



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

S.A.,	:	
	:	
PETITIONER,	:	ADMINISTRATIVE ACTION
	:	
v.	:	FINAL AGENCY DECISION
	:	
DIVISION OF MEDICAL ASSISTANCE	:	OAL DKT. NO. HMA 3094-17
	:	
AND HEALTH SERVICES AND	:	
	:	
UNION 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 case file and the documents in evidence. Neither Party filed exceptions. Procedurally, the time period for the Agency Head to file a Final Agency Decision in this matter is October 4, 2017 in accordance with an Order of Extension. The Initial Decision was received on July 6, 2017.

This matter concerns the Union County Board of Social Services' (UCBSS) denial of Petitioner's application for Medicaid benefits. On October 31, 2016 and November 9, 2016, UCBSS issued requests for verifications, including information regarding Petitioner's Wells Fargo Qualified Income Trust (QIT). On November 8, Petitioner's daughter and POA, E.A., notified UCBSS that her mother had expired on October 30, 2016 and so had her Power of Attorney (POA). On December 22, 2016, UCBSS notified E.A. that it had reached out to the Wells Fargo legal department and confirmed that Wells Fargo would provide the required statements to the QIT trustee. The QIT identifies E.A. as the trustee. On January 6, 2017, UCBSS again requested the Wells Fargo bank statements and also requested pension statements. E.A. did not submit the requested documentation and, as a result, UCBSS denied Petitioner's application on February 3, 2017.

The issue below was whether Petitioner timely provided the necessary verifications, specifically Wells Fargo QIT statements, for UCBSS to make an eligibility determination. By way of background, as of December 1, 2014, New Jersey received federal authority to cease covering nursing home services under Medically Needy and permit 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) to place the excess income in a QIT, also known as a Miller Trust, and obtain Medicaid benefits. See 42 U.S.C. § 1396p(d)(4)(B). Simply put, when an individual's monthly income is placed in a QIT federal law permits that income to be excluded when determining financial eligibility for Medicaid.

Here, Petitioner established a QIT. The QIT named her daughter, E.A., as Trustee. The QIT required that the "entire amount of the income allocated to the Trust shall be deposited directly in the trust account or deposited in the trust account in the same month the income is received by the primary beneficiary." The Schedule A statement submitted by Petitioner only indicates what should be placed in the QIT. The document itself does not establish that the amount indicated was deposited in the QIT. The Wells Fargo statements requested by UCBSS would show the deposits made to the QIT. By way of letter dated December 22, 2016, UCBSS notified E.A. that Wells Fargo confirmed their QIT policy permitted the disbursement of QIT account statements to the trustee. E.A. provided no explanation for her inability to provide these statements in light of Wells Fargo's policy.

Moreover, the Wells Fargo Bank transaction receipts do not establish eligibility. 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 accumulated income in the trust)." 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 \$3,199.35 rendered her ineligible unless she placed income in excess of \$2,199 into the

QIT each and every month. The inclusion of two deposits totaling \$1,543.05 in resources invalidated the QIT and also rendered her ineligible.


The credible evidence in the record demonstrates that Petitioner failed to provide the needed information prior to the February 3, 2017 denial of benefits. Without this information, UCBSS was unable to determine Petitioner's income or whether Petitioner's QIT was fully funded. Consequently, UCBSS was unable to determine Petitioner's eligibility.

Based on my review of the record and for the reasons set forth above, I hereby REVERSE the Initial Decision and reinstate UCBSS' denial.

THEREFORE, it is on this 8th day of SEPTEMBER 2017,

ORDERED:

That the Initial Decision is hereby ADOPTED.


Meghan Davey, Director
Division of Medical Assistance
and Health Services