

Discussion Points

DEPARTMENT OF CHILDREN AND FAMILIES Responses to OLS Discussion Points

1. The FY 2012 recommended budgets for the Departments of Health and Senior Services and Human Services anticipate the submission of a Comprehensive Medicaid Waiver intended to reduce overall State costs associated with Medicaid while providing health care related services in a more economical manner. Though the Department of Children and Families is not mentioned as being part of the Waiver, until an application is submitted, it is not known whether the Medicaid Services provided by the department will be part of the Waiver.

- **Questions:** To the best of the department's knowledge, will Medicaid services provided by the department be part of the Waiver? Will the department's Medicaid reimbursement policies be affected by the Waiver?

Response: There is no reduction in the FY 12 DCF budget pertaining to the Comprehensive Medicaid Waiver. DCF has engaged in discussions with the Departments of Health and Human Services regarding the development of the comprehensive waiver. Going forward, DCF will monitor opportunities that the waiver may offer to achieve administrative simplification and flexibility. In addition, DCF is working with DHS/DMAHS (Medicaid) in several programmatic areas.

DYFS Program changes effective July 1, 2011, that are part of the Managed Care Initiative. Specifically, Medicaid will be requiring that most Medicaid recipients will receive healthcare services through managed care. This will impact approximately 15% of DYFS clients in out of home placement, who currently receive Medicaid on a fee for service basis. DCF does not anticipate any negative impact on access to healthcare as a result of this change in policy, nor are any changes in current level of benefits expected.

Child Behavioral Health: Children with intense and moderate behavioral health needs will continue to be served through the Department of Children and Families Division of Child Behavioral Health Services (DCBHS).

Children who are not served by the DCBHS who receive behavioral health services on a fee for service basis will be transitioned into a managed care environment. New Jersey will explore options for implementing management of care upon determining the best model for ensuring coordinated, integrated care in an efficient and cost-effective manner.

DCF continues to work cooperatively with the Department of Human Services to plan for the health care needs of children and youth for whom DCF is responsible.

Discussion Points (Cont'd)

2.a. The FY 2011 appropriations act assumed \$4.6 million in contract savings as follows: Contracted System Administrator - \$1.9 million; Recruitment of Adoptive Parents - \$0.7 million; Increased Dedicated Revenues - \$0.6 million; Child Health Units - \$0.8 million, Prevention Contract Efficiencies - \$0.6 million; and DYFS Contract Efficiencies - \$0.1 million.

- **Question:** Were these dollar savings realized?

Response: All of these dollar savings were realized.

2.b.. The FY 2011 appropriations act assumed \$2.1 million in Direct Care Services savings as follows: Increased federal Title IV-E revenues - \$1.1 million; Training Academy Savings - \$0.8 million; and Prevention and Community Partnership Savings - \$ \$0.3 million.

- **Question:** Were these dollar savings realized?

Response: All of these dollar savings were realized.

3. The FY 2011 appropriations act incorporated staffing estimates included in the recommended budget which the recommended FY 2012 budget has revised:

	<u>FY 2011</u>	<u>FY 2011 revised</u>
State	5,009	4,884
Federal	1,575	1,494
All Other	404	382
TOTAL	6,988	6,760

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

Response: The FY 2011 number of 6,988 represents the number of funded positions while the FY 2011 revised number of 6,760 is the number of actual check cuts as of January 2011 (Pay Period 2). The latter number does not represent a change in the funded positions for FY 2011.

3.b. Available data indicate that the number of positions supported by Federal Funds in FY 2012 will increase by over 60, to nearly 1,560.

- **Questions:** What accounts for the increase in positions supported with Federal Funds? In the event that Federal Funds are reduced, will State funds be used to support these positions?

Discussion Points (Cont'd)

Response: DCF will not be increasing the number of federally funded positions for FY 12. The number of federally funded positions in the FY 12 Recommended Budget total 1,557. This is 18 positions less than the number of federally funded positions in FY 2011 which total 1,575.

4.a. The department realized \$129.0 million in federal Title IV-E Foster Care revenues in FY 2010, approximately \$15.3 million greater than anticipated. The increase is unrelated to the enhanced federal match for Title IV-E expenditures.

- **Questions: What accounted for the \$15.3 million increase in federal Title IV-E revenues during FY 2010?**

Response: DCF continues to focus on maximizing federal reimbursement through the Title IV-E program, including improvements related to Title IV-E claiming for Title IV-E eligible children, and administrative claiming through the cost allocation plan. Through our internal quality assurance review process, the department has determined a higher percentage of children in foster care as eligible under the Title IV-E program. This is a key statistic utilized in the calculation of our federal reimbursement. Even though the number of children in foster care has declined, we are able to claim federal reimbursement for a higher percentage of them. Further, the improved data collection through NJSPIRIT continues to provide accurate information for statistics that support our administrative claiming.

Additionally, the Title IV-E program permits federal reimbursement for children/youth eligible under the Adoption Assistance program. As a result, DCF is able to continue to receive reimbursement for the significant increase in the number of eligible youth who are adopted.

4b. Federal Title IV-E Foster Care revenues are expected to increase by \$8.7 million, to \$138.5 million in FY 2012. While the number of children who receive an adoption subsidy increases, this is offset by a reduction in the number of children in Foster Care.

- **Questions: What accounts for the \$8.7 million increase in federal Title IV-E revenues in FY 2012?**

Response: As noted above, ongoing revenue maximization efforts and collection of data through NJSPIRIT enabled the Department to submit claims that exceeded its original estimates for FY 10 and the trends continue in FY 11. 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 Title IV-E eligible. In addition, previous quarterly claims may be modified as part of an ongoing reconciliation. The Department expects to sustain the increased Title IV-E claims in FY 2012.

Discussion Points (Cont'd)

5. Savings of \$10.8 million in the overall Grants-in-Aid accounts are anticipated based on “children and families trend.” Yet the overall number of children (unduplicated count) is expected to increase by over 8,000, and the number of children who receive behavioral health services is unchanged.

- **Questions:** As Program Data, does not reflect a reduction in caseloads, what is the basis for the \$10.8 million in savings?

Response: The \$10.8 million represents the net savings based on the projected trends in the following DYFS Grant-in-Aid program areas: foster care, subsidized adoption, other residential placements (independent living/shelter), family support services, residential treatment, treatment homes and group homes as displayed in the Evaluation Data on page D-31. DYFS does not expend funds for every child, and therefore these net savings are not correlated with the total number of children served (unduplicated count) or the behavioral health services client counts.

CHILD PROTECTIVE AND PERMANENCY SERVICES

6. At the end of December 2010, various Grants-in-Aid accounts, including the Foster Care and Purchase of Social Services accounts, had over \$0.8 million in encumbered FY 2010 appropriations.

- **Question:** Is the \$0.8 million in encumbered funds still valid?

Response: The department routinely reviews prior year encumbrances to determine if the balances are still needed for outstanding obligations. At this time, the majority of the balances in the accounts referenced above have been lapsed to the general fund. A few balances remain open pending receipt of vendor invoices.

7a. The budget indicates that the closing of the Ewing and Vineland residential centers will reduce staffing by 291 positions, yet Position Data show that the number of filled positions is reduced by 186, to 5,588. It would appear that some of the 291 positions may be assigned to other jobs or that new employees will be hired.

Discussion Points (Cont'd)

- **Question:** Of the nearly 300 staff affected by the closing of the two facilities, how many staff will be retained in other positions within the department or other State departments?

Response: Of the 291 positions that are impacted by closing three DYFS operated RTCs (Woodbridge, Ewing and Vineland), as of March 30, 2011, 109 staff have been successfully placed in lateral or lower level (vacant, funded) positions within DCF or other state departments.

7.b. The FY 2012 recommended budget proposes the closing of the Ewing and Vineland residential centers. The Budget Summary cites savings of \$2.9 million in closing the two facilities and also references savings of \$0.6 million.

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

Response: The \$2.9 million is a reduction to Direct State Services accounts and the \$600,000 is the net savings after funds are redirected to respond to service needs in the Division of Child Behavioral Health Services. The \$600,000 is the correct savings amount.

7.c. The closing of the Woodbridge facility leaves the department with vacant space in a facility that is in good physical plant condition.

- **Question:** What is the status of the facility with respect to use by other State agencies or sale?

Response: The Department of Treasury is in discussion with the Department of Corrections and the Department of Human Services concerning potential utilization of this property.

8. The FY 2011 appropriations act provided about \$5.7 million for overtime costs. As the overall number of children and families under DYFS supervision has decreased during CY 2010, there should be a reduction if overtime expenditures.

- **Question:** What is the current estimate of FY 2011 overtime expenditures?

Response: The current estimate of FY 2011 overtime is \$4.9 million.

9.a. The table below provides information on DYFS Family Support Services expenditures for FY 2011:

Discussion Points (Cont'd)

Service	FY 2011 Estimate	FY 2011 Revised
Emergency Services	\$4.0 million	\$3.5 million
Case Management Services	\$10.4 million	\$9.7 million
Assessment Services	\$50.8 million	\$44.8 million
Parent Services	\$35.2 million	\$34.7 million
TOTAL	\$100.4 million	\$92.7 million

No information is available as to why projected expenditures decreased from initial funding levels.

- **Questions:** What accounts for expenditure decreases in the above services?

Response: Case practice improvements and lower caseloads have resulted in a more efficient management of service provision in these program areas.

- 9.b. The table below indicates DYFS Family Support Services expenditures in FY 2011 and FY 2012:

Service	FY 2011 Revised	FY 2012 Estimate
Case Management Services	\$9.7 million	\$9.5 million
Assessment Services	\$44.8 million	\$43.9 million
Parent Services	\$34.7 million	\$34.0 million
TOTAL	\$89.2 million	\$87.5 million

No information is available as to why projected expenditures decreased from FY 2011 Revised levels.

- **Questions:** What accounts for expenditure decreases in the above services?

Response: As previously mentioned, case practice improvements and lower caseloads have resulted in a more efficient management of service provision. Further reduction in these services also is due to the closing of the DYFS operated RTCs. Each of those centers had contracts with various vendors to provide treatment services that are no longer needed.

CHILD BEHAVIORAL HEALTH SERVICES

10. The federal government has questioned certain Medicaid billings by providers of child behavioral health services that did not include certain patient certifications before services were provided. The State may have to reimburse the federal government for these claims.

- **Question:** What is State's potential liability?

Response: DHS/Medicaid is addressing the federal government's questions concerning hospital billings and the applicability of the state's certification regulations.

Discussion Points (Cont'd)

Pending a resolution to this matter, DCF has instructed providers to comply with existing Medicaid requirements to complete patient certification forms. At this time DCF is not aware of any liability, and will continue to work with DHS on this matter.

11. At the end of December 2010, various Grants-in-Aid accounts, including the Family Support Organization and the Contracted Systems Administrator accounts, had over \$1.0 million in encumbered FY 2010 appropriations.

- **Question: Is the \$1.0 million in encumbered funds still valid?**

Response: The outstanding encumbrance in the FSO account was no longer needed and was lapsed to the general fund. The encumbrance for PerformCare, the Contracted System Administrator will remain open pending negotiation of its corrective action plan.

12. The department had indicated that the Contracted System Administrator for the Children's System of Care, PerformCare Behavioral Health Solutions, had not met all the daily performance standards that form the basis for payment.

- **Question: Is PerformCare currently meeting all applicable performance standards? To date, how much, if any payments have been withheld from PerformCare for not meeting performance standards?**

Response: PerformCare was placed under a corrective action plan beginning September 2009. Since that time, performance has improved significantly and contract standards are being met in most operational areas. Some IT functionality remains outstanding. DCF continues to work with the vendor to implement the remaining functionality. Until all required standards are met, PerformCare will remain under a corrective action plan and some payments may be withheld.

Based on payments from FY 2010 through January 2011, \$1.4 million has been withheld from PerformCare.

13. Care Management Organizations and Youth Case Management services were consolidated in several counties in recent years. The department was to review these consolidations as to whether unification should be expanded to additional counties.

- **Questions: What were the findings of the review?**

Response: DCBHS is conducting a review of the Uniform Case Management (UCM) pilot and preliminary data is very positive. The review to date indicates that UCM is a viable

Discussion Points (Cont'd)

model for statewide implementation. The evaluation has been indicating performance improvements post-implementation of UCM, including reduced residential care utilization, shorter lengths of stay, higher rates of improvement, and less reentry to care.

We intend to continue the review process and to begin exploring next steps for statewide implementation. This does not have a fiscal implication for fiscal year 2012.

PREVENTION AND COMMUNITY PARTNERSHIP SERVICES

14. 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 90 schools, many in the former Abbott Districts.

Many school districts curtailed or terminated programs in 2010 and have announced further reductions for 2011. These reductions may affect the School Linked Services Program.

- **Questions:** During FY 2010, did any school districts reduce or eliminate local funding towards this program? Have any school districts indicated that local funding for this program will be reduced in 2011?

Response: Where necessary, funding has been realigned within existing contracts in order to address the loss of any in-kind contributions from school districts. The programs have been able to continue to provide the essential school-linked services.

15.a.. The department has had discussions with the Medicaid program regarding 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 Rehabilitation Services). Currently, 21 programs are funded at a cost of about \$4.4 million: \$4.2 million State and \$0.2 million in Federal Funds.

Discussion Points (Cont'd)

- **Questions:** What is the current status of the discussions with the Medicaid program concerning Medicaid reimbursement?

Response: DCF continues to explore options with DMAHS to leverage Medicaid resources to support DCF's funding for these programs.

The federal Evidenced Based Home Visitation grant included a preliminary plan to work with DHS-DMAHS to pursue Medicaid reimbursement, but this work was halted in federal fiscal year 2009 by changes in federal Medicaid policy that restricted targeted case management services.

Recently, the restriction on targeted case management has been relaxed. DCF and DHSS are jointly reaching out to DHS-DMAHS to determine if federal financial participation is an option to support home visitation services in New Jersey.

15.b. In July 2010, the federal Department of Health and Senior Services allocated approximately \$2.0 million to home visitation programs in New Jersey. These monies are not reflected within the Prevention and Community Partnership overall budget.

- **Questions:** What is the status of these federal funds?

Response: This \$2 million federal formula grant (Maternal, Infant and Early Childhood Home Visiting Grant) was awarded to New Jersey's Title V Maternal and Child Health Agency – the New Jersey Department of Health and Senior Services. The Department of Children and Families (DCF) has been designated as a sub grantee and was awarded \$673,000 which was recently established in an account within the Division of Prevention and Community Partnerships. These funds have been awarded to third party contact agencies that are currently providing evidence-based home visitation services. DCF anticipates receiving additional funds from this grant to further expand home visitation services once a Memorandum of Agreement is finalized with the Department of Health and Senior Services.

EDUCATION SERVICES

16. The number of children who receive education services has declined 15% since FY 2009, from about 1,300 to 1,100.

Discussion Points (Cont'd)

- **Questions:** What actions were taken to deal with lower overall enrollment?

Response: As a result of the student population reduction, the Office of Education (OOE) decreased our personnel by 18% through attrition and adjusted student tuition contracts to align with actual student enrollment. More specifically, full-time personnel have been reduced by sixty-seven and part-time personnel by thirty-three. OOE eliminated education tuition contracts for public and private school placements of treatment home students and reduced the tuition contract with a provider to align with actual enrollment.

17. In 2010 and 2011 school districts reduced or eliminated many education services, including services to handicapped and disabled children.

- **Questions:** Has there been an increase in the number of children being served due to reductions in education services provided by local school districts?

Response: DCF has not seen an increase in student enrollment that can be directly related to the reduction in local district funding and services.

CHILD WELFARE TRAINING ACADEMY SERVICES AND OPERATIONS

18. As of December 2010, the Training Academy had approximately \$0.8 million in FY 2010 encumbered funds related to the NJ Partnership for Public Child Welfare.

- **Questions:** How much, if any, of the encumbered funds can be lapsed?

Response: Upon review and payment of final invoices submitted by our university partners, the department lapsed \$820,652.

19. The FY 2010 appropriations act eliminated \$1.6 million in State/federal funds for the Rutgers MSW Program that enabled staff to obtain their MSW.

- **Question:** Since funding was eliminated, has there been a reduction in the number of staff who obtain their MSWs?

Discussion Points (Cont'd)

Response: While the department eliminated funding for its MSW program and all tuition reimbursement, some staff continue to pursue higher education at their own expense. The department does not have information that would indicate there has been a reduction in staff who obtain a MSW.

ADMINISTRATION AND SUPPORT SERVICES

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

- **Questions:** As the number of children and families on the department's caseload has declined from 61,800 (December 2004) to 45,200 (December 2010), has there been a reduction in the number of hours of legal services provided by Law and Public Safety?

Response: The number of hours of legal services varies slightly from year to year. A reduction in caseload does not directly correlate to a reduction in the number of hours of legal services required as the legal services that are needed will vary from case to case based on the type of case and a multitude of complex issues.

DCF works closely with the Division of Law and will continue this long term commitment to ensure appropriate legal services are provided for our clients.