State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION
OAL DKT. NO. HMA 20997-25
AGENCY REF. NO. N/A

L.C.,
Petitioner,
v.
MIDDLESEX COUNTY
BOARD OF SOCIAL SERVICES,
Respondent.

Alyssa M. Nugent, Esq., for petitioner (Stotler Hayes Group, LLC, attorneys)

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

Record Closed: May 18, 2026 Decided: June 5, 2026

BEFORE **SUSAN MCCABE**, ALJ:

STATEMENT OF THE CASE

Petitioner, L.C., applied for Medicaid benefits; however, respondent, the Middlesex County Board of Social Services (Middlesex County), failed to process her extension requests or provide written notice explaining the delay in its eligibility determination. Must Middlesex County rescind its denial and determine eligibility? Yes. Procedural failures by an agency require recission of its denial and a proper eligibility determination. N.J.A.C. 10:71-2.3(a), (d); Medicaid Communication No. 22-04.

PROCEDURAL HISTORY

On March 31, 2025, L.C. applied to Middlesex County for Medicaid benefits. On October 17, 2025, Middlesex County denied the application for failing to provide verification of eligibility. Middlesex County's final determination was over six months from L.C.'s initial filing of March 31, 2025, well outside the scope of the forty-five-day decision time limit under 42 C.F.R. § 435.912(c)(3)(ii) (2025).

Thereafter, L.C. appealed Middlesex County's determination.

On December 10, 2025, the Division of Medical Assistance and Health Services transmitted the case to the Office of Administrative Law as a contested under N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -23.

On May 4, 2026, I held the hearing; on May 18, 2026, L.C. submitted her written summation and, on that date, I closed the record.

FINDINGS OF FACT

Based on the testimony the parties provided and my assessment of their credibility, together with the documents the parties submitted and my assessment of their sufficiency, I **FIND** the following as **FACT**:

On March 31, 2025, L.C., then a resident of The Elms of Cranbury Rehabilitation and Healthcare Center (The Elms), applied for Medicaid benefits through Middlesex County. Danielle Starn of LTC Ally, L.C.'s designated authorized representative, completed the application and subsequent submissions. The Elms hired LTC Ally to assist with Medicaid applications.

On September 29, 2025, nearly six months after L.C.'s application was filed, Middlesex County sent a letter to L.C. requesting certain information, including banking

statements, deeds, and life insurance policies. The letter set a deadline of October 13, 2025, to produce the requested information.

On October 9, 2025, Starn sent two separate emails to Cynthia Mellios, L.C.'s caseworker at the time. The emails contained certain bank statements and a deed, and in one of the emails Starn asked for an extension of time to produce the remaining requested items. Starn never received a response to her extension request.

On October 13, 2025, Starn sent another email to Mellios providing additional information and again asking for an extension of time. Mellios was out of the office that day, and on October 14, 2025, Middlesex County assigned a new caseworker to L.C.'s case file. Middlesex County never notified Starn of the reassignment, and Starn was unaware that Mellios was out of the office on October 13, 2025. Starn never received a response to her extension request.

On October 14, 2025, Starn sent another email to Mellios providing the last of the information requested by Middlesex County. Mellios, however, was out of the office again, and the newly assigned caseworker denied L.C.'s Medicaid application for failure to provide verifications that same day. The newly assigned caseworker subsequently issued the denial letter on October 17, 2025, which Starn received on October 22, 2025. Starn was unaware that Mellios was out of the office on October 14, 2025.

On October 21, 2025, one day before she received the denial letter, and still unaware that a new caseworker had been assigned to L.C.'s case file, Starn emailed Mellios again, asking if she had "all you need to approve this case? Let me know if you need anything else." Starn never received a response to her email.

At the hearing, Mellios testified that her unit's standard operating procedure requires caseworkers to present extension requests to a supervisor for consideration. Mellios further testified that she failed to respond to the extension request on October 9, 2025, and neglected to forward it to her supervisor. She also stated that her emails went unmonitored on October 13, 2025, and October 14, 2025, leaving the newly assigned caseworker unaware of Starn's correspondence when issuing the denial.

CONCLUSIONS OF LAW

Under the Medicaid program, both the county social services agency (CSSA) and the applicant have responsibilities regarding the application process. N.J.A.C. 10:71-2.2. A Medicaid applicant must complete the required application forms, assist the CSSA in securing evidence that corroborates the application's statements, and promptly report any changes affecting the applicant's circumstances. N.J.A.C. 10:71-2.2(e); N.J.A.C. 10:71-3.1. The CSSA exercises direct responsibility in the application process to inform applicants about the process, eligibility requirements, and their right to a fair hearing; receive applications; assist applicants in exploring their eligibility; make known the appropriate resources and services; assure the prompt and accurate submission of data; and promptly notify applicants of eligibility or ineligibility. N.J.A.C. 10:71-2.2(c), (d).

The CSSA must determine eligibility for Medicaid applicants within forty-five days and eligibility for Medicaid applicants who are blind and disabled cases within ninety days. N.J.A.C. 10:71-2.3(a); Medicaid Communication No. 10-09; 42 C.F.R. § 435.912(c)(3)(ii). If the CSSA delays processing a Medicaid application beyond the forty-five or ninety-day deadlines, the CSSA must send written notification to the applicant on or before the expiration of the deadline, stating the specific reasons for the delay. N.J.A.C. 10:71-2.3(d). The CSSA may extend deadlines when documented "exceptional cases" arise that prevent the processing of the application within the prescribed time limits. N.J.A.C. 10:71-2.3(c).

When the CSSA issues requests for verifications, the Medicaid applicant has fourteen days to respond. Medicaid Communication No. 22-04. The regulations do not require the CSSA to grant an extension but may do so when a Medicaid applicant requests "additional time to provide information and continues to cooperate in good faith." Ibid.

In this case, Middlesex County did not determine L.C.'s eligibility within the forty-five-day time limit and failed to send written notification stating the specific reasons for the delay. Further, Middlesex County failed to process L.C.'s multiple requests for an

extension of time. Specifically, Mellios testified that she did not respond to L.C.'s first request for an extension and that she did not forward it to her supervisor, in violation of Middlesex County protocol. Mellios also testified that no one at Middlesex County considered the second request for an extension of time and the verification information provided with that request because Mellios was out of the office and the new caseworker was not assigned to L.C.'s case until the following day. Middlesex County never advised Starn of Mellios's absence or the caseworker change, and, as a result, Starn continued to email Mellios with additional verification information and queries. While Middlesex County was under no obligation to grant the extension requests, Starn could never properly present the option. Further, L.C. provided verification information to Middlesex County when obtained, maintained communications with the known caseworker, and cooperated in good faith, suggesting that an extension would have been appropriate. Notably, L.C. submitted her final verification documentation one day after the deadline. As such, Middlesex County never properly notified L.C. as to the reasons for her eligibility determination delay and never properly considered her requests for an extension of time to provide verifications. Therefore, I **CONCLUDE** that L.C.'s application denial must be rescinded and her case processed to determine eligibility.

ORDER

Given my findings of fact and conclusions of law, I **ORDER** that L.C.'s Medicaid application denial be rescinded and her case returned to Middlesex County for processing to determine eligibility, taking into consideration the verifications L.C. provided on October 9, 2025, October 13, 2025, and October 14, 2025.

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 a 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, P.O. 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 5, 2026
DATE

SUSAN MCCABE, ALJ

Date Received at Agency:

Date Mailed to Parties:

SM/dc

APPENDIX

Witnesses

For petitioner:

Danielle Starn

Cynthia Mellios

For respondent:

None

Exhibits

For petitioner:

P-A March 30, 2026, Burlington County Surrogate's Court Executor Short Certificate

P-B April 13, 2026, Designation of Authorized Representative Form

P-C October 17, 2025, denial letter

P-D September 29, 2025, request for information

P-E October 9, 2025, email from Starn to Mellios

P-F October 9, 2025, email from Starn to Mellios

P-G October 13, 2025, email from Starn to Mellios

P-H October 14, 2025, email from Starn to Mellios

P-I October 21, 2025, email from Starn to Mellios

P-J April 10, 2026, Starn affidavit

P-K Middlesex County Board of Social Services fair hearing packet

P-L August 19, 2022, Medicaid Communication No. 17-16

For respondent:

R-A March 31, 2025, Medicaid application

R-B September 29, 2025, request for information

R-C October 17, 2025, denial letter

R-D May 3, 2022, Medicaid Communication No. 22-04, November 24, 2010, Medicaid Communication No. 10-09, 42 C.F.R. § 435.952 (2025)

R-E Undated, list of missing bank statements