



State of New Jersey
 DEPARTMENT OF HUMAN SERVICES
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 TRENTON NJ 08625-0700

JON S. CORZINE
 Governor

JENNIFER VELEZ
 Commissioner

May 27, 2008

David J. Rosen
 Legislative Budget and Finance Officer
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 State House Annex
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 Trenton, New Jersey 08625-0068

Dear Mr. Rosen:

In response to your letter dated May 1, 2008, our answers to the Senate Budget and Appropriations Committee hearing on April 28, 2008 are listed below:

Senator O'Toole:

- The department indicated that implementation of a new timekeeping system would reduce the number of personnel assigned to payroll related activities at State institutions by 30 positions. Please provide information as to the total number of personnel assigned to payroll related activities at State institutions.

Answer: There are currently 59 staff in payroll titles in our state institutions and 12 other staff who provide assistance in payroll related activities.

Senator Redd:

- Please provide information as to the prescription drug co-pays used by the 42 states that have adopted co-payment policies. Please provide information as to the total number of Medicaid recipients affected by proposed co-pays for hospital services and prescription drugs.

Answer: The chart below shows the forty-two other states which have co-payment requirements for prescription drugs according to the Kaiser Family Foundation (October, 2006).

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State	Co-Payment Requirement
Alabama	\$.50-\$3/Rx depending on drug cost
Alaska	\$2/Rx
Arizona	
Arkansas	.50-\$3/Rx depending on drug cost
California	\$1/Rx
Colorado	\$1/generic or multi-source Rx, \$3/brand or single source Rx
Connecticut	
Delaware	\$.50-\$3/Rx depending on drug cost, up to \$15/month
District of Columbia	\$1/Rx
Florida	
Georgia	\$.50-\$3/Rx depending on drug cost and status
Hawaii	
Idaho	
Illinois	\$3/brand Rx, \$1/generic Rx
Indiana	\$3/Rx
Iowa	\$1/generic and preferred brand Rx, \$2-\$3/non-preferred brand Rx depending on payment
Kansas	\$3/Rx
Kentucky	\$1/generic Rx; \$2/preferred brand Rx; B- \$3/non-preferred brand Rx; A, C & D - 5% of payment up to \$20 for non-preferred brand Rx; A, B, C & D - annual out-of-pocket expense capped at \$225
Louisiana	\$.50 - \$3/Rx depending on drug cost
Maine	\$2.50/Rx, up to \$25/month, no copayment for mail order prescriptions
Maryland	\$1/Rx for generic or preferred brand, \$3/Rx for non-preferred brand
Massachusetts	\$1/generic Rx or OTC product, \$3/brand Rx
Michigan	\$1/generic Rx, \$3/brand Rx
Minnesota	A - \$1/generic Rx, \$3/brand Rx, up to \$12/month, antipsychotic Rx's not subject to copayments; B - \$3/Rx with no cap and no exceptions
Mississippi	\$3/Rx
Missouri	\$.50-\$2/Rx depending on drug cost
Montana	\$1-\$5/Rx depending on drug cost, up to \$25 max per month
Nebraska	\$2/Rx
Nevada	\$1/generic Rx, \$2/brand Rx
New Hampshire	\$1/generic Rx, \$2/brand or compound Rx
New Jersey	
New Mexico	A - \$3/Rx, up to \$12/month, B - \$5/Rx - see state specific FN
New York	\$.50/generic Rx and over the counter product, \$2/brand RX
North Carolina	\$3/Rx
North Dakota	\$3/brand Rx
Ohio	\$2/selected brand Rx, \$3/Rx if not on Preferred Drug List
Oklahoma	\$1-\$2/Rx. depending on drug cost
Oregon	A - \$2/generic Rx, \$3/brand Rx
Pennsylvania	\$1/generic Rx, \$3/brand Rx
Rhode Island	
South Carolina	\$3/Rx
South Dakota	\$3/brand Rx
Tennessee	\$3/brand Rx
Texas	

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Utah	A - \$3/Rx up to \$15/month, B - \$3/Rx, C - \$5/generic or preferred brand Rx and 25% cost for others, B & C - full payment for brand when generic available
Vermont	A - \$1 - \$3 depending on drug cost
Virginia	\$1/generic Rx, \$3/brand Rx
Washington	
West Virginia	\$.50-\$3/Rx depending on drug cost
Wisconsin	\$3/Rx up to \$5/month, \$.50/over the counter drug
Wyoming	\$1/generic or preferred brand Rx, \$3/non-preferred brand Rx

The potential number of recipients who could be affected by the co-payments for prescription drugs and hospital visits is approximately 435,000 which exclude children and pregnant women who are exempt from the co-payments.

- Please provide information as to the expenditures of the Division of Developmental Disabilities related to the three-year plan to expend \$50.0 million in one-time federal recoveries. Specifically, with respect to the initial three-year expenditure plan, how much was expended during Year One and how much will be expended in Year Two? How many clients were served and will be served in Years One and Two?

Answer: Olmstead expenditures for Years 1 and 2 have included costs for In-home and Family Support, Developmental Center Support Coordination, Stabilization Services, Emergency Residential Capacity, Residential Development, Program Start-up, Residential Service costs, Day Program Service costs, and costs of the Fiscal Intermediary.

In FY 2007, expenditures totaled \$10.468 million. These expenditures allowed for placement of 86 individuals from Developmental Centers to the community.

In FY 2008, expenditures are currently projected at \$30.416 million. These projected expenditures include the annualized cost of the 86 placements in FY 2007 and will provide community placement for an additional 100 developmental center consumers in FY 2008 (to date, 90 individuals have been placed).

Senator Sweeney:

- Please provide information as to: (a) the number of children who will be aging out of the educational system this year, (b) the amount of monies included in the FY 2009 recommended budget for services to such children, (c) whether all children will be able to receive services, and (d) the amount of additional funding required to provide services to all children who will age out of the educational system.

Answer: Based on recent information, there are approximately 545 children expected to age out of the educational system this year. Historically, of this population, approximately 65% will be referred to the Division of Vocational Rehabilitation Services in the Department of Labor. The remaining 35% or 190 of the 545 will age out and become the responsibility of DDD.

There are no funds provided in the FY 2009 Governor's Recommended Budget to address these 190 individuals aging out of the educational system.

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To fully fund the 190 expected age outs at an average cost of \$32,000 per year, DDD will need approximately \$6.1 million in funding to provide services to all DDD children aging out of the educational system.

Senator Turner:

- Please provide information as to the total number of adults and children in out-of-State placements by the Divisions of Developmental Disabilities and Mental Health Services and the number of clients in out-of-State placements that will be relocated to in-State programs during FY 2009.

Answer: DDD - Private Institutional Care (PIC)*

	June 07	Dec. 07	June 08 (est.)
<u>Child</u> Out of State	64	87	89
<u>Adult</u> Out of State	488	493	502
Total	552	580	591

*This does not include DYFS caseload.

There is currently a plan in place to bring back 4 out-of-State adults in the early part of FY 2009. An agreement has been reached with a multi-State provider agency (Elwyn) to return out-of-State residents to existing agency vacancies.

The Division expects to return 4 out-of-State children in the early part of FY 2009 under the recently launched pilot program called Children's Placement Enhancement Pilot ("C-PEP").

This pilot is designed to (1) return children placed in out-of-State facilities and (2) keep emergent children in-State by expanding capacity (estimated 18-26 additional beds). In the past, children deemed in need of an emergency placement were sometimes served in an out-of-State facility. These children carry extremely challenging behaviors and often have very involved medical needs.

- Please provide information on the Essex County – County Jail Substance Abuse Programs as to the program's total cost and the total number of clients that receive services.

Answer: The \$19 million state aid pass-through grant to Essex County for Delaney Hall will support 777 parolees. Program outcomes are managed by the Essex County Department of Corrections. The State Parole Board supervises all parolees within the facility and monitors contract compliance. Essex County is required to perform quarterly site visits to verify program compliance.

In coordination with the Department of Children and Families, the following is requested:

- Please provide information as to the average Medicaid cost of residential care provided by individual agencies under contract to the Division of Child Behavioral Health Services and compare such Medicaid costs to those at the DYFS residential treatment centers.

Answer: The average cost of residential treatment care provided by agencies under contract to the Division of Child Behavioral Health Services is \$110,344 per child.

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The average cost of the Division of Youth & Family Services Residential Treatment Centers is \$178,000 per child.

- Please provide information as to expenditures on psychotropic medications for children in foster care and residential treatment, and the amount expended on off-label use.

Answer: Based on information provided by the Division of Child Behavioral Health, the expenditures for psychotropic medications and off-label use for children in foster care and residential treatment are as follows:

	Psychotropic	Off-Label
Residential Treatment	\$1,375,353	\$618,411
Foster Care	\$1,688,825	\$736,715

- If available, please provide information as to the percentage of children that are prescribed psychotropic medication in department-operated residential facilities and contracted residential facilities.

Answer: Based on information provided by the Division of Child Behavioral Health, the percentage of children that are prescribed psychotropic medication in residential facilities is as follows:

Facility Type	Percentage
State Operated	38%
Contracted	56%

Senator Vitale:

- Please provide the following information: The total number of adults that may qualify for NJ FamilyCare if income limits were increased from 133% to 150% and from 150% to 200% of the federal poverty level, and the associated Federal/State costs for this expansion.

Answer: Please see the charts below which indicate projected additional adult enrollment over current enrollment trends and the additional state costs associated with these populations if the income limits were increased.

Additional Year-End Adult Enrollment			
	134-150%	151-200%	Total
SFY09	10,540	5,707	16,247
*SFY10	15,143	15,046	30,189

*SFY10 includes SFY09 increases

Additional Adult State *Costs (millions)			
	134-150%	151-200%	Total
SFY09	\$6.8	\$2.8	\$9.6
SFY10	\$15.9	\$10.8	\$26.7

*State costs assume a 65% federal match

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If the adult income limits were expanded, we have projected additional child enrollment and costs associated with the expansion as shown in the charts below:

Additional Year-End Child Enrollment				
	134-150%	151-200%	**201-350%	Total
SFY09	1,173	3,597	4,274	9,041
*SFY10	1,456	4,309	5,150	10,915

*SFY10 includes SFY09 increases
 **Assumes some parents who are deemed ineligible will realize that their children are eligible at the higher limits.

Additional Child State *Costs (millions)				
	134-150%	151-200%	**201-350%	Total
SFY09	\$0.3	\$1.3	\$1.1	\$2.7
SFY10	\$0.9	\$2.3	\$2.1	\$5.3

*State costs assume a 65% federal match
 **Assumes some parents who are deemed ineligible will realize that their children are eligible at the higher limits.

- Please provide information as to the number of adults and children expected to be enrolled in NJ FamilyCare in FY 2009.

Answer: Current FY 2009 year-end projections of total adults and children enrolled in NJ FamilyCare (SCHIP) are as follows:

Income Level	Adults	Children	Total
<134% FPL	92,400	44,800	137,200
134-150% FPL	21,600	12,600	34,200
151-200% FPL	900	33,700	34,600
200-350% FPL	N/A	32,000	32,000
TOTAL	114,900	123,100	238,000

- If federal rules are adopted to reduce federal reimbursement for children between 250% - 350% of the federal poverty levels, how much federal reimbursement would the State lose?

Answer: Based on current enrollment trends, New Jersey would lose the following amounts in federal reimbursement due to reductions in the federal match for children between 250% and 350% of the federal poverty level:

	*50% (millions)	*0% (millions)
FY 2009	\$2.1	\$9.1
FY 2010	\$2.6	\$11.1

* Current federal reimbursement is at 65%

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- Please provide information as to ACS estimated costs associated with: (a) billing and collection of premiums from NJ FamilyCare recipients, and (b) marketing and outreach.

Answer: Below is the estimated state cost associated with ACS providing the following services:

Billing and Collection of Premiums	\$350,000
Marketing and Outreach	\$1,250,000

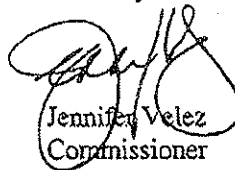
- Please provide a status report as to the number of families that have applied for and enrolled in the FamilyCare Advantage Program through Horizon Blue Cross Blue Shield of New Jersey, that allows families with incomes above 350% of the federal poverty level to obtain health insurance at NJ FamilyCare rates.

Answer: The following table details the number of families who have applied for and enrolled in the FamilyCare Advantage Program through Horizon Blue Cross Blue Shield of New Jersey as of May 7th, 2008:

	Applications Submitted	Applications Approved	Applications Denied*	Children Enrolled
One-Child	32	20	12	20
Two-Child	23	11	12	22
Total	55	31	24	42

*Denied applications are for the following reasons:
 Income level is below the minimum requirement
 Applicant is not a legal resident of New Jersey
 Applicant is above the maximum age of 19
 Applicant did not meet the six month uninsured requirement
 Applicant did not include premium payment with their application

Sincerely



Jennifer Velez
Commissioner

JV:14

cc: R. David Rousseau
 Charlene Holzbaur
 Patrick O'Connor
 George LeBlanc
 Rosemary Pramuk
 Jay Hershberg