



**State of New Jersey**  
OFFICE OF ADMINISTRATIVE LAW

**INITIAL DECISION**

OAL DKT. NO. HMA 01032-25

AGENCY DKT. NO. N/A

**W.S.,**

Petitioner,

v.

**ATLANTIC COUNTY BOARD  
OF SOCIAL SERVICES,**

Respondent.

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**Simon Wer Berger**, Esq., for petitioner

**Alysia Remaley**, Assistant County Counsel for respondent (N. Lynne Hughes,  
Atlantic County Counsel, attorney)

Record Closed: February 24, 2026

Decided: March 12, 2026

BEFORE **CATHERINE A. TUOHY**, ALJ:

**STATEMENT OF THE CASE**

Petitioner W.S. appeals the denial of Medicaid eligibility. Respondent Atlantic County Board of Social Services (the County) denied petitioner's Medicaid application for failure to provide verifications under N.J.A.C. 10:71-2.2. At issue is whether petitioner is entitled to Medicaid benefits.

### PROCEDURAL HISTORY

By letter dated October 16, 2024, petitioner was advised that her Medicaid application was denied for failing to provide the information required to determine eligibility in a timely manner pursuant to 42 C.F.R. 435.952 (2025) and N.J.A.C. 10:71-2.2(e)(2). (R-1 at 12–13.) Petitioner requested a fair hearing, and the matter was transmitted by the Division of Medical Assistance and Health Services to the Office of Administrative Law (OAL) where it was filed on January 15, 2025, as a contested case under N.J.S.A. 52:14B-1 to -15 and 14F-1 to -13. Numerous telephone status conferences were conducted in this case. The matter was heard telephonically on October 23, 2025, and the record remained open to allow both parties to supplement the record and for the filing of written summations. The record closed on February 24, 2026, following receipt of closing briefs.

### FACTUAL DISCUSSION AND FINDINGS

**Baseemah McDaniel** testified on behalf of respondent. She is currently the Administrative Supervisor of Income Maintenance and has been employed for nine years in the Atlantic County Medicaid long-term care unit under the supervision of Mary Lang, who prepared the packet. (R-1.) Ms. McDaniel has reviewed the packet, and it is accurate. On May 30, 2024, the County received petitioner's Medicaid application. (R-1 at 2–11.) The application was denied on October 16, 2024. (R-1 at 12–13) for failure to provide. A request for information form (RFI) was sent on June 16, 2024. (R-1 at 14–15) with a due date of July 3, 2024. A second RFI was sent July 19, 2024. (R-1 at 16–18) which was due August 2, 2024. The third RFI was sent September 26, 2024, (R-1 at 19–21) and was due on October 10, 2024.

The County did not receive the following information set forth in the third RFI:

1. Verification of where a \$9.19 pension payment was going after May 2022 from account 1766 statements. (R-1 at 22–23);

2. Account 1766 deposit history for \$1,200 on May 6, 2020. (R-1 at 25);
3. Verification of what was paid for on March 12, 2024, for \$3,120. (R-1 at 26);
4. Verification of what was paid for on February 28, 2024, for \$16,799.94. (R-1 at 27);
5. Account 6199 statements from May 22, 2024, to August 20, 2024; and
6. January 14, 2021, transfer from checking account 8643 for \$3,000, of which no record of this account was provided prior to reviewing the 2021 statements from account 6199 requested in the September 26, 2024, RFI letter. (R-1 at 28.)

The application was denied on October 16, 2024.

The County has to verify where all income is going, so it requests verifications of all income. They ask for all check images of \$500 or more for penalty purposes to see where the money is going. Account deposit history is requested to verify where all money comes from. The County needs verification of all monies coming out of all accounts to make sure no money is being transferred out of any accounts during the lookback period. Certain accounts cannot be verified with the Account Verification System (AVS) so the County needs the applicant to supply documents. The County was not aware of checking account 8643, from which a January 4, 2021, transfer of \$3,000 was made, until it reviewed the 6199 statements received. All accounts owned or closed by the applicant or the applicant's spouse within sixty months of the application date must be verified.

On cross-examination, Ms. McDaniel testified she was reassigned this case on September 20, 2024, when the prior caseworker, Taisha Cooper, left her position with the County. Ms. McDaniel had been a trainer for Ms. Cooper. Ms. McDaniel issued the third RFI dated September 25, 2024, following her review of the file. She was not certain how much of the information contained in the third RFI had been previously requested, aside from check #8555 for \$1,014 from account 1766. Ms. McDaniel sent the third RFI via mail on September 25, 2024, to Bohdan Zachariasevych, Esq., the attorney who filed the

Medicaid application on behalf of petitioner. The County sent the RFI to the attorney listed on this application. She did not see a new designated authorized representative (DAR) in the file, although her attention was called to emails regarding an updated DAR. (P-1 at 12–13.) She did not recall a conversation with Ms. Chavoly regarding a new DAR on October 2, 2024. They do not change the due date of the RFI because the client changes their representative. The due date was October 10, 2024, for the third RFI.

By email, dated October 10, 2024, petitioner's representative requested an extension as their office was out for a holiday the week before. (P-1 at 15.) In response, Ms. McDaniel emailed Ms. Chavoly that their office grants extensions for extenuating circumstances and unfortunately, being off due to a holiday does not fall under this category. Ms. McDaniel also advised that the case had been open since June, and it was now October, and she was unable to grant an extension. (P-1 at 14.) Ms. McDaniel was not aware that it was a religious holiday. She did not know if that would have been considered an extenuating circumstance.

Sometimes things are asked on a third RFI that were not asked in the first ones because the County would not have been not aware of them. Ms. McDaniel was not aware of any conversations between Ms. Cooper and Ms. Chavoly.

On redirect examination, Ms. McDaniel stated that the County has forty-five days to process an application. An extension had already been granted after the July RFI. The application was not denied and remained open for several more months.

Ms. McDaniel advised Ms. Chavoly via email that the DAR form she submitted September 26, 2024, which was dated June 10, 2024, was not valid because the power of attorney (POA) did not actually sign the DAR form. It was a stamped signature and not a signed one. Ms. Chavoly submitted a new DAR form on October 2, 2024, which was accepted by the County as valid. (P-1 at 12, 54, and 55.) As soon as Ms. McDaniel received the valid DAR form, she sent Ms. Chavoly the third RFI. When the DAR was updated, the RFI would automatically generate with the new DAR contact.

The case was closed on October 16, 2024, and no other application was received by Atlantic County. None of the outstanding requests for verifications were provided.

**Chaya Chavoly** testified on behalf of petitioner. She has worked as an account manager for Future Care Consultants for two years and has processed several Medicaid applications, close to a hundred. This Medicaid application was submitted by petitioner's attorney. After June 10, 2024, she took over the handling of the application and submitted a new DAR form on July 3, 2024, to the caseworker, Taisha Cooper. (P-1 at 92.) Ms. Cooper indicated in an email that she accepted the DAR and the information had been updated. She also sent the second RFI dated July 19, 2024. (P-1 at 51.) Ms. Chavoly's last conversation with Ms. Cooper was on September 13, 2024. She had never told her there was an issue with the DAR form.

On Friday August 2, 2024, Ms. Chavoly sent an email to Ms. Cooper enclosing the requested check image #8555 for \$1,014. (P-1 at 93.) On September 13, 2024, in a telephone call, Ms. Cooper told Ms. Chavoly that she had everything she needed to process the application. Ms. Chavoly had previously reached out to Ms. Cooper to see if she had everything she needed.

On September 25, 2024, Ms. Chavoly received a telephone call from the new caseworker, Ms. McDaniel, who advised her the DAR form was not valid and requested a new one be submitted. Ms. Chavoly received a new DAR form from the POA and sent it to Ms. McDaniel on October 2, 2024. Ms. McDaniel then sent her the September 25, 2024, RFI.

October 2, 2024, to October 4, 2024, was a religious holiday, Rosh Hashanah, which is a two-day holiday. Ms. Chavoly is prohibited from working in the office on the religious holiday. Then it was the weekend, and she did not work on the RFI until that Monday, October 7, 2024. She had forwarded the RFI to D.S., the POA who was helping her gather the information. She asked Ms. McDaniel for an extension, and she did not grant her one.

Ms. Chavoly did not work on this application again after it was denied.

On cross-examination, she did not recall if she reviewed the requested information on the application. The attorney who filed the Medicaid application provided the bank statements with the initial application. She believed she responded to the first RFI and submitted all of the requested information. Ms. Chavoly submits bank statements with the Medicaid applications that she works on. On July 23, 2024, Ms. Cooper gave her a list of transactions she needed to process the case, and Ms. Chavoly responded via email. (P-1 at 16–18.) Ms. Chavoly believed all of the information requested in the first two RFIs was submitted. Ms. Cooper did email her with additional requests for information.

Ms. McDaniel asked for different information in the third RFI than had been previously requested by Ms. Cooper, aside from check #8555.

Ms. Chavoly applied for Medicaid on behalf of W.S. in Cumberland County in October 2024, and that application was denied on March 10, 2025, for failing to provide.

Ms. Chavoly's attention was called to P-1 at 14, which was her October 14, 2024, email to Ms. McDaniel advising that they were "tracking down the representative who processed this request so we can get verification of the 7,550 transaction." Ms. Chavoly did not follow up on obtaining this information and testified that she stopped working on the file when she received the denial notice on October 16, 2024.

Based upon the testimonial and documentary evidence, I **FIND** the following as **FACT**:

On August 2, 2024, Ms. Chavoly sent an email to Ms. Cooper enclosing the requested check image #8555 for \$1,014 (P-1 at 93; P-2 at 13).

By letter dated October 16, 2024, respondent denied petitioner's May 30, 2024, Medicaid application for failing to provide the requested information required to determine eligibility in a timely manner pursuant to 42 C.F.R. 435.952 (2025). (R-1 at 12–13.) Outstanding at the time of the denial were the following:

1. Verification of where a \$9.19 pension payment was going after May 2022 from account 1766 statements. (R-1 at 22–23);
2. Account 1766 deposit history for \$1,200 on May 6, 2020. (R-1 at 25);
3. Verification of what was paid for on March 12, 2024, for \$3,120. (R-1 at 26);
4. Verification of what was paid for on February 28, 2024, for \$16,799.94. (R-1 at 27);
5. Account 6199 statements from May 22, 2024, to August 20, 2024; and
6. January 14, 2021, transfer from checking account 8643 for \$3,000, of which no record of this account was provided prior to reviewing the 2021 statements from account 6199 requested in the September 26, 2024, RFI letter. (R-1 at 28.)

Ms. Chavoly's absence from her office for two days for a holiday did not constitute "exceptional circumstances" warranting the granting of an extension.

Following the October 16, 2024, denial, petitioner did not file a subsequent Medicaid application with Atlantic County and to date has not supplied any of the outstanding requested verifications.

### **LEGAL ANALYSIS AND CONCLUSION**

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. It "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.) Medicaid is intended to be a funding of last resort for those in need. N.J.S.A. 30:4D-2. New Jersey's Medicaid program derives its authority from the New Jersey Medical Assistance and Health Services Act, N.J.S.A. 30:4D-1.2 to -19.1, and the regulations promulgated thereunder. N.J.A.C. 10:49 et seq. In New Jersey,

the Medicaid program is administered by the New Jersey Division of Medical Assistance and Health Services (DMAHS). Regulations implementing the State's various Medicaid programs are found at Title 10 of the New Jersey Administrative Code. The Medicaid Only program is administered pursuant to N.J.A.C. 10: 71-1 et seq.

In order for an applicant to be deemed financially eligible for long-term care, they have to be found to be both resource and income eligible. If an individual has countable resources in excess of \$2,000 or if a couple's resources exceed \$3,000, they are not eligible for the Medicaid Only program. N.J.A.C. 10:71-4.5. Pursuant to N.J.A.C. 10:71-5.1 applicants must comply with the income standards and will be denied eligibility if their monthly income is greater than the income standards set forth in N.J.A.C. N.J.A.C. 10:71-5.6. Additionally, under N.J.A.C. 10:71-4.10(a) an individual shall be ineligible for institutional-level services through the Medicaid program if he or she (or his or her spouse) has disposed of assets at less than fair market value at any time during or after the sixty-month (look-back) period immediately prior to the date the individual became institutionally eligible for Medicaid. A resource transferred during this period raises a rebuttable presumption that the resource was transferred to establish Medicaid eligibility. N.J.A.C. 10:71-4.10(j). The burden rests with the applicant to prove or rebut the presumption that the asset was transferred exclusively or solely for purposes other than Medicaid eligibility. The transfer may be rebutted by factors that indicate that the sources were transferred exclusively for some other purpose, including traumatic onset of disability, unexpected loss of earlier resources, or unexpected loss of income. N.J.A.C. 10:71-4.10(j), (k).

The Division of Medical Assistance and Health Services and the Commissioner of the Department of Human Services shall establish policy and procedures for the application process and supervise the operation of and compliance with the policy and procedures established. N.J.A.C. 10:71-2.2(b). Both the county social service agency (CSSA) and the applicant have responsibilities with regard to the application process. N.J.A.C. 10:71-2.2. A Medicaid applicant shall complete the required application forms, assist the CSSA in securing evidence that corroborates the statements contained in the application, and promptly report any changes affecting the applicant's circumstances. N.J.A.C. 10:71-2.2(e). 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) and (d).

The CSSA must determine eligibility for the aged cases within forty-five days and 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 (2025). The timeframe may be extended when documented “exceptional cases” arise preventing the processing of the application within the prescribed time limits. N.J.A.C. 10:71-2.3(c). The regulations do not require that the CSSA grant an extension beyond the designated time period when the delay is due to circumstances outside the control of both the applicant and the CSSA. At best, an extension is permissible. N.J.A.C. 10:71-2.3; S.D. v. DMAHS & Bergen Cnty. Bd. of Soc. Servs., No. A-5911-10 (App. Div. February 22, 2013).

Ms. Chavoly testified that once she received the denial letter, she took no further steps to acquire the outstanding verifications. To date, respondent has not received the outstanding documentation required to process the application and determine eligibility.

As set forth in the findings of fact, at the time of the denial of the application on October 16, 2024, the requested information was outstanding, preventing respondent from making a timely determination regarding petitioner’s eligibility for Medicaid. Although pursuant to N.J.A.C. 10:71-2.3(c) the timeframe may be extended when documented exceptional circumstances arise, preventing the processing of the application within the prescribed time limits, I **CONCLUDE** that no such exceptional circumstances exist in this case and that respondent properly exercised its discretion in denying an extension. Furthermore, petitioner did not refile for Medicaid in Atlantic County following the denial and never supplied respondent with the outstanding requested verifications that were necessary to determine eligibility.

Therefore, I **CONCLUDE** that respondent’s action in denying petitioner’s Medicaid application for failing to provide the information required to determine eligibility in a timely

manner pursuant to 42 C.F.R. § 435.952 (2025) and N.J.A.C. 10:71-2.2(e)(2) was appropriate.


**ORDER**

Based upon the foregoing, it is **ORDERED** that the decision of respondent denying petitioner's application for Medicaid is **AFFIRMED**. Petitioner's appeal is **DISMISSED**.

I hereby **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. Sec. 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.

March 12, 2026 \_\_\_\_\_  
DATE

  
CATHERINE A. TUOHY, ALJ

Date Received at Agency: \_\_\_\_\_

Date Mailed to Parties: \_\_\_\_\_

CAT/gd

**APPENDIX**

**Witnesses**

For petitioner:

Chaya Chavoly

For respondent:

Baseemah McDaniel

**Exhibits**

For petitioner:

- P-1 Petitioner's submission packet (ninety-three pages)
- P-2 Petitioner's supplemental exhibits submitted October 29, 2025 (thirteen pages)

For respondent:

- R-1 CSSA submission packet (twenty-eight pages)
- R-2 Emails between Cooper and Chavoly from July 3, 2024, –September 12, 2024, submitted via email November 12, 2025, by Ms. Remaley with description