



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

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**EXECUTIVE SUMMARY**

**DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES  
ADDICTION SERVICES  
July 1, 2015 to September 30, 2018**

We observed the state does not have a single coordinating entity to engage and coordinate all of New Jersey's efforts to prevent and treat substance abuse. We found the Division of Mental Health and Addiction Services' (division) procedures for monitoring programs serving individuals with substance use disorder to be adequate, except for its monitoring of fee-for-service claims. In making this determination, we also noted the division can improve its monitoring of wait times, service capacity, and mobile medication unit contracts. In addition, we found the division can better determine the effectiveness of its programs and providers by increasing its use of performance measures. We also noted weaknesses regarding the monitoring of employees of addiction treatment providers meriting management's attention. We also made observations regarding the use of naloxone, the limitations of the Opioid Overdose Recovery Program, and the consequences of income eligibility restrictions, as well as the effect of advertising on hotline call volume. We found indications of fraud at three providers and referred them to the Division of Criminal Justice.

**AUDIT HIGHLIGHTS**

- The state does not have a single coordinating entity to synchronize the efforts of the various state departments in the control, prevention, intervention, treatment, rehabilitation, research, education, and training aspects of substance abuse in order to avoid duplications and inconsistencies in these efforts, and to ensure one consistent state vision is observed by all departments.
- Data maintained in the New Jersey Substance Abuse Monitoring System includes client's length of stay, whether the client has completed treatment, and reasons for disenrollment. However, the division does not utilize this data to evaluate providers' performance or their effectiveness at delivering treatment, nor does it regularly monitor to determine if individuals are receiving treatment promptly, as well as identify those who are not.
- Providers are only required to update their treatment availability for all licensed levels of care each morning. While a system like this is beneficial, having the information in real time would be a significant improvement and reduce the time it takes for an individual to receive the necessary treatment.
- Our review of 1,261 treatment claims from a sample of 10 providers disclosed 557 fee-for-service (FFS) claims for therapy were not supported by attendance records, and 124 claims were not supported by an electronic medical record. All providers are required to have clients sign in when attending sessions, and medical records are critical in supporting this type of FFS claim. We also noted 65 percent of the 410 Methadone Outpatient Treatment claims tested at three providers lacked the required counseling services within the specified timeframe.
- We found the monitoring of the levels of service requirements for the five mobile medication units to be inadequate. We also concluded the division should re-assess its use of these units. In addition, the contract administrators do not adequately review contract expenditures.
- The division does not perform timely closeouts on annual contracts with providers who render services to individuals seeking addiction treatment. Based on our analysis, we estimate the division could possibly recover \$18.4 million if it performs the required contract closeouts.
- We reviewed 86 employee files at five providers and found 40 percent of the files lacked evidence of compliance with the various background checks and drug screening requirements under the FFS contracts.

**AUDITEE RESPONSE**

The department generally concurs with our findings and recommendations.  
For the complete audit report or to print this Executive Summary, click [here](#).