



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

Division of Medical Assistance and Health Services

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

S.E.,

PETITIONER,

v.

DIVISION OF MEDICAL ASSISTANCE

AND HEALTH SERVICES AND

HORIZON NJ HEALTH,

RESPONDENTS.

ADMINISTRATIVE ACTION

FINAL AGENCY DECISION

OAL DKT. NO. HMA 21333-25

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 case file, all documents in evidence, and the Initial Decision. Neither party submitted exceptions to the Initial Decision. The procedural deadline for the Agency Head to issue a Final Agency Decision is June 18, 2026, pursuant to an extension order.

This matter concerns Horizon NJ Health's (Horizon) termination of Petitioner's private duty nursing (PDN) services. The primary issue is whether Horizon's termination of PDN services complied with Medicaid regulations.

On December 17, 2024, Horizon discontinued Petitioner's PDN services after determining that Petitioner no longer required skilled medical care. (R-1.) On February 7, 2025, Maximus Federal Services, Inc. (Maximus), acting as an independent utilization review organization (URO), affirmed Horizon's determination. (R-2.)

On January 21, 2025, Petitioner requested a fair hearing. ID at 2. The hearing was conducted on July 1, 2025, and the record was closed on July 15, 2025, after submission of post-hearing briefs. Ibid. On August 3, 2025, the Administrative Law Judge (ALJ) issued the Initial Decision. Ibid. On November 3, 2025, DMAHS issued an Order of Remand requesting the record be expanded to clarify whether and in what way the Petitioner's medical condition had changed since the previous assessment to justify the termination of PDN services. Ibid.

Amy Casalnuovo (Casalnuovo) R.N., testified on behalf of Horizon in both the initial and remand hearings, addressing results of the December 16, 2024, and a subsequent December 8, 2025, PDN Acuity assessment. ID at 4. Casalnuovo stated that she did not indicate bladder or bowel incontinence on the PDN Acuity Tools because Petitioner could use the bathroom when prompted through an established training program. Ibid. Although nursing notes referenced incontinence, she explained that the program only required taking Petitioner to the bathroom every two hours and did not require skilled nursing care or recent revisions. Ibid. Casalnuovo further stated that Petitioner's needs were more appropriately addressed under the rehabilitation and

activities of daily living support category, which she selected in both the December 16, 2024, and December 8, 2025, assessments. ID at 5.

David Sorrentino, M.D., Horizon's medical director, testified during the remand hearing that Petitioner was continent because they could use the bathroom through a structured training program. ID at 5. He explained that true incontinence involves involuntary release without the ability to control bodily functions until reaching the bathroom. Ibid.

Amanda Mulderring (Mulderring), R.N., Director for Care Options for Kids, testified on behalf of Petitioner in both the initial and remand hearings. ID at 5. Mulderring stated that Petitioner participated in a toileting program that required frequent prompting, supervision, and assistance. Ibid. Mulderring explained that Petitioner generally remained clean and dry throughout the day when the program was followed and was successful in using the bathroom with caregiver assistance. Ibid. Although Mulderring acknowledged that Petitioner required prompting and could not independently use the bathroom, she stated that she could not definitely classify Petitioner as either continent or incontinent because it was unclear whether Petitioner's toileting difficulties stemmed from incontinence or cognitive impairments. Ibid. Mulderring further testified that Petitioner's oral intake had improved significantly and that the G-tube was primarily used for water intake, with nutritional feeding administered only occasionally when Petitioner refused oral intake. Ibid.

The Administrative Law Judge (ALJ) found that the preponderance of evidence demonstrates that Petitioner is generally continent. Ibid. More broadly, the ALJ found that the preponderance of evidence demonstrated that between the Petitioner's assessment in May 2024 to his reassessment in December 2024, his condition had improved with respect to bowel and bladder incontinence, and the need for nebulizer

treatments. Looking over a longer time horizon, the ALJ noted that the preponderance of evidence indicated that the petitioner's condition had improved from his enrollment with Horizon in 2021 to his assessment in December 2025. Based on these improvements, the ALJ found that the Petitioner no longer qualifies for PDN services.

After a comprehensive review of the entire record, I ADOPT the Initial Decision. The ALJ thoroughly evaluated the evidentiary record and determined that Petitioner no longer presents a medical condition requiring ongoing, complex skilled nursing interventions, as required under N.J.A.C. 10:60-5.3(b). The findings that Petitioner's clinical condition has improved, that their needs can be safely managed by a trained caregiver, and that as such PDN services are no longer medically necessary are supported by substantial and credible evidence.

I note that while this matter is focused on the accuracy of Horizon's medical necessity determination based on the assessment that took place on December 16, 2024, the Initial Decision also considers subsequent assessments in December 2025 and February 2026. Given the unique timeline of this case as described above, and the need for clarity for all parties, this approach is appropriate and there is no basis to disturb the ALJ's findings of fact or conclusions of law. See M.E. v. Horizon NJ Health, N.J. Super. (Appl. Div. 2023). However, I note that it is not clear from the record whether Petitioner was afforded fair hearing rights at the conclusion of the December 8, 2025 and February 27, 2026 reassessment. If Petitioner was not provided the opportunity to request a fair hearing, Horizon must provide Petitioner the opportunity upon receipt of this decision.

THEREFORE, it is on this 18th day of JUNE 2026,

ORDERED:

That the Initial Decision is hereby ADOPTED.

Gregory Woods

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