EXECUTIVE SUMMARY

JUDICIARY
ADULT DRUG COURT PROGRAM

We found the financial transactions included in our testing were related to the program, were reasonable, and were recorded properly in the accounting systems. However, there are internal control weaknesses relating to the review of claim data from the fiscal agent and the program’s published graduation rate was overstated. We also observed an opportunity for cost savings through the use of participants’ health insurance.

AUDIT HIGHLIGHTS

- An agreement exists between the Judiciary and the Department of Human Services, Division of Mental Health and Addiction Services (DMHAS) to collaborate on the resource management of the program funds. The DMHAS contracts with a fiscal agent to manage claim data. The DMHAS fiscal controls need improvement in the areas of State Bureau of Identification numbers (SBI), contracted residential bed utilization, and the reviewing of claim data. We found 481 SBI numbers did not match a name in the Judiciary’s program participant roster with charges to these SBI numbers totaling $1.4 million. The DMHAS contracted nine treatment providers to provide beds for program participants. These providers had vacant beds costing $300,000, while simultaneously submitting fee-for-service claims for like services. In addition, fee-for-service treatment providers submitted 1,060 claims totaling $63,000 for 21 participants no longer in the program and 485 claims totaling $34,000 for participants that were simultaneously occupying a contracted bed, indicating a duplication of payment.

- We determined the graduation rate for the program as presented on the New Jersey Adult Drug Court Program website was overstated. The 57 percent rate presented included the current participants as “graduates”, although not all will complete the program. Our calculation, using only those who completed the program, resulted in a 35 percent graduation rate.

- There is no process by which the Division of Mental Health and Addiction Services uses participants’ own health insurance to cover program costs. According to a report, “A Model for Success: A Report on New Jersey’s Drug Courts October 2010”, upon entry into the program, 17 percent of participants have health insurance. While not all health insurers will cover all treatment or services, the potential exists for savings through the use or reimbursement of these services from these insurers.

AUDITEE RESPONSE

As partners in administering the program, both the Judiciary and Department of Human Services generally concur with our findings and recommendations.

For the complete audit report, click here.