



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

OAL DKT. NO. HMA 12293-2025

AGENCY DKT. N/A

J.G.,

Petitioner,

v.

**MIDDLESEX COUNTY BOARD OF SOCIAL
SERVICES,**

Respondent.

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

Robert Menichelli, Supervisor Administrative Analyst, for respondent, pursuant to
N.J.A.C. 1.1-5.4(a)(3)

Record Closed: January 2, 2026

Decided: January 23, 2026

BEFORE **REBECCA C. LAFFERTY, ALJ:**

STATEMENT OF THE CASE

J.G. (petitioner or J.G.) appeals the decision of the Middlesex County Board of Social Services (respondent or Agency) denying petitioner's Medicaid application for failure to provide verifications pursuant to 42 CFR 435.952. Was the denial of the petitioner's is entitled to Medicaid benefits appropriate? No, the denial was not

appropriate because the respondent failed to keep the petitioner informed throughout the process of determining eligibility pursuant to N.J.A.C. 10:71-2.2(c) and (d); specifically the respondent never provided a deficiency letter or communicated with the petitioner's representative regarding the missing verifications for various bank account transactions and certain information regarding a life insurance policy and prepaid burial trust.

PROCEDURAL HISTORY

By letter, dated June 11, 2025, the petitioner's Designated Authorized Representative (DAR), Becky Weinstein, was advised that the petitioner's Medicaid application was denied for failing to provide the requested verifications pursuant to 42 CFR 435.952. (R-1 at Exhibit B.) The petitioner, through her DAR, requested a fair hearing, and the matter was transmitted by the Division of Medical Assistance and Health Services (DMAHS) to the Office of Administrative Law (OAL) where it was filed on July 10, 2025, as a contested case. N.J.S.A. 52:14B-1 to 15 and 14F-1 to 13.

At the first scheduled telephonic hearing date of October 27, 2025, this Tribunal was advised that the DAR had retained counsel who was unavailable to attend the scheduled hearing. It was agreed that the prehearing conference would be adjourned to November 3, 2025. At the scheduled conference on November 3, 2025, the parties engaged in a conference but were unable to resolve the matter so a telephonic hearing was scheduled for November 19, 2025. The telephonic hearing was held on November 19, 2025, and the record was left open for written summations. After receiving the petitioner's summation, the record closed on January 2, 2025. The respondent chose not to submit a written summation.

FINDINGS OF FACT

Carrie Flanzbaum (Flanzbaum), Human Service Specialist 3, testified on behalf of the Agency, and **Karina Lendel**, (Lendel), Human Services Specialist 1, testified by way of subpoena for the petitioner.

Based upon due consideration of the testimonial and documentary evidence presented at the hearing and having had the opportunity to listen to the witnesses' tone and demeanor, I **FIND** the following as **FACTS**:

On August 6, 2024, the petitioner submitted an application for the Aged, Blind and Disabled Medicaid (Application) program. (R-1 at Exhibit A.) The Application indicates that both H.G. and J.G. were applying for Medicaid as a married couple. (R-1 at Exhibit A.) The Agency first corresponded with J.G.'s DAR on January 3, 2025, in response to an email requesting a status update on the Application. The Agency responded that the Application was "pending" and the Agency was working as fast as possible. The DAR reached out the Agency again for status updates on February 2, 2025, and March 4, 2025, and received similar responses from the Agency.

On April 24, 2025, the Agency sent the petitioner a Request for Information (RFI) letter which among other items, requested life insurance policy statements from NGL life insurance policy No. NPL0620710 showing the face value and the current cash surrender value, a copy of the prepaid burial contract with the funeral home, and verification and explanations of all deposits to various bank accounts. (R-1 at Exhibit C.) The deadline for providing responses and documents to the Agency was May 8, 2025. (R-1 at Exhibit C.) Attached to the RFI was a list of various deposits that required explanation and verification. (R-1 at Exhibit C.)

On May 8, 2025, the DAR sent a letter to the Agency providing information on various requested items and requesting an extension to provide additional information. (P-1.)¹ The Agency granted an extension until May 24, 2025. (P-3.) The Application and information were initially evaluated on May 20, 2025, and again on June 11, 2025. On June 9, 2025, the DAR sent a letter to the Agency providing additional information on various requested items. (P-2.)² On June 11, 2025, the Agency reviewed the application and the information provided and denied the petitioner's application for failure to provide

¹ Attachments to P-1 were not provided to this Tribunal for review.

² Attachments to P-1 were not provided to this Tribunal for review.

requested verifications. (R-2 at Exhibit B.) Flanzbaum and Lendel testified that while bank statements and explanations for various bank transactions were provided, verifications/documentation were not. In its review, the Agency marked the following items as missing:

Date	Amount	Description	Account	What is needed	Petitioner's Response
3/1/2021	\$5,000	Deposit	Chase Bank xxxxxx6624	Verification and explanation	This was a gift from a relative of JG (P-1, P-2)
12/16/2020	\$346.42	Deposit	Chase Bank xxxxxx6624	Deposit slip and/or copy of check with explanation	Deposit (P-1) There is no such deposit can you please clarify (P-2)
1/4/2023	\$15,000	Deposit	TD Bank xxxxxx5876	Verification and explanation	Deposit from RG to pay for the move from Florida to New Jersey (P-1)
10/15/2019	\$2,000	Deposit	Citibank xxxxxx1750	Deposit slip and/or copy of check with explanation	Deposit from Kevin- please see attached affidavit ³ (P-1, P-2)
2/24/2021	\$100	Deposit	Citibank xxxxxx1750	Deposit slip and/or copy of check with explanation	Deposit (P-1) Per family it was cash deposit (P-2)
4/28/2022	\$30	Deposit	Citibank xxxxxx1750	Deposit slip and/or copy of check with explanation	Deposit (P-1) Per family it was cash deposit (P-2)
4/28/2022	\$640	Deposit	Citibank xxxxxx1750	Deposit slip and/or copy of check with explanation	Deposit (P-1) Per family it was cash deposit (P-2)

(P-1, P-2, and R-1 at Exhibit C.)

³ The referenced affidavit was not provided to this Tribunal for review.

Additionally, Flanzbaum and Lendel testified that the petitioner also failed to provide the information requested regarding the NGL life insurance policy. Despite acknowledging receipt of the two letters with information addressing the NGL life insurance policy, Flanzbaum testified that both petitioner's letters to the Agency (P-1 and P-2) were submitted in support of the petitioner's spouse's (H.G.'s) application, not the application at issue in this appeal. She "supposed" they could look at documents submitted in support of a spouse's application for the application at issue here.

It was acknowledged that the Agency received documents regarding the NGL life insurance policy, dated October 18, 2023, and April 4, 2024⁴, but J.G. was not the owner of the policy, nor was the letter signed by the owner of the policy, so the information was deemed insufficient by the Agency (but this was not communicated to the DAR). In addition, the RFI had requested statements from 2024 and 2025 showing the face value and current cash surrender value as well as to provide any irrevocable prepaid burial contract from the funeral home, which were not provided. This information was also not communicated to the DAR.

Lendel testified that the reason the Application was pending from August 2024, until June 2025, was due to a backup of applications and lack of staff to review and process applications. She also testified that she did not correspond with the DAR regarding the identified deficiencies because the extension due date passed so an opportunity to respond was not given to the DAR, nor was a second RFI ever sent to the DAR because no additional documentation or information was needed, it was all contained within the first RFI.

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

⁴ These letters were not provided to this Tribunal for review.

assistance to persons whose income and resources are insufficient to meet the costs of necessary care and services.” L.M. v. Division of Medical Assistance & Health Services, 140 N.J. 480, 484 (1995) (citations omitted).

DMAHS and the Commissioner of the Department of Human Services are required by the regulations to establish policy and procedures for the Medicaid application process and supervise the operation of, and compliance with, the policy and procedures. N.J.A.C. 10:71-2.2(b). DMAHS is required to manage the State’s Medicaid program in a fiscally responsible manner, considering the public’s interest in “increasing social demands for limited public resources.” Dougherty v. Dept. of Human Services, Div. of Medical Assistance & Health Services, 91 N.J. 1, 10 (1982). The local County Welfare Agency (CWA) is charged with the responsibility of evaluating a Medicaid applicant’s eligibility. N.J.A.C. 10:71-2.2(c); N.J.A.C. 10:71-3.15.

A Medicaid applicant must satisfy all legal requirements to be found financially and clinically eligible for Medicaid. N.J.A.C. 10:71-3.1. Both the CWA 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 CWA 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), N.J.A.C. 10:71-3.1. The CWA exercises direct responsibility in the application process to: inform applicants about the process and 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 accurate submission of data; and promptly notify applicants of eligibility or ineligibility. N.J.A.C. 10:71-2.2(c) and (d).

The primary source of the information to be provided comes the individual making the application for Medicaid. N.J.A.C. 10:71-1.6(a)(2). The CWA is responsible for rendering its determination of eligibility and utilizing secondary sources, when necessary. N.J.A.C. 10:71-1.6(a)(2). The CWA is not limited in utilizing secondary sources. It is required to verify the value of an applicant’s resources through appropriate and credible

sources, and if questioning the applicant's verifications, or if the CWA believes the identification of resources is incomplete, the CWA "shall verify the applicant's resource statements through one or more third parties." N.J.A.C. 10:71-4.1(d)(3). The CWA must act reasonably in providing notice of alternative documents sought and when seeking alternative verifications. N.J.A.C. 10:71-1.6(a)(2); N.J.A.C. 10:71-2.10. State agencies "must turn square corners" when exercising their statutory responsibilities when dealing with members of the public. W.V. Pangborne & Co. v. N.J. Dept. of Transportation, 116 N.J. 543, 561-562 (1989).

A CWA has forty-five days to process an application for the aged who are seeking Medicaid, and ninety days to process an application for the blind and disabled. N.J.A.C. 10:71-2.3(a); N.J.A.C. 10:71-3.9(a)(1). The timeframe may be extended when "documented exceptional circumstances arise" preventing the processing of the application within the prescribed time limits. N.J.A.C. 10:71-2.3(c). The CWA's decision to grant an extension beyond the designated time period is discretionary, not mandatory, and the CWA must demonstrate that the delay resulted from one of the following:

1. Circumstances wholly within the applicant's control;
2. A determination to afford the applicant, whose proof of eligibility has been inconclusive, a further opportunity to develop additional evidence of eligibility before final action on his or her application;
3. An administrative or other emergency that could not have reasonably been avoided; or;
4. Circumstances wholly outside the control of both the applicant and CWA.

N.J.A.C. 10-71-2.3; S.D. vs. DMAHS and Bergen County Board of Social Services, No A-5911-10 (App. Div. February 22, 2013).

As stated above, State agencies "must turn square corners" when exercising their statutory responsibilities when dealing with members of the public. Additionally, agencies

are required to assist applicants, which includes reasonable communication with applicants and/or their representatives as to information and documentation that is required to make an eligibility determination. Here, the Application was dated August 6, 2024, and it was not until eight months later (well after the mandated ninety-day review period) and after three inquiries by the petitioner's representative inquiring about the status of the application that the respondent finally sent the RFI on April 24, 2025. In response to the DAR's status inquiries in January 2025, February 2025, and March 2025, the respondent simply said that the Application was "pending". After receiving the petitioner's initial response to the RFI on May 8, 2025, and completing an initial review, the respondent failed to communicate with the DAR (other than to grant an extension of time) or provide a deficiency letter. After receiving the petitioner's second response to the RFI, the respondent deemed the petitioner ineligible for Medicaid for failing to provide all the required verifications without any communication or explanation.

The respondent waited over eight months before even reviewing the Application and requesting additional information and documentation, which is well beyond the prescribed ninety-day time frame set forth in N.J.A.C. 10:71-2.3(a). After such an unexplainable amount of time passed before the Application was initially reviewed, the very least the respondent could do was to communicate with the DAR regarding outstanding items in an effort to obtain all of the information necessary to determine Medicaid eligibility as required by N.J.A.C. 10:71-2.2(c) and (d).

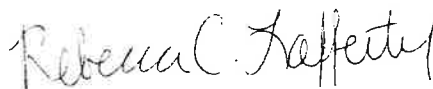
Therefore, for the reasons set forth above, I **CONCLUDE** that respondent's denial of petitioner's application for Medicaid was not appropriate as the respondent failed to communicate with the petitioner's representative as required by the regulations. I **FURTHER CONCLUDE** that the respondent shall issue a deficiency letter to the petitioner's representative in this matter and allow the petitioner a reasonable amount of time to respond before re-evaluating the application for Medicaid eligibility.

ORDER

Based upon the foregoing, it is **ORDERED** that the decision of respondent denying petitioner's application for Medicaid is **REVERSED AND REMANDED** and the respondent shall issue a deficiency letter in this matter and give the petitioner a reasonable amount of time to respond before re-evaluating the application for Medicaid eligibility.

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 forty-five 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.



January 23, 2026

DATE

REBECCA C. LAFFERTY, ALJ

Date Received at Agency: _____

Date Mailed to Parties: _____

RCL/tat

APPENDIX

WITNESSES

For petitioner

Karina Lendel, Human Services Specialist I (by subpoena)

For respondent

Carrie Flanzbaum, Human Services Specialist III

EXHIBITS

For petitioner

- P-1 Correspondence from Senior Planning Services, dated May 8, 2025
- P-2 Correspondence from Senior Planning Services, dated June 9, 2025
- P-3 Email chain between Karina Lendel, HSS1, and Becky Weinstein, DAR

For respondent

- R-1 Fair Hearing Packet consisting of Exhibits A through C