



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

OAL DKT. NO. HMA 11386-24

AGENCY REF. NO. N/A

I.G.,

Petitioner,

v.

**MIDDLESEX COUNTY BOARD
OF SOCIAL SERVICES,**

Respondent.

Michael Heinemann, Esq., for petitioner (Law Offices of Michael Heinemann, PC,
attorneys)

Kurt Eichenlaub, Human Services Specialist 3, for respondent, pursuant to
N.J.A.C. 1:1-5.4(a)(3)

Record Closed: May 28, 2025

Decided: June 13, 2025

BEFORE NICOLE T. MINUTOLI, ALJ:

STATEMENT OF THE CASE

On November 9, 2023, petitioner I.G. filed an application seeking Medicaid benefits. On February 6, 2024, respondent Middlesex County Board of Social Services

(MCBSS) issued a Request for Information (RFI) to which the petitioner substantially complied. The MCBSS did not review the petitioner's document submission for over four months, despite the petitioner sending numerous emails inquiring about the status of the application. After reviewing the petitioner's submissions, the MCBSS sent the petitioner a new request for information, seeking missing and additional information, and provided the petitioner with three days to respond. Although petitioner's representative requested an extension of time, none was provided. The MCBSS then denied petitioner's Medicaid application. Should petitioner have been given additional time to respond to the MCBSS's subsequent request for new information? Yes. Where, upon review, a county social services agency (CSSA) determines that additional information is necessary, and the applicant is cooperating in good faith with the CSSA, the agency must provide a reasonable amount of time for the applicant to comply.

PROCEDURAL HISTORY

By letter dated July 29, 2024, the MCBSS notified petitioner that his application for Medicaid benefits dated November 9, 2023, was denied due to his failure to provide the requested information. Petitioner filed a request for a fair hearing. The Division of Medical Assistance and Health Services (DMAHS) transmitted the matter to the Office of Administrative Law (OAL), where on August 19, 2024, it was filed to be heard as a contested case under N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13.

A telephone hearing was held on May 14, 2025, with a call-in number. Both parties offered testimony and documents. Upon petitioner's request, a post-hearing submission was submitted on May 29, 2025, and the record was closed.

FINDINGS OF FACT

Based on the testimony and my assessment of its credibility, together with the documents submitted and my evaluation of their sufficiency, I **FIND** the following as **FACT**:

1. On November 9, 2023, a Senior Planning Services (SPS)¹ representative applied for Medicaid benefits under the NJ FamilyCare Aged, Blind, and Disabled (ABD) Programs on I.G.'s behalf. (R-1.)²
2. At the time of his application, I.G. resided in a nursing home facility.
3. On February 6, 2024, the MCBSS sent I.G. a request for information asking for:

*Other income sources – Provide current statement(s) detailing gross/net benefits and deductions. Current from NYCERS, the file from the portal does not open. Current from PBGC and current VA Benefits.

*Must establish: A Qualified Income Trust (QIT) including Schedule A along with QIT bank statements which reflect funding with the selected income sources each and every month eligibility is needed. . . .

*Checking, Savings, IRA, 401K and Money Market Account Statements for all accounts held in your name and your spouse's name (this includes accounts in other countries, Chime and Direct Express accounts). Must explain and verify all unexplained; wire transfers, cash, checks, counter, teller, ATM, mobile, Zelle, Cash App and Venmo deposits and withdrawals along with copies of all cancelled check images. Including but not limited to the following account:

-SunTrust/Truist account #XXXXXXX0157, statements from 1/12/2021–12/9/2021 & 10/7/2023–Present.

-SunTrust/Truist account #XXXXXXX0157, must provide copies of all cancelled checks, regardless of the amount, from 11/1/2018–Present

-JP Morgan Chase account #XXXXXX2252, statement from 08/09/2023–Present

¹ Through I.G.'s power of attorney, two individuals from SPS were appointed as I.G.'s designated authorized representatives.

² The agency's exhibits were initially labeled alphabetically. For purposes of legibility and ease of review, the exhibits were relabeled as R-1 through R-3.

-JP Morgan Chase account #XXXXX2252, must provide copies of all cancelled checks, regardless of the amount, from 10/9/2018–Present.

*Must provide a Bill and Payment ledger from date of admission into facility to present.

[R-2.]

4. On March 8, 2024, I.G.'s Designated Authorized Representative (DAR) emailed the MCBSS to inquire about its receipt of the documents she sent.
5. On March 10, 2024, I.G.'s DAR uploaded several hundred pages of documents in response to the RFI, including a Veterans Affairs (VA) death benefits letter, bank statements from SunTrust account #XXXXXXXX0157, bank statements from JP Morgan Chase account #XXXXX2252, and copies of deposit slips and copies of 203 cancelled checks from JP Morgan Chase account #XXXXX2252. (P-3.)³
6. On March 11, 2024, I.G.'s DAR emailed the MCBSS and advised that she was still waiting to receive some verifications and would send them once they were received. (P-4.)
7. On March 11, 2024, I.G.'s DAR emailed the MCBSS and asked if it could subpoena the bank information. (Ibid.)
8. On March 15, 2024, I.G.'s DAR emailed the MCBSS inquiring about the status of I.G.'s application. (Ibid.)
9. On April 3, 2024, I.G.'s DAR emailed the MCBSS inquiring about the status of I.G.'s application. (Ibid.)

³ Petitioner's exhibits were initially labeled alphabetically. For purposes of legibility and ease of review, the exhibits were relabeled as P-1 through P-4.

10. On April 16, 2024, I.G.'s DAR emailed the MCBSS inquiring about the status of I.G.'s application. (Ibid.)
11. On May 2, 2024, I.G.'s DAR emailed the MCBSS inquiring about the status of I.G.'s application. (Ibid.)
12. On May 14, 2024, I.G.'s DAR emailed the MCBSS inquiring about the status of I.G.'s application and advising that documents were submitted on March 15, 2024. (Ibid.)
13. On May 18, 2024, I.G.'s DAR emailed the MCBSS inquiring about the status of I.G.'s application. (Ibid.)
14. On May 28, 2024, I.G.'s DAR emailed the MCBSS inquiring about the status of I.G.'s application. (Ibid.)
15. On May 29, 2024, I.G.'s DAR emailed the MCBSS providing an updated designated authorized representative form and inquiring about the status of I.G.'s application. (Ibid.)
16. On March 29, 2024, the MCBSS called and left a message with I.G.'s DAR stating that I.G.'s case was still pending and had not been reviewed.
17. On June 19, 2024, I.G.'s DAR emailed the MCBSS inquiring about the status of I.G.'s application. (Ibid.)
18. On June 25, 2024, the MCBSS called and left a message for I.G.'s DAR stating that I.G.'s case was still pending and had not been reviewed.
19. On July 3, 2024, I.G.'s DAR emailed the MCBSS asking if additional information was needed for processing I.G.'s application. (Ibid.)

20. On July 10, 2024, I.G.'s DAR sent two emails to the MCBSS, inquiring about the status of I.G.'s application and whether it had been assigned to a case worker. (Ibid.)
21. On July 11, 2024, the MCBSS responded to I.G.'s DAR's emails advising that I.G.'s application was assigned to Pacheco.
22. On July 15, 2024, the MCBSS began reviewing I.G.'s application and documents previously submitted.
23. By email dated July 15, 2024, the MCBSS requested additional information related to I.G. to facilitate the processing of his application. Specifically, the MCBSS requested that I.G. provide, by July 18, 2024, the following information:

*Other income sources – Provide current statement(s) detailing gross/net benefits and deductions. Current VA Benefits, letter that was provided is from 2/24/2023.

*Checking, Savings, IRA, 401K and Money Market Account Statements for all accounts held in your name and your spouse's name (this includes accounts in other countries, Chime and Direct Express accounts). Must explain and verify all unexplained; wire transfers, cash, checks, counter, teller, ATM, mobile, Zelle, Cash App and Venmo deposits and withdrawals along with copies of all cancelled check images. Including but not limited to the following account:

-SunTrust/Truist account #XXXXXXX0157, missing from 10/7/2023–Present

-SunTrust/Truist account #XXXXXXX0157, must provide copies of all cancelled checks, regardless of the amount, from 11/1/2018–Present

-JP Morgan Chase account #XXXXXX2252, must provide copies of all cancelled checks, regardless of the amount as well as explanation and verification for all deposits. See attached.^[4]

⁴ The attached document consists of two pages outlining thirteen deposits that require verification and explanation for I.G.'s JP Morgan Chase account #XXXXXX2252, seventeen check numbers needing copies

-Wells Fargo QIT account #XXXXXX6766, from 2/16/2024–Present.

[P-2.]

24. The July 15, 2024, request sought information previously requested and new information that the MCBSS did not request in its previous RFI. (*Ibid.*) This was the only notice I.G. received from the MCBSS advising that his previous document submission was deficient.
25. The next day, July 16, 2024, I.G.'s DAR promptly took action and sent requests to JP Morgan Chase and SunTrust/Truist seeking the documentation requested by the MCBSS. (P-1.)
26. On July 18, 2024, I.G.'s DAR uploaded responsive documents, copies of the requests sent to JP Morgan Chase and SunTrust/Truist, and an explanation of the VA benefits.
27. In addition to the documents provided, I.G.'s DAR provided a letter outlining her efforts, also requesting an extension to submit the remaining documents and/or the MCBSS's assistance in securing them. (P-2.)
28. The MCBSS did not respond to I.G.'s DAR's request for an extension nor justify denying the request.
29. On July 29, 2024, the MCBSS notified I.G. that his Medicaid application was denied for failing to provide the requested information required to determine eligibility. (R-3.)

30. The MCBSS acknowledged that Medicaid Communication No. 22-04 permits the MCBSS to give an applicant additional time to respond to an RFI under exceptional circumstances. A nine-month delay in processing an application could be considered "exceptional circumstances."

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. 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 to -19.5, and the regulations promulgated thereunder, N.J.A.C. 10:49 et seq. In New Jersey, the Medicaid program is administered by the 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.

For an applicant to be deemed financially eligible for long-term care, the applicant has to be found to be both resource and income eligible. N.J.A.C. 10:71-4.5; N.J.A.C. 10:71-5.1. The CSSA and the applicant have responsibilities regarding 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, the 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), (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. 22-04; 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). According to Medicaid Communication 22-04, "exceptional circumstances may arise in determining eligibility. Therefore, if the applicant/beneficiary requests additional time to provide information and continues to cooperate in good faith with the Agency, a reasonable extension of the time limit may be permitted."⁵ 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).

As observed in E.M. v. Middlesex County Board of Social Services:

[D]ecisions whether to extend deadlines or keep an application pending in the Medicaid context are not arbitrary by design or in application. See 42 CFR § 435.952(c)(iii); and N.J.A.C. 10:71-2.3. They are not subject to the whim or fancy of the Agency worker or supervisor, but rather are to be employed fairly, objectively, and reasonably.

E.M. v. Middlesex Cnty. Bd. of Soc. Servs., 2023 N.J. AGEN LEXIS 949, Initial Decision at **11-12 (Dec. 8, 2023), adopted, 2024 N.J. AGEN LEXIS 58, Final Decision (Jan. 22, 2024).]

As noted above, I.G.'s DAR worked to provide the requested information to the MCBSS, as outlined in its requests dated February 6, 2024, and July 15, 2024. (R-2; P-2.) There was no delay between the time of the request and the action taken by I.G. I.G.'s DAR submitted hundreds of pages of documents, including copies of 203 cancelled checks, in response to the first RFI. Within one day of receiving the July 15, 2024, request, I.G.'s DAR sent a records request promptly to JP Morgan Chase and

⁵ Medicaid Communication 22-04, <https://www.nj.gov/humanservices/dmahs/info/resources/medicaid/> (last visited June 12, 2025).

SunTrust/Truist. (P-1.) I.G.'s DAR timely updated the MCBSS with the current information on the status of his record requests. (P-2.) In addition to providing prompt updates and copies of records received, I.G.'s DAR made a timely request for an extension, which the MCBSS denied without notifying I.G.'s DAR or without reasonable justification. (Ibid.) I.G.'s DAR demonstrated genuine and diligent effort, as evidenced by more than a dozen emails sent to the MCBSS not only inquiring about the status of the application but also asking the MCBSS if additional information was required during the eight-month delay in processing I.G.'s application. Combining the efforts by I.G.'s DAR to provide requested documents, her diligent efforts to produce requested documents and communicate with the MCBSS, and the circumstance that the delay was outside I.G.'s control involving third-party actors, the appropriate result is clear. Based on the above, I **CONCLUDE** that the MCBSS's denial of I.G.'s application was not warranted. The MCBSS's denial is predicated on I.G.'s alleged failure to comply with N.J.A.C. 10:71-2.2(e), failure to provide necessary verifications. However, the record as a whole demonstrates that I.G.'s DAR made more than reasonable efforts to communicate with the MCBSS and comply with the document requests. It was the MCBSS that unduly delayed the processing of the application, failed to communicate with the DAR, denied an extension without justification, and imposed an unattainable three-day deadline for the DAR to respond.

ORDER

For the reasons described above, it is hereby **ORDERED** that the decision of the Middlesex County Board of Social Services denying petitioner's application for Medicaid is hereby **REVERSED** and that the matter is **REMANDED** back to the Middlesex County Board of Social Services for processing of petitioner's Medicaid application consistent with this **ORDER** and pursuant to the New Jersey Administrative Code provisions.

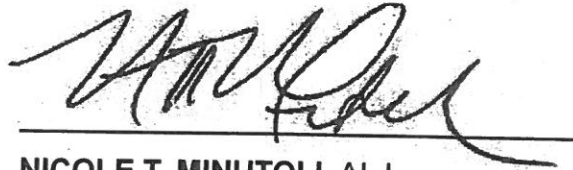
I **FILE** this initial decision with the **ASSISTANT COMMISSIONER OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**. This recommended decision is deemed adopted as the final agency decision under 42 U.S.C. § 1396a(e)(14)(A) and N.J.S.A. 52:14B-10(f). The **ASSISTANT COMMISSIONER OF**

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.

June 13, 2025

DATE



NICOLE T. MINUTOLI, ALJ

Date Record Closed:

May 28, 2025

Date Filed with Agency:

Date Sent to Parties:

APPENDIX

Witnesses

For petitioner

Rebecca Ehron

For respondent

Rosario Pacheco, Case Worker

Kurt Eichenlaub, Human Services Specialist 3

Exhibits

For petitioner

- P-1 Document requests to JP Morgan Chase and SunTrust/Truist dated July 16, 2024
- P-2 July 15, 2024, email from MCBSS to SPS with document request and SPS's July 18, 2024, email response
- P-3 July 18, 2024, response to document request with attachments
- P-4 Email chain between MCBSS and SPS beginning March 8, 2024

For respondent

- R-1 Application, dated November 9, 2023
- R-2 Requests for Information dated February 6, 2024
- R-3 Eligibility Letter, July 29, 2024