



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

EXECUTIVE SUMMARY

**DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
NJ FAMILYCARE ELIGIBILITY DETERMINATIONS
July 1, 2014 to July 30, 2017**

We found that New Jersey Family Care (NJFC) initial eligibility determinations and subsequent redeterminations (redets) were not always proper, and procedures by the county or the vendor could be enhanced/improved. We noted issues relating to redetermination dates and end-dates in the Medicaid Eligibility System. We also noted active recipients who had unreported income, were ineligible based on their income, were using inaccurate Social Security numbers, or were deceased. In addition, we noted some employees of the vendor were receiving NJFC benefits, but were ineligible.

AUDIT HIGHLIGHTS

- We found a total of 361,072 recipients enrolled through the counties had no redet date, had a past-due redet date, or a future redet date beyond one year as per the system. In addition 23,388 recipients enrolled through the vendor had a past-due redet date or a future redet date beyond one year as per the system. In a separate analysis, we found 1.4 million of the 1.6 million active recipients did not have an end-date in the system; thereby increasing the risk some may continue to receive benefits in perpetuity.
- Our match with New Jersey Gross Income Tax returns disclosed some NJFC recipients did not report all income on their applications, making them ineligible. We identified at least 1002 of these recipients having \$3.9 million in potentially improper payments.
- \$177.5 million of potential improper payments were associated with recipients who are identified in the system with invalid and/or duplicate Social Security numbers to obtain NJFC benefits.
- \$728,747 in capitation payments and fee-for-service claims were expended for recipients after their date of death.
- Of the 29 health benefits coordinator (vendor) employees enrolled in NJFC, 5 may not be eligible. We also noted 89 state employees receiving NJFC, but were ineligible based on their income and household size. Improper payments for these ineligible vendor and state employees totaled over \$400,000.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click [here](#).