



**State of New Jersey**

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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*Governor*

SHEILA Y. OLIVER  
*Lt. Governor*

CAROLE JOHNSON  
*Commissioner*

MEGHAN DAVEY  
*Director*

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

**S.C.,**

**PETITIONER,**

**v.**

**DIVISION OF MEDICAL ASSISTANCE**

**AND HEALTH SERVICES AND**

**ATLANTIC COUNTY BOARD OF**

**SOCIAL SERVICES,**

**RESPONDENTS.**

**ADMINISTRATIVE ACTION**

**FINAL AGENCY DECISION**

**OAL DKT. NO. HMA 11624-2017**

As Director of the Division of Medical Assistance and Health Services, I have reviewed the record in this case, including the Initial Decision, the OAL case file and the documents filed below. Petitioner filed exceptions in this matter. Procedurally, the time period for the Agency Head to file a Final Agency Decision in this matter is June 7, 2018 in accordance with an Order of Extension.

The matter arises regarding the denial of Petitioner's application for Medicaid benefits due to excess resources. Petitioner's home was damaged by Hurricane

Sandy. As a result, Petitioner applied for and received a grant of \$155,000 to use to rebuild and raise his home. When Petitioner applied for benefits, he had a separate bank account that contains some of those funds. That separate account contained over \$10,000 at the time of application. R-1 at 20,

The Initial Decision held that Petitioner's benefits were properly denied due to Petitioner's unfettered access to the bank account. While I agree that the funds are a resource, the funds must be examined as to their source so as to determine if they are excluded from the resource standard.

Under Social Security rules, disaster assistance funds to replace excluded property are either excluded outright or excluded for a certain period of time and then are counted towards eligibility. See 20 CFR 416.1124; 416.1150 and 416.1232. The disaster funds must be provided to victims of a presidentially-declared disaster. See Social Security Procedures Operations Manual System (POMS) SI 00830.620 and SI 01130-630. The time limitations discussed in the Initial Decision pertain to any cash or in-kind items from an insurance company, federal or state agency, or a public or private organization. However, certain funds are carved out of these time limitations and are considered exempt. Those funds must originate from a federal statute enacted as a resource of a presidentially-declared major disaster. I am satisfied that the funds received by Petitioner originated from such a federal statute that gave block grants to states impacted by Hurricane Sandy for repairing or replacing damaged property. As such, the funds are excluded from Medicaid eligibility.

Thus, I hereby REVERSE the Initial Decision and instruct Atlantic County to process Petitioner's application.

THEREFORE, it is on this <sup>5<sup>th</sup></sup> day of JUNE 2018,

ORDERED:

That the Initial Decision is hereby REVERSED; and

That Atlantic County shall review Petitioner's application.



Meghan Davey, Director  
Division of Medical Assistance  
and Health Services