MIKIE SHERRILL
Governor

DR. DALE G. CALDWELL
Lt. Governor

State of New Jersey
DEPARTMENT OF HUMAN SERVICES
Division of Medical Assistance and Health Services
P.O. Box 712
Trenton, NJ 08625

STEPHEN CHA, MD, MHSR
Commissioner

GREGORY WOODS
Assistant Commissioner

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

S.D.,	:	
PETITIONER,	:	**ADMINISTRATIVE ACTION**
v.	:	**ORDER OF REMAND**
HORIZON	:	**OAL DKT. NO. HMA 15847-24**
RESPONDENTS.	:	

As Assistant Commissioner for the Division of Medical Assistance and Health Services (DMAHS), I have reviewed the record in this case, including the Initial Decision and the Office of Administrative Law (OAL) case file. Respondent filed exceptions in this matter. Procedurally, the time period for the Agency Head to render a Final Agency Decision is June 29, 2026, in accordance with an Order of Extension.

This matter concerns the determination by Horizon that Petitioner was not eligible to receive a dental crown. By letter dated July 11,2024, Petitioner was notified that the requested service for endodontic therapy premolar tooth #5 and prefabricated post and core to crown was denied. R-2. Petitioner filed a request for an internal appeal which was reviewed and upheld on July 15, 2024. R-4. Thereafter, Petitioner chose to pursue

an external appeal through Maximus Federal Services, Inc. (Maximus). On October 30, 2024, Maximus upheld Horizon's decision to deny the requested services. R-5.

The Petitioner, a sixty-five-year-old male, sought dental treatment due to pain in tooth #5. R-5. On July 15, 2024, Horizon denied Petitioner's internal appeal, concluding that the services were not covered under his plan and that any treatment would not be long lasting. R-4. On October 30, 2024, Petitioner's external appeal was reviewed by Maximus. R-5. The reviewer explained that the x-rays provided show extensive decay on tooth #5 which extends to the alveolar bone resulting in "inadequate remaining tooth structure for resistance/retention form in order for the tooth to sufficiently maintain the proposed restoration." Ibid. The reviewer also explained that the excavation of Petitioner's tooth decay would extend below alveolar bone. Ibid. The reviewer further explained that there will be inadequate ferrule on the distal to maintain the core and inadequate biologic width for periodontal health which would lead to chronic gingival inflammation. Ibid. As a result, the reviewer determined that the long-term prognosis for a crown on Petitioner's tooth in its current condition is poor thus not medically necessary for treatment. Ibid.

The regulations state that "restorative treatment shall be limited to those services necessary to adequately restore and maintain the integrity and contours of the natural tooth..." N.J.A.C. 10:56-2.10(a). Reimbursement for crown restoration is contingent upon obtaining prior authorization before treatment is rendered and "shall be based on substantial loss of tooth structure and the condition of the remaining teeth and supporting tissue to justify this treatment." N.J.A.C. 10:56-2.10(a)(2). Submission of the Dental Prior Authorization Form (MC-10A) and the Dental Claim Form (MC-10) along with recent x-rays is also a necessary step in the process. Ibid.

During the fair hearing, Dr. Karey Matthews (Dr. Matthews) testified for Petitioner.[1] ID at 2. Dr. Matthews examined Petitioner regarding the discomfort he was having with Tooth #5. Ibid. Dr. Matthews recommended "endodontic therapy, a prefabricated post and crown, a provisional crown and porcelain fused to high noble metal services." Ibid. Dr. Matthews testified that he has performed these services multiple times, and although he could not guarantee that the tooth or area around the tooth could be saved, the options offered by Horizon were inferior. ID at 3.

The ALJ determined that Horizon and reviewers were correct to find the service not medically necessary because of the poor prognosis for the treatment. Ibid. The ALJ also determined that Horizon's determination was not arbitrary or capricious based on the grid criteria and likelihood of success.[2] Ibid.

Despite a favorable outcome, Respondent notes the following in its exceptions: 1) while the Initial Decision uses the "arbitrary and capricious standard, it's decision was based in accordance with DMAHS' standard which requires compliance with clinical criteria and coverage requirements," 2) the Initial Decision was correct to conclude Horizon appropriately denied the requested service because Petitioner failed to meet the Dental Services Clinical Criteria based on a lack of 50% tooth structure and likelihood of success of restoring the tooth, 3) the Initial Decision cites to N.J.A.C. 10:56-3.11 as the applicable regulation, but should have also considered N.J.A.C. 10:56-2.11 relating to endodontic services and N.J.A.C. 10:56-2.10 regarding restorative services, 4) the Initial Decision was correct to determine that after review of all documentary evidence and

[1] According to the evidence, several other witnesses testified during the hearing, but none of the other witness's testimony was set forth in the written decision.

[2] The grid criteria referenced in the Initial Decision outlines the dental services covered by Horizon which include benefit details, coverage limitations, and the clinical criteria that must be met for each service. R-6.

findings in the external appeal, Horizon properly denied Petitioner's request for dental services as not medically necessary and 5) the Initial Decision failed to include Horizon's Exhibits 7 and 8 in the Initial Decision's appendix list but should be considered as part of the record.

I disagree with the findings of the ALJ at this time as the record needs to be further developed. First, the ALJ must consider the implication of the October 2, 2023, waiver which allows for the acceptance of an Initial Decision without head of agency review in certain cases. Currently, the waiver only applies to the following cases: 1) beneficiary is over the income limit, 2) beneficiary is over the resource limit or 3) beneficiary has failed to provide the information requested to determine eligibility. In this case, the Initial Decision states that the recommended decision of the OAL, should be deemed adopted as the Final Agency Decision, pursuant to 42 U.S.C. § 1396(e)(14)(A) and N.J.S.A. 52:14B-10(f) and that "the Assistant Commissioner of the Division of Medical Assistance and Health Services cannot reject or modify this decision." ID at 7. Here, the ALJ erred in rendering this case as a final decision because the issue involves denial of dental services rather than any of three scenarios set forth above. As such, this matter must be handled consistently with the standard established for the fair hearing process. N.J. Stat §52:14B-10.

Second, the ALJ should clarify how N.J.A.C. 10:56-3.11 relates to the instant matter. N.J.A.C. 10:56-3.11 governs orthodontic services D800-D8999 and applies exclusively to orthodontic procedures. The matter at issue, however, concerns endodontic treatment for tooth #5, which falls under the Endodontics section of the New Jersey Dental Services Manual, not orthodontics. The regulations that apply in this case regarding services for a dental crown are N.J.A.C. 10:56-2.11 for endodontic services and N.J.A.C. 10:56-2.10 which applies to restorative services.

Third, the ALJ should correct the erroneous application of the "arbitrary and capricious" standard, as it is inapplicable in this type of proceeding.

Fourth, the record should be supplemented to include the testimony of all witnesses who testified during the proceedings. Specifically, while the Initial Decision identifies Dr. San Wakin and Selmesto Gillespie as witnesses presented by the Respondent, the record omits their testimony. Accordingly, the record should be supplemented to include the testimony of these witnesses so that it accurately reflects the proceedings of all witness testimony.

Fifth, the ALJ should clarify whether Exhibits 7 and 8 were admitted into the evidentiary record for consideration. If those exhibits are part of the record, the Appendix should be amended to accurately reflect all evidence admitted during the proceeding. If they were not admitted, then only those exhibits formally admitted by the ALJ may be considered. N.J.A.C. 1:1-15.1(a).

Accordingly, for the reasons set forth above, I hereby REVERSE the Initial Decision and REMAND the matter to correct the record for consideration of the proper legal standard, as the "arbitrary and capricious" standard was inappropriately used in this case and for a complete record that includes all witness testimony.

THEREFORE, it is on this 29th day of JUNE 2026,

ORDERED:

That the Initial Decision is hereby REVERSED AND REMANDED as set forth herein.

Gregory Woods

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