



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

OAL DKT. NO. HMA 08504-26

AGENCY REF. NO. N/A

N.B.,

Petitioner,

v.

**DIVISION OF MEDICAL ASSISTANCE
AND HEALTH SERVICES,**

Respondent.

N.B., petitioner, pro se

Judith Coles, Program Support Specialist, for respondent, appearing under
N.J.A.C. 1:1-5.4(a)(2)

Record Closed: August 12, 2026

Decided: August 26, 2026

BEFORE **ELAINE B. FRICK**, ALJ:

STATEMENT OF THE CASE

Petitioner, N.B., appeared at the fair hearing, which was requested by her father, regarding an application submitted by N.B.'s mother for NJ FamilyCare Medicaid, which application was denied by respondent, the Division of Medical Assistance and Health Services (DMAHS) for failure to provide requested verifications. At issue is whether

DMAHS properly denied the application due to the applicant failing to provide alleged requested verifications necessary to process the application. A determination cannot be rendered based upon the information presented at the hearing. The denial must be vacated and the case remanded to DMAHS to properly advise the applicant of the requested documentation necessary to process the application for NJ FamilyCare to determine eligibility.

PROCEDURAL HISTORY

DMAHS denied an application for NJ FamilyCare coverage by letter issued March 9, 2026. An appeal request was submitted by K.B., father of petitioner, N.B. The matter was transmitted to the Office of Administrative Law (OAL), where it was filed on May 28, 2026, to be heard as a contested case. N.J.S.A. 52:14B-1 to -15; N.J.S.A. 52:14F-1 to -23. A telephonic hearing was conducted on August 12, 2026, and the record closed.

DISCUSSION AND FINDINGS OF FACT

The following information was derived from the testimony of the witnesses and the documents entered into evidence. **I FIND as FACTS** the following:

N.B. testified that T.M. is her mother and K.B. is her father. An online application for NJ FamilyCare coverage was submitted by T.M. on September 24, 2025. (R-1, Ex. A.) Petitioner, N.B., is the first of five individuals listed as household members on the application. The application is signed as submitted by T.M. The application indicates that N.B. is head of household, with the other four named individuals being siblings. (R-1, Ex. A.) Another part of the application indicates "Head of the household is [K.] and [T.]. They will file jointly and claim all 5 children as tax dependents." (R-1, Ex. A.)

N.B. was twenty-three years old at the time of the application, based upon the date of birth listed on the application for her. (R-1, Ex. A.) She is the oldest of her siblings who are listed on the application as household members.

Judith Coles, program support specialist for DMAHS, testified that the application

for NJ FamilyCare was denied and a letter regarding eligibility was issued by DMAHS to K.B. on March 9, 2026. (R-1, Ex. C.) The letter indicates that "[o]ne or more of your family members are ineligible for NJ FamilyCare" because the "[i]ndividual failed to provide sufficient documentation regarding application information as per 42 CFR § 435.952(c)(2)." (R-1, Ex. C.)

Coles testified that K.B. is head of the household, but was not requesting benefits for himself, only for the five household members listed on the application. Coles stated that K.B. failed to provide a federal tax filing and only submitted a state tax filing. Coles testified that according to case notes for the file, which were not provided nor produced for the hearing, either K.B. or T.M. appeared in a local outreach office on November 25, 2025, and gave permission to whomever was the agency worker to speak to R.K., an interpreter who appeared in the office with the individual. According to the case notes Coles was reading from, but not produced for the hearing, the notes were input into the system by someone whom Coles could not identify. Coles insisted that the interpreter, R.K., was told by whomever the agency worker was at the office what was needed for the application, specifically that a federal 1040 tax return had to be submitted for the application. Later that day, a NJ state 1040 tax filing was submitted via facsimile to the state agency. (R-1, Ex. B.)

The 2024 NJ 1040 tax filing submitted to DMAHS was filed by K.B. and T.M. (R-1, Ex. B.) There are eight dependents listed in the tax filing, one of whom is N.B. For unknown reasons, N.B. was identified as petitioner for the fair hearing requested by K.B., regarding the application submitted by T.M.

Coles testified that there are further case notes for the file, again not provided for the hearing, which indicate that on January 21, 2026, T.M. appeared at the regional office and was informed by an unidentified case worker that incorrect information was submitted and that updated financial information was needed. Coles further asserted that the additional requested information was not received, being the federal 1040 tax filing, so the application was denied and a letter was sent to K.B. on March 9, 2026, advising K.B. the application was denied for failure to provide requested verifications. (R-1, Ex. C.)

No documentation was produced at the hearing to demonstrate that the asserted oral notice was given to the applicant that their federal 1040 tax filing was required to be submitted, by a certain date, to process the NJ FamilyCare application for eligibility. No written document was submitted at the hearing to demonstrate that written notice was issued to the applicant that a federal 1040 tax filing was required to be submitted, or that the NJ 1040 tax filing was insufficient and additional information was needed.

N.B. testified that her parents submitted the application for insurance because they wanted to add their children to their coverage. N.B. testified that she was aware that her mother, T.M., and father, K.B., went to the office with their daughter-in-law, R.K., to interpret for them. N.B. did not accompany them. N.B. does not know why she was named as petitioner for this fair hearing. N.B. stated she was never involved in the process, and all information that was requested was submitted by her parents. Coles testified that N.B. was listed in the denial letter issued to K.B. because she is part of the household. Coles did not provide an explanation as to why N.B. is identified as petitioner when T.M. filed the application and K.B. requested the fair hearing.

Coles insisted that the case notes support DMAHS's position that the applicant was informed that a federal tax return was needed, not a state return, which was insufficient for some unidentified reason to assess financial eligibility, and thus, the application was denied.

DISCUSSION AND CONCLUSIONS OF LAW

The Medicaid program is a cooperative federal-state venture established as Title XIX of the Social Security Act. 42 U.S.C. § 1396 et seq. The program "is designed to provide medical assistance to persons whose income and resources are insufficient to meet the costs of necessary care and services." L.M. v. Div. of Med. Assistance & Health Servs., 140 N.J. 480, 484 (1995) (citations omitted). The states are granted authority to govern and adopt eligibility regulations for assessment of Medicaid applications. Thus, DMAHS and the Commissioner of the Department of Human Services have codified regulations for the processing of Medicaid applications. N.J.S.A. 30:4D-7.

The State agency is mandated to “promptly evaluate information received or obtained by it” from applicants for Medicaid “to determine whether such information may affect the eligibility of an individual or the benefits to which he or she is entitled.” 42 C.F.R. § 435.952(a) (2025). If the State agency that is processing the application needs additional information or documentation which the agency cannot obtain through its electronic verification system, it may request the information from the applicant. 42 C.F.R. § 435.952(c) (2025). “The agency must provide the individual a reasonable period to furnish any additional information required” for income verifications necessary to process an eligibility determination for Medicaid. 42 C.F.R. § 435.952(c)(2)(iii) (2025).

Here, DMAHS was required to promptly evaluate the information it received from the applicant for processing of T.M.’s online application submitted on September 24, 2025. DMAHS asserts that on November 25, 2025, an interpreter, R.K., who accompanied either K.B. or T.M., was advised at a local outreach office that a federal tax return was required. Later that day, a 2024 NJ 1040 tax return was submitted. DMAHS further asserts that T.M. was advised in January 2026 that additional information was needed, being a federal tax return, not a state tax return. Ultimately, the application was denied for failure to provide requested verifications.

It is evident there is a lack of communication and lack of effective communication with the applicant regarding their application. The application was submitted by T.M., identifying her oldest daughter, N.B., as head of household, yet also identifying that K.B. and T.M. were considered the head of household and the five individuals listed on the application are their dependents. It is unknown why N.B. is named as petitioner in this transmitted case from DMAHS, when T.M. submitted and signed the application, yet K.B. requested the fair hearing, and someone N.B. was named petitioner and received the notice to appear for the telephonic fair hearing.

Only hearsay evidence has been set forth by DMAHS as the basis for the denial of the application submitted by T.M. Hearsay evidence “may be employed to corroborate competent proof, or competent proof may be supported or given added probative force by hearsay testimony.” Weston v. State, 60 N.J. 36, 51 (1972). However, “for a court to sustain an administrative decision, which affects the substantial rights of a party, there

must be a residuum of legal and competent evidence in the record to support it.” Ibid. (citations omitted); see N.J.A.C. 1:1-15.5(b). The residuum rule warrants the reception of hearsay, but an administrative judge’s decision “should not be predicated on hearsay alone.” Weston, 60 N.J. 36 at 52.

The hearsay testimony from Judith Coles was received. Coles’ testimony consisted of reading from case notes, not produced at the hearing, which were authored by an unknown individual, containing further hearsay information. There is no credible evidence to support the asserted fact that the applicant was advised by DMAHS that a federal tax return was required to be submitted. N.B. testified that she was aware her parents had gone to the local office with her sister-in-law, but N.B. was not there and thus did not witness any claimed conversation between R.K., the interpreter, with an unidentified case worker. There is no documentation to support that the applicant was provided notice that they needed to submit a federal tax return. Moreover, there has been nothing presented indicating that the 2024 NJ 1040 tax filing was insufficient or identifying what regulation or law mandates that a federal tax filing is required. Nothing has been submitted here to demonstrate that the state agency could not obtain the applicant’s federal tax filing through its electronic verification system and thus had to request additional information and then provide a reasonable period for the applicant to furnish the information. Thus, there is no competent evidence submitted to be corroborated or supported by the hearsay testimony.

The testimony and documentation submitted demonstrates the confusion surrounding this application, specifically, who the applicant is, who the head of household is, who from the state agency had what communication with the applicant, and exactly what information was provided to the applicant during those alleged conversations. I **CONCLUDE** that DMAHS’s denial of the application must be vacated and the case must be remanded to DMAHS. I **CONCLUDE** that the agency must provide effective communication to the applicant specifically as to what financial verification is required to process their September 24, 2025, application for NJ FamilyCare, and provide a reasonable period for the applicant to submit the information. DMAHS may then assess the application for eligibility and issue its determination to the applicant.

ORDER

It is **ORDERED** that DMAHS's denial of T.M.'s application of September 24, 2025, is **VACATED** and the case is **REMANDED** to DMAHS to provide appropriate communication to the applicant regarding requested financial verifications and then to assess the application for eligibility and issue its determination.

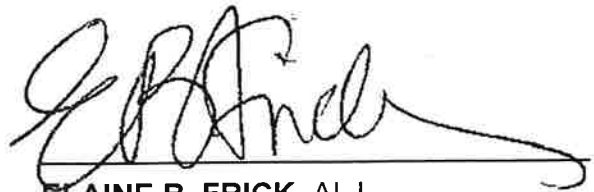
I hereby **FILE** my initial decision with the **DIRECTOR OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES** for consideration.

This recommended decision may be adopted, modified or rejected by the **DIRECTOR OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**, the designee of the Commissioner of the Department of Human Services, who by law is authorized to make a final decision in this matter. If the Director of the Division of Medical Assistance and Health Services does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

Within seven days from the date on which this recommended decision was mailed to the parties, any party may file written exceptions with the **DIRECTOR OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES, Mail Code #3, PO Box 712, Trenton, New Jersey 08625-0712**, marked "Attention: Exceptions." A copy of any exceptions must be sent to the judge and to the other parties.

August 26, 2026 _____

DATE



ELAINE B. FRICK, ALJ

Date Received at Agency: _____

Date Mailed to Parties: _____

EBF/dc

APPENDIX

Witnesses

For petitioner:

N.B.

For respondent:

Judith Coles

Exhibits

For petitioner:

None

For respondent:

R-1 Fair Hearing packet (cover sheet and exhibits)

Ex. A: Application by T.M., September 24, 2025

Ex. B: 2024 NJ-1040 tax filing by K.B. and T.M.

Ex. C: Denial of eligibility letter, March 9, 2026

Ex. D: Request for fair hearing by K.B.