's response to the first RFI prompts the need for additional outreach, and an extension of time should be provided if the applicant continues to cooperate in good faith with the agency. Medicaid Communication No. 22-04. The federal regulations also provide an exception that allows the agency to accept the self-attestation of individuals when documents do not exist, or are not reasonably available, at the time of the application. 42 C.F.R. 435.952(c)(3) (2025).

In this case, Middlesex County argues that D.S. did not provide the requested information to process the Medicaid application because Chavoly failed to provide sufficient verification of the $5,000 deposit made on October 19, 2023. Chavoly, however, provided the bank statement and an explanation. More specifically, the bank statement noted that the deposit was not a check deposit, and Chavoly explained that the bank was unable to provide a copy of the deposit because it was not a cancelled check.

Middlesex County also argues that D.S. did not provide verification of the account owner for the bank account ending in 4520. Chavoly, however, provided a letter from D.S. explaining that the transfers to the account ending in 4520 were payments to her landlord for her monthly rent and a check payable to D.S.'s landlord with his account number ending in 4520 written on the top of the check. As such, Middlesex County completely and totally overlooked the documentation that was responsive to their RFIs. If Middlesex County believed that the documentation provided in response to the RFIs was inadequate or unclear, then Middlesex County had the affirmative duty to communicate that with Chavoly, which Middlesex County did not.

Since Chavoly provided the requested information in response to the RFIs and Middlesex County never communicated to Chavoly that the documentation provided in response to the RFIs was inadequate or unclear, I **CONCLUDE** that Middlesex County must **PROCESS** the Medicaid Only application to determine eligibility under N.J.A.C. 10:71-2.2(c)(5).

ORDER

Given my findings of fact and conclusions of law, I **ORDER** that the case be **RETURNED** to respondent for respondent to **PROCESS** the application to determine eligibility under N.J.A.C. 10:71-2.2(c)(5).

I **FILE** this initial decision with the **ASSISTANT COMMISSIONER OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**. This recommended decision is deemed adopted as the final agency decision under 42 U.S.C. §1396a(e)(14)(A) and N.J.S.A. 52:14B-10(f). The **ASSISTANT COMMISSIONER OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES** cannot reject or modify this decision.

If you disagree with this decision, you have the right to seek judicial review under New Jersey Court Rule 2:2-3 by the Appellate Division, Superior Court of New Jersey, Richard J. Hughes Complex, PO Box 006, Trenton, New Jersey 08625. A request for judicial review must be made within 45 days from the date you receive this decision. If you have any questions about an appeal to the Appellate Division, you may call (609) 815-2950.

June 9, 2026
DATE

DIANE HOAGLAND, ALJ

Date Received at Agency:

Date Mailed to Parties:

DH/am

APPENDIX

Witnesses

For petitioner:

Chaya Chavoly

For respondent:

None

Exhibits

For petitioner:

- P-1 Emails between Chaya Chovoly and Middlesex County
- P-2 November 19, 2025, response to first RFI
- P-3 November 24, 2025, second RFI
- P-4 December 5, 2025, response to second RFI
- P-5 N.J.A.C. 10:71-3.1
- P-6 E.O. v. Union County Board of Social Services, OAL Docket No. HMA 00490-25

For respondent:

- R-A Copy of Application
- R-B Requests for Information and notices
- R-C Adverse action notice and citations
- R-D Account statements showing proof of transfers