EXECUTIVE SUMMARY

DEPARTMENT OF MILITARY AND VETERANS’ AFFAIRS
NEW JERSEY VETERANS MEMORIAL HOME AT PARAMUS

Our audit found that the financial transactions included in our testing were related to the home’s programs, were reasonable, and were properly recorded in the accounting systems. We did note opportunities for revenue enhancement and internal control and compliance weaknesses meriting management’s attention.

AUDIT HIGHLIGHTS

- Revenues are primarily comprised of a per diem allowance from the U.S. Department of Veterans Affairs, billings to residents for care and maintenance, reimbursements from Medicare Part A and Part B, and co-insurances. Our audit noted areas where revenue enhancements could reduce the home’s reliance on state appropriations. Delinquent receivables for care and maintenance billings totaled $1.3 million as of April 30, 2012. New Jersey Administrative Code changes could reduce the occurrence of responsible parties failing to meet their obligations. In addition, our review identified 74 residents that were potentially eligible for an Aid and Attendance pension benefit through the U.S. Department of Veterans Affairs. At the maximum rate, this could result in an additional $1.2 million in annual recoveries for the home.

- Testing of unpaid Medicare Part B claims noted the home did not include these as part of the non-tax debt remitted to the Department of the Treasury’s Division of Revenue and Enterprise Services. Unpaid claims should be included in reported receivable balances and proof of supplemental insurance should become part of the annual asset review process.

AUDITEE RESPONSE

The department concurs with our findings and recommendations.

For the complete audit report, click here.