



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
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KIM GUADAGNO
Lt. Governor

MEGHAN DAVEY
Director

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

M.P.,
PETITIONER,
v.
DIVISION OF MEDICAL ASSISTANCE
AND HEALTH SERVICES AND
UNION COUNTY BOARD OF
SOCIAL SERVICES,
RESPONDENTS.
ADMINISTRATIVE ACTION
FINAL AGENCY DECISION
OAL DKT. NO. HMA 8058-2016

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. Procedurally, the time period for the Agency Head to file a Final Decision is July 6, 2017 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 was received on May 22, 2017.

The matter arises regarding the denial of Petitioner's application for Medicaid benefits. Petitioner entered Cranford Nursing Home in July 2015. At the beginning of

August 2015, her daughter and Power of Attorney authorized Cranford to complete a Medicaid application. The application was filed on September 10, 2015. In answering whether Petitioner had any life insurance, Cranford wrote "None". ID at 3. Union County discovered Petitioner owned two life insurance policies issued by Prudential Insurance Company. The cash value of those policies was \$7,124.72 and \$2,979.71, respectively. As such Union County denied Petitioner's application for excess resources. Petitioner died on August 27, 2016.

Petitioner, or rather the nursing home, is pursuing the denial of Medicaid benefits. The Initial Decision held that Petitioner's application had been correctly denied by Union County. Based on my review of the record, I concur with the Initial Decision.

In August 2015, her Power of Attorney (POA) had authorized Sharon Phillips-South of Cranford to be Petitioner's representative. ID at 3. A year later, Petitioner died, extinguishing the authority of the POA and the authorization of Cranford to represent her. Despite this, the POA continued to sign documents under the extinguished authority.¹ In September 2016 the POA signed a document regarding Petitioner's assets entitled "Assignment & Transfer of Excess Resources" which Cranford alleges changes history and the availability of Petitioner's resources. ID at 8.

In a thorough decision, the ALJ found that Petitioner, through the date of her death, had resources in excess of \$2,000. While the record is silent about other accounts, Petitioner's ownership of the Prudential Life Insurance policy worth \$2,979.71 is sufficient to find her resource ineligible. There is no legal basis for Cranford's position that a document executed a month after she died has any effect on Petitioner's assets.


¹ The record contains a \$2,979.71 check from Prudential issued in January 2017 in Petitioner's name and deposited into Cranford's operating bank account in February 2017. The back of the check reveals someone signed Petitioner's name some six months after she died. T-6.

Rather the document, signed by individuals who have no authority to act for Petitioner's estate, creates a legal fiction and attempts to recast past events so as to make Petitioner appear to be eligible for Medicaid benefits. The Initial Decision is correct that at all times relevant to the Medicaid eligibility determination Petitioner retained the right, power and authority to the Prudential insurance policies.

THEREFORE, it is on this ^{5th} day of JULY 2017,

ORDERED:

That the Initial Decision is hereby ADOPTED.



Meghan Davey, Director
Division of Medical Assistance
and Health Services