

the Initial Decision within 45 days of receipt. The Initial Decision in this matter was received on August 6, 2014.

This matter concerns Petitioner's eligibility for Medicaid benefits.¹ He applied for benefits in September 2013 and was denied for excess resources. A second application was filed in February 2014 and again denied in April 2014 for excess resources. Petitioner has four bank accounts with a total balance of \$12,498.33 as of November 30, 2013. Two are his personal accounts and the other two are titled in the name of his business of which he is the sole owner.

At issue are the value of the business bank accounts and the value of the business, a private school, which did not open for the 2014-2015 school year. This school had been running at a deficit for many years. According to the school's long time outside accountant, the school has neither assets nor value. It does not own real property and has minimal tangible assets. The profit and loss statement based on the IRS tax filings shows the school had net losses for four of the past five years. As of February 2014, the school owed \$16,000 in back pay to the teachers as well as around \$8,000 to other creditors. R-1.

Based on the record before me, I FIND that the tangible assets of Petitioner's business accounts are not an available resource due to the valuation by the outside accountant. I note that the website for the school states it "is ceasing its educational [sic] operations. Neither school will be open for the foreseeable [sic] future. A reorganization of the company is now underway." <http://www.princetonlatinacademy.com/>. To the extent that there is any value in the curriculum or good will associated with the school, Petitioner shall keep

¹ Petitioner is a man. During the course of this proceeding he was referred to as a woman and the Initial Decision uses female pronouns incorrectly.

Middlesex County apprised of the "reorganization" and the business will be treated as a non-liquid asset under a plan of liquidation.

Thus, due to the unique facts and circumstances surrounding this case, Petitioner's eligibility needs to be determined under the February 2014 application without regard to the two business accounts. Middlesex County will review Petitioner's application to determine if he meets the other elements of Medicaid eligibility, including, but not limited to, the five year prohibition on transfers of assets.

THEREFORE, it is on this *18th* day of SEPTEMBER 2014

ORDERED:

That the Initial Decision in this matter is hereby ADOPTED; and

That the matter is RETURNED to Middlesex County to determine eligibility in accordance with this Final Agency Decision.



Valerie Harr, Director
Division of Medical Assistance
and Health Services