EXECUTIVE SUMMARY

DEPARTMENT OF HUMAN SERVICES
DIVISION OF AGING SERVICES
SELECTED COMMUNITY BASED SENIOR PROGRAMS

We found that financial transactions included in our testing were related to the programs, were reasonable, and were recorded properly in the accounting systems. In making this determination, we noted certain internal control weaknesses meriting management’s attention.

AUDIT HIGHLIGHTS

- Global Options (GO) is an annual $190 million Medicaid Waiver Program designed to assist applicants 65 or older, or between 21 and 64 who are physically disabled, receive the necessary services to keep them living independently in the community instead of a nursing facility. The division has the system resources in place to ensure providers are not paid more than pre-authorized amounts set by county care managers, but failed to formally set up the review procedures.

- The annual $36 million Program of All-Inclusive Care for the Elderly (PACE) provides comprehensive medical care for frail individuals age 55 and older. The division does not require PACE providers to present claim expenditure detail for recipients. This makes it difficult for the division to assess the effectiveness of the program and the equitableness of the monthly capitated rate.

- The division is billed a reduced monthly rate for PACE recipients that qualify for both Medicare and Medicaid. The division does not notify PACE participants to apply for Medicare when they reach the qualifying age of 65. For fiscal years 2012 and 2013, we identified 336 claims where cost savings of $432,000 may have been obtained because the recipients were over 65 and had not been enrolled in Medicare.

- The Jersey Assistance for Community Caregiving program is an annual $9.2 million state funded program for non-Medicaid recipients 60 years and older that provides an array of services for those at risk of nursing facility placement. The division has the system resources in place to ensure providers are not paid more than pre-authorized amounts set by county care managers, but failed to formally set up the review procedures. The division also made advances prohibited by the contract to the state fiscal agent in fiscal years 2012 and 2013 totaling $3.3 million. Although it appears a portion of the advances was applied to subsequent monthly billings, no supporting documentation to justify the amounts was provided.

AUDITEE RESPONSE

Except for our recommendation regarding monitoring of the Global Options program encounter data, the division generally concurs with our findings and recommendations.

For the complete audit report, click here.