Discussion Points (Cont’d)

DEPARTMENT OF CHILDREN AND FAMILIES (GENERAL)

1. The recommended budget assumes $15.0 million in savings from a “hiring freeze and other employee actions.”

   Questions: What is the department’s share of the $15.0 million? What specific actions will the department initiate to achieve such savings? Are case workers exempt from this initiative?

   Response: While DCF is subject to the hiring freeze, the DCF budget did not include a percentage share of the $15 million savings.

2. The Budget in Brief indicates that the department will realize $4.6 million in contract savings.

   Question: What specific initiatives will be undertaken to achieve such savings?

   Response: The $4.6 million Grant-In Aid savings are as follows:

   - $1.906 million Contracted System Administrator
   - $0.715 million Recruitment of Adoptive Parents
   - $0.600 million Increased Dedicated Funds
   - $1.373 million Revised Spending Plan includes:
     - $750k Child Health Units
     - $556k Prevention Contract Efficiencies
     - $67k DYFS Contract Efficiency

3. The Budget in Brief cites Direct Care Services savings of $2.1 million, in addition to $2.3 million in savings that will result from the closing of the Woodbridge Diagnostic Center.

   Question: What specific reductions do the $2.1 million represent, by division?

   Response: The $2.1 million Direct State Services savings by division are as follows:
Discussion Points (Cont’d)

- DYFS - $1.1 million reduction of state salary dollars by utilizing increased Title IV-E federal revenue.
- Training Academy - $750,000 reduction for elimination of Rutgers weekend MSW program for DCF staff.
- Prevention and Community Partnerships - $297,000 elimination of state funds for the Safe Haven program. DCF will utilize a federal grant to support this program.

4. As part of the June 3, 2009 Memorandum of Agreement between the State and the Communications Workers of America, the department’s Hobart Services contract for paralegals would be cancelled within 90 days and those positions would be converted to permanent full-time positions or eliminated.

- Questions: Did the termination of the contract with Hobart Services increase or decrease department costs? By how much were costs increased or decreased?

Response: The termination of the contract with Hobart Services increased costs by approximately $500,000.

- Expenditures for the 55 paralegals employed through Hobart West Solutions were $2.14 million in FY09.
- The annual cost of employing 55 civil service paralegals as permanent civil service employees, including fringe benefits, for FY10 (on an annual basis) is $2,626,710.

5. Provider agencies under contract to the department have not received a Cost of Living Adjustment for several years. However, a review of FY 2010 provider agency contracts indicated that the Executive Directors and other administrative staff of such agencies have received increases in their compensation, while direct care staff at such agencies have generally not received an increase in their compensation.

- Questions: What is the department’s policy with respect to Executive Directors and other administrative staff at provider agencies receiving salary increases while direct care employees of such agencies do not receive an increase in their compensation? Will the department disallow reimbursement to provider agencies for such costs?

Response: DCF will continue to implement contract efficiencies with third party providers, which it started last year by placing limits on travel and tuition reimbursements. DCF, along with DHS, is implementing additional efficiencies that will limit the use of state contracted dollars to compensate employees of organizations under contract with DCF.
Discussion Points (Cont’d)

DCF will not place limits on the total amount of compensation an executive or employee of a DCF-contracted organization can receive. The limits will only address how much funding obtained through a DCF contract can support an individual’s salary and benefits so that scarce state resources can be focused on service delivery.

6.a. The FY 2010 budget and the recommended FY 2011 budget indicate the following number of funded positions for the current fiscal year:

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th>FY 2010 revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>5,036</td>
<td>4,970</td>
</tr>
<tr>
<td>Federal</td>
<td>1,580</td>
<td>1,519</td>
</tr>
<tr>
<td>All Other</td>
<td>453</td>
<td>405</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,069</td>
<td>6,894</td>
</tr>
</tbody>
</table>

• Questions: What accounts for the change in the number of funded positions?

Response: The position total stated above for FY 2010 represents the number of funded FTE’s. The FY 2010 revised position total represents the number of check cuts in January 2010 (point in time data) and does not account for employees in no pay status, on leave of absence or funded vacancies not filled during that pay period. This is the FY 2010 data snapshot used for all departments.

6.b. The FY 2011 recommended budget assumes the following number of funded positions:

<table>
<thead>
<tr>
<th></th>
<th>FY 2010 revised</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>4,970</td>
<td>5,009</td>
</tr>
<tr>
<td>Federal</td>
<td>1,519</td>
<td>1,575</td>
</tr>
<tr>
<td>All Other</td>
<td>405</td>
<td>404</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,894</td>
<td>6,988</td>
</tr>
</tbody>
</table>
Discussion Points (Cont’d)

• **Questions:** What accounts for the increase in the number of State and federally funded positions? What positions will be added, in which divisions?

**Response:** The position total stated above for FY 2011 represents the number of funded FTE’s. The FY 2010 revised position total represents the number of check cuts in January 2010 (point in time data) and does not account for employees in no pay status, on leave of absence or funded vacancies not filled during that pay period. This is the FY 2010 data snapshot used for all departments.

7.a. The department realized $44.6 million more in federal Title IV-E federal revenues in FY 2009 than anticipated: $97.7 million (revised FY 2009) to $143.3 million (actual FY 2009). The increase is unrelated to the enhanced federal match for Title IV-E expenditures.

• **Questions:** What accounted for the $44.6 million increase in federal Title IV-E revenues during FY 2009?

**Response:** Through its revenue maximization efforts, the Department was able to submit claims during FY’09 that exceeded its original estimates. This was due to improved information being available through NJ SPIRIT. FY’09 was the first full fiscal year in which SPIRIT was operational.

Approximately $10 million of the increase represents adjustments for reconciling grant awards and additional claims for fiscal year 2008.

7.b. Initial FY 2010 estimates of federal Title IV-E revenues were $106 million based on over 22,100 children receiving adoption and foster care services. The revised FY 2010 estimate is $113.6 million, even though the number of children receiving adoption and foster care services has been reduced to 21,800.

• **Questions:** What accounts for the $7.6 million increase in federal Title IV-E revenues in FY 2010?

**Response:** Through its revenue maximization efforts, the Department was able to submit claims that exceeded its original estimates. Claims are submitted quarterly to the federal government based on actual administrative expenditures as part of our cost allocation plan and for maintenance
Discussion Points (Cont’d)

expenses for youth in foster care placements and adoption subsidy that are IV-E eligible. In addition, previous quarterly claims may be modified as part of an on-going reconciliation process. The Department was able to sustain the increased Title IV-E claims from FY 2009 in FY 2010.

7.c. Federal Title IV-E revenues are expected to increase by $16.1 million, to $129.8 million, in FY 2011, yet adoption and foster care caseloads in FY 2011 are essentially unchanged at about 21,800.

• Questions: What accounts for the $16.1 million increase in federal Title IV-E revenues in FY 2011?

Response: As noted in the previous question, through its revenue maximization efforts, the Department has been able to submit claims that exceeded its original estimates. Claims are submitted quarterly to the federal government based on actual administrative expenditures as part of our cost allocation plan and for maintenance expenses for youth in foster care placements and adoption subsidy that are IV-E eligible. In addition, previous quarterly claims may be modified as part of an on-going reconciliation process. The Department expects to sustain the increased Title IV-E claims in FY 2011.

CHILD PROTECTIVE AND PERMANENCY SERVICES


Despite improvement in New Jersey’s child welfare system since the initial 2004 review, the federal review determined that the State’s child welfare system did not meet federal standards in 25 of 45 areas.

The federal report is at odds with several Monitoring Reports issued by the court appointed monitor that covered the October 2007 – March 2009 period. The monitoring reports indicate that the department is making progress “towards meeting the requirements of the MSA” [Modified Settlement Agreement].

• Questions: What accounts for the different findings between the federal report and the various monitoring reports for roughly the same time period? What weight, if any, does the federal monitor give to findings from the federal review?
Response: The Department is committed to meet all standards established by the federal CFSR, and the measures agreed upon with the federal monitor and believe that future reports will demonstrate continued progress in all areas.

Although there may appear to be a difference in findings between the federal Child and Family Service Review (CFSR) and the federal monitor’s reports this can be primarily explained due to the fact that they review and report on different measurements and outcomes. Also, the CFSR review is a point in time, whereas the Monitor is reviewing data and performance over an extended time period.

In fact, New Jersey’s performance in the 2009 CFSR review was much improved over the 2004 results; the first year that the CFSR was conducted in New Jersey. The 2009 scores reflect these improvements and the federal staff who conducted the review stated that they saw tremendous strength in New Jersey’s practice during the 2009 review as compared to when they were on site in 2004. Also, in the 25 of the 45 items reviewed where it has been identified that improvement is still needed, there has been demonstrated progress towards achieving those standards.

The Department has submitted its Program Improvement Plan (PIP) to the Children’s Bureau, and expects final approval in the immediate future. However, during this period, staff continues to work on addressing each of these areas.

The Department believes that since New Jersey’s child welfare reform efforts began in 2004, the improvements recorded in the 2009 CFSR results are consistent with the federal monitor’s reports of improvement during this same time period.

8.b. The federal review found that Essex county cases often performed poorest with respect to meeting federal standards compared to cases from Gloucester and Somerset counties.

- **Questions:** What factors contributed to these differences among the three counties? What is being done to improve the handling of cases in Essex County by casework staff?

Response: There was an overall improvement in New Jersey’s case handling and reported outcomes for children in the 2009 CFSR review as compared to the results of the 2004 review. Essex County was a part of both reviews, as required by the federal review requirements. Essex County did show improvement from 2004 to 2009.
Implementation of NJ’s new case practice model, which includes comprehensive training and on site coaching and mentoring for staff, did not begin in Essex County until July 2009, three months after the federal CFSR review. It is fully expected that Essex County will achieve improved outcomes in the next CFSR review as a result of this intensive caseworker training.

In comparison, both Gloucester and Somerset Counties were selected to begin training their caseworkers on the new practice model prior to Essex County. In fact, Gloucester County was one of the state’s four original immersion sites, which began the training in 2008, so their CFSR results were expected to be better than the other two counties.

8.c. The Period VI Monitoring Report notes that 350 youth and families are being served in the community by seven evidence based therapy providers.

- **Questions:** What is the average cost of providing these services? Of the 350 youth and families being served, what is the out-of-home placement rate compared to the overall out-of-home placement rate?

  **Response:** The average cost is $5,200 per youth per year. The out-of-home admission rate is 2.9% compared to approximately 10% overall for youth receiving services from DCBHS.

8.d. The Period VI Monitoring Report commends the department for its progress in adoptions and notes that four of the 100 teens with the longest wait for adoption had their adoptions finalized. This translates to a 4% adoption rate.

- **Question:** What is the basis for concluding that a 4% adoption rate for teens with the longest wait is successful?

  **Response:** The Period VI Monitoring Report detailed progress achieved during the first 6 months of 2009. By the end of calendar year 2009 DYFS had finalized 1,418 adoptions. This is the second highest number of adoptions on record.

The list of 100 Longest Waiting Teens is not a stagnant list and as one teen from the list is adopted another teen is added. The original list was developed back in December 2006. Since the inception of this list, more than four teens have had their adoptions finalized. The fact that four of the 100 longest waiting teens had their adoptions finalized in the first half of calendar year 2009 is impressive since the teens on this list are the hardest to place and in the past would have been written off as not adoptable. This is no longer the case in New Jersey and we are working harder than ever to find
Discussion Points (Cont’d)

these longest waiting teens permanent families. Even one adoption from this list is an enormous success.

8.e. In the areas of Repeat Maltreatment, Abuse and Neglect in Foster Care and Placing Sibling Groups Together, the Period VI Monitoring Report cites data from prior review periods.

- **Questions:** As the Period VI Monitoring Report is for the January – June 2009 period, why did the monitor cite data from prior review periods in measuring the department’s progress?

**Response:** Although each Monitoring Report is for a specific time period, the report by necessity must look to previous time periods to track progress and provide context for improvement. In addition, some measures specifically require 12 months of data, and other data measures are time sensitive. Therefore, in these cases it may be necessary to wait an entire 6 or 12 month period after the event in order to produce the measure.

9.a. In December 2009, the department reported that between December 2008 and December 2009, the number of children in out-of-home placement decreased from about 8,800 to 7,900. Yet the FY 2011 recommended budget indicates that there will be nearly 9,900 children in out of home placements in FY 2011: Foster Care – 8,300; Independent Living/Emergency Placements – 1,200; Other Residential Placements – 300; and State Operated Residential Placements – 70.

- **Question:** As there were 7,900 children in out-of-home placements in December 2009, is the budget estimate of 9,900 children too high?

**Response:** The number of children in out-of-home placement is approximately 7,900. The 9,900 number also includes children in kinship legal guardianship for whom the Department provides subsidy, but who (like subsidized adoptions) are not in an out-of-home placement.

9.b. The department contracts with Foster and Adoptive Services to conduct eight meetings a year with resource families, six of which provide in-service training opportunities.

There does not appear to be any contract requirement as to the number of resource families that must attend these meetings. As such, if only one resource family attended each meeting, the terms of the contact would be met.
Discussion Points (Cont’d)

• **Question:** Should the contract include numerical goals as to the number of resource families that must attend these meetings?

**Response:** Every resource family in New Jersey is required to complete continuing education credits each year. It is a condition of their license and required in order to maintain their license. The training provided by Foster and Adoptive Family Services meets the criteria set forth by the Department and DYFS and is applied toward fulfilling this requirement. However, it is only one source of continuing education programs that is available to foster parents.

DCF will review the attendance from each of the meetings held throughout calendar year 2009 to determine the average participation and if necessary include numerical goals into future contracts.

10.a. Approximately $35.5 million (gross) is recommended for Child Health Units. Under this program, UMDNJ’s Bagnoud Center’s Child Health Program staffs DYFS district offices and provides various health services to children in out-of-home placement. As many of the children in out-of-home placements are enrolled in a Medicaid managed care program, such children are already monitored with respect to their health care and the receipt of health care services.

• **Questions:** Can the recommended appropriation be reduced by excluding children enrolled in a Medicaid managed care program?

**Response:** No. While Over 80% of children in DYFS custody are in a Medicaid managed care program the services that managed care companies and that UMDNJ’s Child Health Unit program provide to DYFS staff and clients are qualitatively different.

HMO care managers were never positioned to be able to manage the day to day health care needs for children in the child welfare system. The Medicaid managed care programs do remain an important resource that the DYFS child health unit nurses, and resource parents access for assistance and identification of medical subspecialty care and services as needed for a particular child or youth if the service(s) is not readily available in the child’s network. The HMO care managers also facilitate hospitalizations for children enrolled in their plan.

The UMDNJ/DYFS Child Health Units represent a multi-disciplinary approach to case practice, and are a primary mechanism through which positive health outcomes for children in out of home placement are achieved. The DYFS child
Discussion Points (Cont’d)

health unit nurses are responsible for actively understanding, managing and coordinating a child’s health from the moment they enter placement through transition out of care. This includes:

- Gathering all available medical information about the child;
- Assessing the child’s level of care needs;
- Working with the care giver and DYFS case workers to ensure that any specialized care plans for a child are understood and managed appropriately; and,
- Ensuring that well child and routine care for all children in out of home placement are met in accordance with American Academy of Pediatric recommended guidelines.

Child Health Unit nurses participate in Family Team Meetings and assist DYFS staff in the development and implementation of health care plans that are required for all youth in out of home placement. In addition, DYFS Child Health Unit nurses visit children in their foster homes to provide support to foster families and ensure that children are achieving appropriate developmental milestones and that children with a suspected mental health need are identified and linked with an appropriate assessment.

The UMDNJ/DYFS Child Health Units have yielded impressive child health outcomes over the past 12 months, demonstrating a clear return on investment to date.

11.b. At present, Child Health Units conduct a pre-placement medical assessment on all children entering out-of-home placement. As many children have multiple placements within a short period of time, conducting a pre-placement medical assessment may not be warranted if a recent pre-placement medical assessment is on file.

- **Questions:** Can program costs be reduced if pre-placement medical assessments were limited to children who do not have a recent assessment on file?

  **Response:** DYFS policy requires that all children entering out of home placement receive a pre placement assessment within 24 hours of placement.

  In July 2008, DYFS revised its policy and eliminated the requirement that all children changing placements receive a re-placement assessment. Per policy, the decision to seek an assessment should take into consideration the following factors:

  - Whether the change in placement is a planned or unplanned event;
Discussion Points (Cont’d)

- The child’s age and ability to communicate with his or her worker;
- Whether the new placement requires medical clearance prior to placement; and
- Whether the child has an active health condition at the time of the change in placement. For example, the child has a fever or other issue that requires immediate medical attention.

11.c. The Child Health Units contract was awarded to UMDNJ Bagnoud Center’s Child Health Program through a Memorandum of Understanding. As no Request for Proposal appears to have been issued, it is not known if a competitive bid for the services would reduce program costs.

• Question: Will the Child Health Units contract be put out to bid?

Response: No. In 2000, the Department of Human Services (in which the Division of Youth and Family Services was located), issued a Request for Proposals to co-locate one nurse in each DYFS local office. Prior to that time, DYFS contracted with nurses through individual provider agreements. The UMDNJ FXB Center was awarded the contract to provide services in 14 of New Jersey’s 21 counties.

In 2008, DCF entered into a MOU with UMDNJ-FXB to implement a nurse case management model state-wide. DCF’s decision to do so was based on the assessment that UMDNJ had the organizational infrastructure, knowledge and experience to implement this program consistent with DCF’s needs to meet agreed upon health care outcomes.

In addition, it was consistent with Treasury guidelines, which indicates that the State has an expressed preference for the use of State colleges and universities to provide professional services rather than outside private vendors.

As noted in the past three Monitor’s reports, DCF has made significant gains in its ability to ensure that children in out of home placement receive timely and appropriate health care. The Child Health Units are a critical component of this success.

12. The total number of funded positions in the Child Protective and Permanency Services program (DYFS) will increase from 4,970 to 5,009 in FY 2011.
Available caseload data indicate that the number of children and families under DYFS supervision continues to decline:

<table>
<thead>
<tr>
<th></th>
<th>January 2005</th>
<th>December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children</td>
<td>61,260</td>
<td>44,950</td>
</tr>
<tr>
<td>Families</td>
<td>32,900</td>
<td>22,610</td>
</tr>
</tbody>
</table>

**Question:** In view of the reduction in the number of children and families under DYFS supervision, why is the number of funded positions increasing in FY 2011?

**Response:** The 5,009 number of funded positions noted above represents the total number of state funded positions in the Department of Children and Families; it does not represent the number of positions assigned to DYFS to address caseloads.

**13.** The FY 2010 appropriations act provided about $6.2 million for overtime costs. As the overall number of children and families under DYFS supervision has decreased, there should be a corresponding reduction in overtime expenditures.

**Questions:** What is the current estimate of FY 2010 overtime expenditures? How much is included in the FY 2011 recommended appropriation for overtime?

**Response:** The projected overtime cost for FY 2010 is $6.054 million. The department estimates $5.7 million for FY 2011.

**14.** The table below indicates DYFS Family Support Services expenditures in FY 2010 and FY 2011:

<table>
<thead>
<tr>
<th>Service</th>
<th>FY 2010 Revised</th>
<th>FY 2011 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Services</td>
<td>$4.1 million</td>
<td>$4.0 million</td>
</tr>
<tr>
<td>Case Management Services</td>
<td>$10.7 million</td>
<td>$10.4 million</td>
</tr>
<tr>
<td>Assessment Services</td>
<td>$52.5 million</td>
<td>$50.8 million</td>
</tr>
<tr>
<td>Parent Services</td>
<td>$36.3 million</td>
<td>$35.2 million</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$103.6 million</td>
<td>$100.4 million</td>
</tr>
</tbody>
</table>

No information is provided as to why appropriations for these services are being reduced and whether these reductions will result in a reduction in services to children and families.

**Questions:** What accounts for the above reductions? Will there be a reduction in the number of children and families who receive services as a result of the reductions?

**Response:** The decreased estimate represents the savings resulting from fewer children needing services.
15.a. The FY 2011 recommended budget proposes the closing of the Woodbridge Residential
Center. This will leave the department with two residential centers at Ewing and Vineland.

The Budget in Brief cites savings of $2.3 million in closing Woodbridge. However, Program Data in the recommended budget cites a $3.0 million reduction in costs at Woodbridge.

- **Question:** Which figure is correct?

**Response:** The $2.3 million savings for Woodbridge cited in the Budget in Brief is the amount listed in the Direct State Services category of the budget. The total reduction in the DCF budget attributable to Woodbridge is approximately $2.6 million which includes nearly $300,000 in family support services to serve the youth in these placements.

Federal funds that are also used to support this program will be reallocated to support children in placement. Please note that the program data reflects the total expenditures for the program (state and federal) and the Budget in Brief reflects the state savings.

15.b. The Vineland facility has had physical plant issues over the years. The proposed closing of the West Campus of the Vineland Developmental Center offers an opportunity to improve the overall physical plant of the Vineland Residential Center at little additional cost.

- **Question:** As the Vineland West Campus would provide better residential and more program space than is currently available at the Vineland Residential Center, is relocation to the West Campus an option worth further examination?

**Response:** Relocation of the Vineland Children’s Residential Center to the West Campus of the Vineland Developmental Center is something that DCF will explore if the space becomes available. DCF is not able to make any commitment to such a move without further review and analysis of the fiscal and programmatic implications.

**CHILD BEHAVIORAL HEALTH SERVICES**

16.a. A $39.2 million contract for a Contracted System Administrator for the Children’s System of Care was awarded to PerformCare Behavioral Health Solutions in June 2009. The
Discussion Points (Cont’d)

person hired by PerformCare to administer the program in New Jersey had been a high ranking official within the Department of Children and Families.

• **Question:** Was the State Ethics Commission consulted prior to PerformCare’s hiring of the former DCF employee? If so, what was the basis for any decision that the hiring of the former DCF employee did not violate any State ethics laws?

  **Response:** DCF has confirmed with our ethics liaison that the former DCF employee followed all necessary ethics requirements, including consultation with the DCF ethics liaison.

16.b. PerformCare must be able to meet the following performance standards:

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>EXPECTED TURN AROUND TIME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing Inquiries/Issues related to:</td>
<td>72 hours</td>
</tr>
<tr>
<td>• Medicaid Billing</td>
<td></td>
</tr>
<tr>
<td>• Wrapflex Funds</td>
<td></td>
</tr>
<tr>
<td>• Claims Status</td>
<td></td>
</tr>
<tr>
<td>• Medicaid conversion requests</td>
<td></td>
</tr>
<tr>
<td>IT Inquiries/Issues</td>
<td></td>
</tr>
<tr>
<td>• Log-in</td>
<td>Log-in: Immediate.</td>
</tr>
<tr>
<td>• Security Access</td>
<td>Security Access: Immediate</td>
</tr>
<tr>
<td>• Inability to view or access functions</td>
<td>Inability … functions: Immediate upon receipt.</td>
</tr>
<tr>
<td>• Inability to view agency assigned cases</td>
<td>Inability…assigned cases: Immediate</td>
</tr>
<tr>
<td>Provider Information Management:</td>
<td>Immediate upon receipt of request.</td>
</tr>
<tr>
<td>• Updates/Changes in provider contact information</td>
<td></td>
</tr>
<tr>
<td>• Updates/Changes in provider services</td>
<td></td>
</tr>
<tr>
<td>General PerformCare Requests:</td>
<td>72 hours</td>
</tr>
<tr>
<td>• Requests for authorization numbers</td>
<td></td>
</tr>
<tr>
<td>• Authorization modifications</td>
<td></td>
</tr>
<tr>
<td>• General provider complaints</td>
<td></td>
</tr>
<tr>
<td>• Turn back of referrals</td>
<td></td>
</tr>
<tr>
<td>• Non-Medicaid provider set-up</td>
<td></td>
</tr>
<tr>
<td>• Historical access</td>
<td></td>
</tr>
<tr>
<td>Admissions/Discharges:</td>
<td>One business day</td>
</tr>
<tr>
<td>• Admissions to residential placements</td>
<td></td>
</tr>
<tr>
<td>• Discharges from residential placements</td>
<td></td>
</tr>
</tbody>
</table>

• **Questions:** To date, are the standards being met? If not, what financial penalties have been imposed?
Discussion Points (Cont’d)

Response: These are items for remediation and corrective action which DCF/DCBHS instituted in September. PerformCare and its parent company, Amerihealth Mercy has remediated these items.

Also, the highly structured and specific contract includes daily performance standards which constitute the basis for payment. To date, not all of these performance standards have been delivered. Consequently, DCF is addressing these issues within the context of the contract.

17. The FY 2010 appropriations act included a prior authorization requirement for partial care/partial hospitalization services under Medicaid which was intended to save $6.0 million (gross).

• Questions: Were savings of $6.0 million (gross) realized? Comparing service utilization in FY 2009 to FY 2010, has there been a reduction in the number of children utilizing such services under prior authorization?

Response: The DCBHS appropriation represents only the state portion of funding that is used to supplement Medicaid reimbursement for non-reimbursable costs for children who are not covered by Medicaid/FamilyCare.

We anticipate a nominal decrease in partial hospitalization usage (see numbers below – change will likely be a 10% decline). We do not anticipate a decrease in partial care utilization. Overall, we remain confident that adequate community based mental health services – like mobile response, outpatient, in-home – exist to ensure that young people have the care they need.

Count of Medicaid Kids 18 and under as of 04/30/2010

Partial Hosp FY 2009  - 2,036
Partial Hosp FY 2010 YTD  - 1,630

Partial Care FY 2009 - 1,932
Partial Care FY 2010 YTD - 1,711
Discussion Points (Cont’d)

18. Family Support Organizations funding is unchanged at approximately $7.0 million (gross). In previous years, legislators have raised questions concerning fiscal controls at such organizations and the department’s financial oversight of these organizations.

- **Question:** Describe the department’s financial oversight of Family Support Organizations. Is there adequate documentation to support the $7.0 million recommended appropriation?

**Response:** DCF expects that all contract providers, including FSO’s comply with all requirements of the DCF contract manual requirements, which includes:

- Approval of agency program and budget;
- Submission of quarterly expenditure reports
- Submission of an Independent Audit

In addition, DCBHS has engaged in a coordinated and multi-part effort to ensure adequate internal controls and oversight support the FSOs. This effort includes:

- Requirement of Board activities which comport with “best practices” standards of non-profit management (monthly reconciliation of books; reduced check signing authority for ED; quarterly review of a expenditures and payroll, etc); Board members sign an attestation to commit to this which is on file with the division.
- Five (5) independent audits by DCF Office of Auditing.
- Annual Site visit by contract administrator for on-site review of books and practices
- Monthly review of data – outcomes and levels of service – by the Division Director
- Requested each agency and governance board to complete and submit an agency assessment by June 30th.

19. Care Management Organizations (CMOs) and Youth Case Management services were consolidated in Essex, Mercer and Monmouth counties in recent years. Available information is unclear as to whether additional consolidations will occur during FY 2011.

- **Questions:** With respect to the consolidation of programs in Essex, Mercer and Monmouth counties, how much was saved from each consolidation by eliminating duplicative administrative functions and excess facility costs, etc.? Will additional CMOs and Youth Case Management programs be consolidated during FY 2011? If so, which counties will be affected?
Discussion Points (Cont’d)

Response: DCF engaged in a pilot of unified care management after a long and well documented engagement with our stakeholders, including families, providers and advocates regarding the existing structure of care management and the best ways to engage with families and youth. The result was the decision to pilot unified care management in three counties and study the results before deciding whether to take the initiative state wide.

The last of the three counties where unified care management was implemented has now been operating for one full year. Therefore, the department is currently undertaking a comprehensive review of the initiative to decide whether unification of care management should happen throughout the state, and if so, the best way to go about accomplishing that. At this point, all decisions about future unification are dependent upon that review.

There were no savings anticipated or achieved from the unification of case management services. Any savings in administrative costs have been used for the additional cost of direct service delivery required to implement more flexible services and the caseload standard established for the programs. Facility costs have not been reduced as overall staffing levels and space requirements are not reduced.

PREVENTION AND COMMUNITY PARTNERSHIP SERVICES

20. The budget recommends approximately $32.0 million for School Linked Services Programs: $25.0 million in General Funds and $7.0 million in federal funds. These monies are distributed to 92 schools, many in the former Abbott Districts.

Available information is that many school districts have announced that various programs are being curtailed or terminated and that employees may be reassigned from low priority programs or may be laid off. These reductions may affect the School Linked Services Program.

• Questions: Have any of the 92 schools that receive funds indicated that local support for this program will be reduced or eliminated and that employees assigned to this program may be reassigned or terminated? If so, to what extent can funding for this program be reduced?

Response: DPCP has been surveying its School Based Youth Services Programs (SBYSP) to ascertain impact of reductions in school budgets. To date, we have not received any information that SBYSP personnel will be reassigned or eliminated.
Discussion Points (Cont’d)

DPCP has been informed from some schools that they anticipate SBYSP services will be in greater demand as other district student support services are eliminated or reduced.

21. Five health centers located in Newark schools receive $0.6 million in grant funding from the Prevention and Community Partnership Services program.

In an effort to make the health centers located in Newark schools financially solvent, P.L.2001, c.333 required managed care organizations, under contract with Medicaid, to contract with Children’s Hospital of New Jersey at Newark Beth Israel Medical Center for the provision of primary health and dental services.

• Questions: Can the $0.6 million in funding be reduced or eliminated? Can services be provided at less cost through the federally qualified health centers that operate in Newark?

Response: The Health Centers are an extension of the School Based Youth Services Program designed to play a role in diminishing the racial and economic disparities in the provision of comprehensive health care. Currently situated in five schools dispersed throughout the City of Newark, the Centers afford students, family members and the surrounding communities with a one-stop continuum of primary and preventative medical, dental and behavioral healthcare. The Centers provided 12,735 primary medical services; 7,189 dental services; and, 630 behavioral health services to the children and families in the community.

At the time of the enactment of P.L. 2001, c333, the Health Centers were operated by Newark Beth Israel Medical Center. In 2006, the five sites were transferred from Newark Beth Israel Medical Center to the Jewish Renaissance Foundation (JRF), effectively ending Newark Beth Israel Medical Center’s involvement with the school based health clinics.

While Medicaid reimbursement is used to supplement DCF funding, our contract with JRF supports the administration of the school based health clinics; community outreach activities such as enrollment in NJ Family Care and health education; collaboration and linkages with other community entities to reach the underserved children and families; referral linkages to other healthcare providers and medical centers with the goal of improving the health and wellbeing of the children and families in these communities.
Discussion Points (Cont’d)

22. For over two years discussions with the Medicaid program were held concerning Medicaid reimbursement for Home Visitation programs as the services provided are similar to those authorized by N.J.A.C.10:77-5.1 et seq. (Intensive In-Community Mental Health Rehabilitations Services). Currently, 18 programs are funded at a cost of about $4.9 million and no Medicaid reimbursement is obtained for these programs.

• Questions: What is the current status of the discussions with the Medicaid program concerning Medicaid reimbursement? Will Medicaid reimbursement be available during FY 2011?

Response: Home Visitation Services in NJ (Nurse-Family Partnership, Healthy-Families, Parents as Teachers) work with at risk pregnant women and/or families (social risk factors-age, pregnancy risk, homelessness), provide health education and support, parenting skills, with the goal of preventing child neglect and abuse. This includes immunizations, developmental milestones, and well child visits.

Strategies to obtain reimbursement from Medicaid were put on hold as a result of federal review of funding mechanisms in place with existing programs in other states.

As it appears that recent changes at the federal level may have opened up new options for securing Medicaid reimbursement, DCF continues to explore options with DMAHS to leverage Medicaid resources to support DCF’s funding for these programs.

As these options will require some level of federal review and approval we do not anticipate receiving Medicaid reimbursement during this coming fiscal year.

Note: While securing Medicaid funding remains our preferred option there is approximately $4.6 million in TANF funds and $675,000 in federal grant funding that supports this program.

EDUCATION SERVICES

23. As part of the June 3, 2009 Memorandum of Agreement between the State of New Jersey and the Communications Workers of America, the department was to “commission a study on future operations of such schools with representation of all stakeholders, including CWA.”

• Questions: Was the study undertaken and completed, and if so, what were its findings and conclusions?

Response: DCF staff has been assigned to take necessary steps to form the committee to explore the future of the Regional Day Schools. Consistent with
Discussion Points (Cont’d)

the MOA, the CWA will be represented on the committee as well as parents, students and other stakeholders (e.g. regional school staff, representatives of local and county school districts and the NJ Department of Education).

DCF looks forward to discussions regarding a reasoned and collaborative approach to managing the educational programs and operations of its regional schools.

CHILD WELFARE TRAINING ACADEMY SERVICES AND OPERATIONS

24. Funding for the Rutgers MSW Program that enabled staff to obtain their MSW is not continued, saving about $1.6 million in State/federal funds.

• Question: How many staff will receive financial assistance through this program in FY 2010?

Response: In FY 2010, 121 employees will have received assistance through this program; 33 of those are expected to graduate in May 2010.

ADMINISTRATION AND SUPPORT SERVICES

25. Pursuant to proposed budget language, $10.8 million is to be transferred to the Department of Law and Public Safety for legal services.

Information provided by the department indicates that Law and Public Safety has provided around 285,000 hours of legal services the past three fiscal years despite a reduction in the number of children and families in the department’s caseload.
Discussion Points (Cont’d)

• **Questions:** Can the appropriation be reduced as a decrease in the department’s caseload should result in a reduction in the number of hours of legal services provided by Law and Public Safety?

  **Response:** A reduction in caseload does not directly correlate to a reduction in the number of hours of legal services required as the legal services needed will vary from case to case based on the type of case and a multitude of complex issues. We are currently working with the Division of Law in order to continue our long term commitment to appropriate legal services for DCF.