



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

P.O. Box 712
Trenton, NJ 08625-0712

CHRIS CHRISTIE
Governor

ELIZABETH CONNOLLY
Acting Commissioner

KIM GUADAGNO
Lt. Governor

MEGHAN DAVEY
Director

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

D.M.,	:	
	:	
PETITIONER,	:	ADMINISTRATIVE ACTION
	:	
v.	:	FINAL AGENCY DECISION
	:	
DIVISION OF MEDICAL ASSISTANCE	:	OAL DKT. NO. HMA 2161-2016
	:	
AND HEALTH SERVICES AND	:	
	:	
ESSEX COUNTY BOARD OF	:	
	:	
SOCIAL SERVICES,	:	
	:	
RESPONDENTS.	:	

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. No exceptions were filed in this matter. Procedurally, the time period for the Agency Head to file a Final Agency Decision in this matter is August 22, 2016 in accordance with N.J.S.A. 52:14B-10 which requires an Agency Head to adopt,

reject, or modify the Initial Decision within 45 days of receipt. The Initial Decision in this matter was received on July 8, 2016.

The matter arises regarding Petitioner's Medicaid application. Petitioner filed for benefits in January 2015. She had income totaling \$2,468.06. On January 15, 2105 Petitioner's daughter and Power of Attorney established a Qualified Income Trust (QIT) with an initial deposit of \$25.00.¹ Despite the QIT requiring that her income be deposited, she failed to make any such deposits. On June 15, 2015 her daughter wrote a check for \$11,138.32 from a shared account and deposited it into the QIT account. On the same day another deposit of \$1,031.92 was transferred into the QIT account. On July 1, 2015, the Public Employees Retirement System (PERS) check in the amount of \$1,319.06 was directly deposited into the QIT account. Essex County denied Petitioner's application.

The Initial Decision determined that Petitioner was not eligible for benefits at any time prior to her death in September 2015. Prior to June 2015, Petitioner failed to fund the QIT so that she had excess income during those months. Moreover, she had \$11,138.32 in excess resources that was deposited into the QIT in June 2015. That deposit violated the terms of the QIT as the QIT can only receive income. The QIT rules are established through federal law at 42 U.S.C.A. § 1396p(d)(4)(B). That statute describes a QIT as "a trust established in a State for the benefit of an individual . . . [that is] is composed only of pension, Social Security, and other income to the individual (and

¹ As of December 1, 2014, New Jersey ceased covering nursing home services under the Medically Needy program and those applicants, who needed institutional level of care in a nursing facility, an AL facility or home and had income in excess of \$2,163 (currently \$2,199) were required to place the excess income in a Qualified Income Trust (QIT), also known as a Miller Trust, to obtain Medicaid benefits. See 42 U.S.C. § 1396p(d)(4)(B). By placing the excess income in a QIT, Essex County is able to exclude that amount from the income limit.

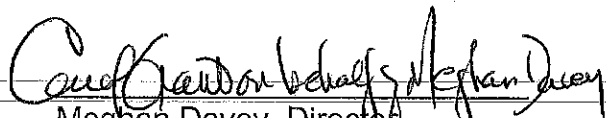
accumulated income in the trust)." Here Petitioner created a QIT in name only and then deposited her resources into the account.

Based on my review of the record, I concur with the Initial Decision's conclusion that Petitioner was not eligible for Medicaid prior to her death. Petitioner's argument that the deposit of \$11,138.32 represented an accumulation of income fails both mathematically, as pointed out by the ALJ, and legally. Income is only considered "income" in the month it is received. N.J.A.C. 10:71-5.2(b)1. The unspent income in the following month counts towards resources. N.J.A.C. 10:71-4.1(c). The accumulation of income is actually a description of resources. Petitioner needed to meet the income standard of \$2,199 and the resources standard of \$2,000. Her monthly income of \$2,468.06 rendered her ineligible unless she placed income in excess of \$2,199 into the QIT each and every month. The inclusion of \$11,138.32 in resources invalidated the QIT and also rendered her ineligible through September 2015.

THEREFORE, it is on this ^{18th} day of AUGUST 2016,

ORDERED:

That the Initial Decision is hereby ADOPTED.


Meghan Davey, Director
Division of Medical Assistance
and Health Services