State of New Jersey

OFFICE OF THE MEDICAID INSPECTOR GENERAL

PO Box 025
Trenton, NJ 08625-0025
Telephone 609-826-4700

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OFFICE OF THE MEDICAID INSPECTOR GENERAL (OMIG)'S RESPONSES TO OFFICE OF LEGISLATIVE SERVICES' BUDGET QUESTIONS FOR ALL DEPARTMENTS AND UNITS

1. For each line item reduction in the department’s or unit’s budget, specify the change, if any, in the nature, breadth or level of service or benefit that will be provided and identify and quantify the population that may be affected.

Not applicable.

2. For each line item reduction in the department’s or unit’s budget, please indicate the number of positions (budgeted, funded and filled or unfilled) that will be eliminated and the number of individuals whose employment will be ended. If appropriate distinguish between staffing actions that may occur before and after January 1, 2011.

Not applicable.

3. Please identify any reductions in the department’s or unit’s budget that constitute one-time savings that are not likely to recur in Fiscal Year 2012.

Not applicable.

4. Please identify each Fiscal Year 2010 mid-year reduction that is recommended for continuation in Fiscal Year 2011.

Not applicable.
5. Are any of the appropriations recommended for Fiscal Year 2011 required to compensate for the effects of Fiscal Year 2010 reductions? If so, please identify and explain.

No.

6. Please list any anticipated increase in fees, fares or co-payments that are reflected in the FY 2011 budget recommendation, including the amount of revenue or cost reduction, and the intended effective date.

Not applicable.

7. If additional revenues were to become available during the budget process, which one or two reductions proposed for the department or unit should be top candidates for restoration? Please justify your selections.

The Governor’s proposed Fiscal year 2011 budget represents the culmination of many tough choices that had to be made in order to balance spending and revenues for next year. The funding proposed for the Office of the Medicaid Inspector General, while reduced, will allow it to meet its core missions and provide vital services to residents and businesses in the State.

In the event that additional revenues become available during the budget process, the OMIG would welcome the opportunity to work closely with the Legislature to restore funding for important programs. The Department believes that any such restorations should be considered in the context of programs and spending needs throughout the State budget, not only those administered by the Department. The Department looks forward to consulting with the Legislature to ensure that only the programs of greatest value are restored.

8. Please identify proposed budget reductions which require Federal approvals, waivers or similar actions, and the timetable for seeking and obtaining approvals in order to achieve the projected savings. Please indicate whether approvals/waivers have been previously sought and not obtained, and explain why approvals should be expected in this case. If federal approval is not received, what alternative actions may have to be taken to achieve savings of comparable value? Please also identify
proposed budget reductions that may reduce the receipt of federal funds, and the estimated loss of federal funds that would result from such reductions.

Not applicable.

9. Please describe how the department or unit implemented mandatory workforce furloughs in FY 2010, identifying the amount saved and the proportion of the workforce exempt from furloughs, and detailing the impact on individuals or firms served by or regulated by the department.

As an independent agency in but not of the Department of Treasury, the Office implemented mandatory furloughs in FY 2010 in accordance with the Department of the Treasury guidelines.

No OMIG employees were exempt from mandatory furlough days, other than pro rata reductions in obligations due to disability leave or hire dates that occurred in calendar year 2010. The total amount anticipated to be saved in FY 2010 for the OMIG will be $100,000-$110,000.

10. The Budget in Brief references savings to be achieved both through privatization and “insourcing.” Please identify savings in your budget associated with either of these initiatives. Please provide examples of successes or failures of such initiatives in prior years.

The OMIG works with an outside vendor who identifies third party liability insurance for Medicaid recipients and recovers money from the third party insurance carriers where Medicaid previously paid for services that should have been paid by these third party carriers. OMIG’s efforts in working with this vendor have increased the amount of recoveries that were identified when the OMIG staff were still at the Division of Medical Assistance and Health Services (DMAHS). For calendar year 2009, for example, the amounts recovered through this vendor were $236,841,513 in comparison to $183,903,397 when our staff worked with this vendor while they were at DMAHS, or an increase of 28% in our first year of operation.