

**Department of Human Services' (DHS) Follow Ups**  
**Senate Budget and Appropriations Committee Hearing on May 2, 2011**

Senator Van Drew and All Senators:

With respect to the proposed closing of the Vineland Developmental Center, please provide information on the following matters:

- The placement plan for FY 2012 and FY 2013 with respect to: (1) the number of clients to be placed in community programs in each year, and (2) the number of clients to be transferred to other developmental centers in each year.

**Response:** At the time the Vineland Developmental Center closure was proposed, it was projected that the FY12 starting census would be 347 consumers. In FY12, the closure model projects a census reduction of 72: 5 to new residential capacity, 15 to existing residential vacancies, 40 to PAFA group homes and 12 natural attritions. In FY13, the closure model projects a census reduction of 275: 248 to new residential capacity, 15 to existing residential vacancies and 12 natural attritions. As consumers are evaluated for placement, those unable to transition to the community will be transferred to other developmental centers. Community-ready consumers from the receiving developmental centers will then be placed, thus offsetting admissions and resulting in a system-wide census reduction of 347 over the course of the closure.

- With respect to the clients to be placed in community programs, provide information as to how many clients will be placed in vacant beds in existing residential programs and how many new residential beds will have to be developed.

**Response:** See above.

- The FY 2012 recommended budget includes "bridge funds" to develop new programs. However, as there is no "line item" appropriation for the bridge funds, please identify the accounts which include the "bridge funds" in question and how these monies will be expended in FY 2012.

**Response:** The FY12 net State cost as a result of the Vineland Developmental Center closure is allocated as follows:

7601 Community Programs – Group Homes line item State Grants-in-Aid: \$8.091 million for community development and placements

This increase is offset by savings of (\$1.509) million in State Direct State Services attributable to census declines. The "bridge fund" (i.e., new growth) is \$6.582 million.

- Provide information regarding capital expenditures made at Vineland for the FY 2006 – FY 2011 period.

**Response:** Capital projects funded between FY06-11 at Vineland Developmental Center totaled \$11.392 million:

New Chillers for (2) Cottages	\$1.370 million
HVAC Distribution System Upgrades	\$8.650 million
Roof Replacements	\$1.372 million

- With respect to the employees of Vineland, how many employees are eligible to retire, how many would be eligible to transfer to other State operations and how many employees may be terminated?

**Response:** Analysis for the closure plan of the 1,336 full-time employees at Vineland Developmental Center projects attrition as follows:

Separation - Retirement: 115  
 Separation – Other Attrition: 142 (e.g., voluntary/involuntary termination, death)  
 Department of Human Services Vacancies: 360  
 Positions Shifted to Community and PAFA Group Homes: 218

This would leave 501 full-time employees subject to termination upon closure.

- Provide information as to the studies that were undertaken to determine that the Vineland Developmental Center should be closed as opposed to other developmental centers.

**Response:** The decision to close Vineland is not a reflection on the quality of services provided. Rather, a number of factors were analyzed across all seven developmental centers, including those related to the needs of consumers, the geographic proximity of community-based and institutional care facilities, and the operational costs and requirements of the centers. The criteria used in reviewing all seven developmental centers for closure is now available on the Division of Developmental Disabilities (DDD) Website at the following link:  
<http://www.state.nj.us/humanservices/ddd/home/centers/vdcclosure.html>.

- Please follow-up on claims that (1) employees were pressured into developing Individual Habilitation Plans that would result in a client meeting the standard for community placement, and (2) parents/guardians of clients were not provided with adequate information regarding the determination that the client should be placed into a community program.

**Response:** DDD is investigating the claims that employees were pressured into developing Individual Habilitation Plans that would result in community placement, and that parents or guardians were not provided adequate information about the determination. However, it should be noted that any decisions on community placement for an individual residing at Vineland have been, and will continue to be, made on an individual basis through an interdisciplinary team process with the input of both the family and guardian.

- What is the economic impact of the closing of Vineland on the City of Vineland and Cumberland County? What impact will the closing of Vineland have overall unemployment in the City of Vineland and Cumberland County?

**Response:** In addition to factors listed above with respect to the closure plan, considerations in the closure analysis were limited to factors related to the civil rights of institutionalized persons, the court decisions requiring that our clients live in the least restrictive setting available and the decreasing demand for services in developmental centers.

- The Vineland Developmental Center provides medical services such as dental and physical therapy to persons with developmental disabilities who reside in the community. How much funding will be provided to develop community medical services to replace services currently provided by Vineland?

**Response:** Consumers placed into the community will be able to access specialized medical and dental services through the Medicaid State Plan. They also receive individual budgets for support services. On average, a consumer placed from a developmental center will have an individualized budget of approximately \$160,000 annually for support costs associated with their care.

- Have any public or private entities expressed interest in acquiring the Vineland properties when they become available?

**Response:** Once DDD declares the property surplus, the protocol is for DHS to collaborate with the Department of Treasury on any potential use. If it is determined that DHS can not identify a use for the property, then it is turned over to the Department of Treasury for disposition. This process includes offering the property to other state agencies before it is offered to the general public.

- What steps will be taken to improve and enhance the department's oversight of community residential programs for persons with developmentally disabilities?

**Response:** All DDD consumers are assigned case managers and services are reviewed by DDD's Quality Assurance Unit. DDD recognizes the need to ensure individuals are healthy and safe regardless of where they live.

Some of the systems in place to assure this include the Office of Licensing (OOL); Office of Program Integrity and Accountability (OPIA); Community Services Case Management; the Division's Office of Quality Management and Planning (OQMP); and Internal Agency Quality Assurance.

The OOL works to ensure the protection of health, safety, welfare and rights of individuals through regulation of community residences through a licensing process conducted annually, or as needed. Examples of areas reviewed during the licensing process include:

- Policy and procedure manual developed and implemented;
- Staff trained in basic and specialized areas such as diets and adaptive equipment;

- Reviewing individuals' records including the plan of care, medical follow up, medication administration and financial records;
- Ensuring advocacy, rights and provision of services;
- Ensuring nutritionally balanced meals/snacks are provided;
- Ensuring fire safety; and
- Ensuring the safety of the interior and exterior of the residence.

Within DDD, a Community Services Case Manager is assigned when an individual moves to a community residence. The case manager provides face-to-face visits with the individual and provides oversight of services on a monthly or quarterly basis. These extensive monitoring activities are paramount in securing the health and safety of individuals residing in community-based settings.

In addition, a "Central Registry of Offenders against Individuals with Developmental Disabilities" was established in the Department of Human Services (DHS) through bipartisan legislative support and a law signed by Governor Chris Christie on April 30, 2010. It became effective October 27, 2010 and exclusively applies to DHS' funded, licensed, contracted or regulated programs that provide services to people with developmental disabilities.

It requires DHS to maintain a confidential list of caregivers working in these programs who have been determined to have abused, neglected, or exploited an individual with a developmental disability. The law bars listed offenders from being re-employed by, or volunteering in, DHS-funded programs. Employers providing these services are required to determine if potential caregivers are included on the central registry. Names appearing on the list will be barred from consideration or continued employment by the employer.

Employees and volunteers of DHS and any facility or program licensed, contracted or regulated by DHS are required to report allegations of abuse, neglect, or exploitation of any individual with a developmental disability. Agency protocols for reporting must be followed and calls also may be made by any person having reasonable cause to believe that an individual has been a victim. The toll-free number to report abuse is 1-800-832-9173.

- Various services currently provided under a fee-for-service basis such as home health and personal care will be provided through managed care. Managed care companies may not reimburse providers for services in as timely a manner as the State currently does. Please provide information on the average amount of time it takes managed care companies to reimburse providers for home health and personal care services they currently provide.

**Response:** According to the Claims Processing Lag Report that is provided to the Division by each HMO, almost 100% of Home Health claims are paid within 30 days. The HMOs must comply with the Health Claims Authorization, Processing and Payment Act (HCAPPA) which requires that a payer remit payment for every insured claim submitted by a provider within 30 days of receipt of a clean claim. Incomplete claims, claims without a prior authorization for which one was required, and claims with incorrect information, for example, may delay remittance. The HMOs encourage providers to submit claims electronically to expedite adjudication and claims payment.

Senator Doherty:

- Please provide information as to the feasibility of the suggestions made by the Zarephath Health Center including information as to how much it would cost the State to assume the medical malpractice insurance for physicians that participate in this program.

**Response:** The Zarephath Health Center is a free clinic located on the campus of Somerset Christian College and Zarephath Christian Church.

Zarephath proposes a model that would eliminate Medicaid and move to a system where the state would establish the equivalent of the Federal Tort Claims Act, allowing under the act, as is currently provided to FQHCs under the Federal Act, the assumption of 100% of a physician's medical malpractice insurance. The difference in Zarephath's New Jersey model is that in exchange for full medical malpractice insurance coverage, doctors would be required to provide 4 hours per week of volunteer service at a free clinic. Services not provided by a free clinic, such as specialized care and hospitalization, would be paid for through charity care.

It would be difficult for the Department to estimate the cost of this proposal. Medical malpractice insurance currently costs between \$15,000 to over \$100,000 per year based on the specialty of the practice (Ob/Gyn have some of the highest insurance costs) and the doctor's record. In addition, without knowing the types of doctors likely to join and their area of expertise, it would be difficult to determine what items would need to be covered under Charity Care.

Medicaid covers a variety of service outside of primary care; prescription medications, lab and radiology services, nursing home care, screenings (EPSDT), case management, ambulances, hospice care, durable medical equipment, and services for specific populations, including hearing aids, physical, occupational and speech therapy, inpatient psychiatric care for individuals under 21 and over 65, and intermediate care for persons with developmental disabilities.

Other concerns to note: record-keeping and sharing of information; equipment (cost, type and reliability); high staff turnover which has been noted in a number of articles related to free clinics; continuity of care across providers and within the clinic; access to specialty and other care and a reliance on free clinics would require the development of formal networks of specialists willing to treat free clinic patients either at no charge or steeply discounted rates.

Senator Greenstein:

- Please provide information as to how many recipients of PAAD were eligible for Supplemental Nutrition Assistance Program (Food Stamps) on the basis of income and how many PAAD recipients opted out of the program.

**Response:** The NJ Supplemental Nutrition Assistance Program (SNAP-formerly Food Stamps) initiative with the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program is to process an estimated 106,929 cases that are active PAAD beneficiaries for NJ SNAP. This initiative is being implemented in phases and the first phase was for the low income subsidy clients. Thus far, 26,809 of the 33,571 applications have been sent to the county agencies. It is too soon to provide the results of these applications since there is a 30 day processing period. Based on preliminary reports

provided by the county welfare agencies, about 50 percent are opting out of the program. At this point in time, about 30 percent of the applicants appear to have been found eligible.

Senator Oroho:

- Please provide information as to the number of clients at each developmental center who have been determined eligible for community placement.

**Response:** Analysis for the closure plan indicated that 591 consumers were ready for placement into the community based on the three-in-agreement criteria (Interdisciplinary Team, consumer, family/guardian all in favor):

Green Brook	6	(7% of census)
Vineland	165	(42% of census)
North Jersey	79	(20% of census)
Woodbine	192	(41% of census)
New Lisbon	81	(20% of census)
Woodbridge	54	(15% of census)
Hunterdon	14	(3% of census)

- In addition to the proposed Family Support waiver, what other services provided to persons with developmental disabilities are being provided with State only funds which may be incorporated within the proposed Comprehensive Medicaid Waiver?

**Response:** The proposed Supports Waiver would provide federal match on all eligible individuals and services that are currently provided with State-only funds. As part of the Comprehensive Waiver, DHS proposes to expand eligibility to include consumers in out of state facilities beyond Pennsylvania. Additionally, DHS will also propose that consumers will be presumptively eligible for federal match as of the date services begin unless deemed ineligible at a later date.

Senator Ruiz:

- Please provide information on recidivism in the welfare program. Specifically, of the number of families who were terminated from Work First New Jersey due to an increase in earned income during the past few fiscal years, how many families returned to Work First New Jersey due a loss of earned income?

**Response:** The following chart highlights the number of recidivist cases for the last three (3) State Fiscal years. DFD reviewed all cases closed due to earned income and included any cases reopened within a one year time.

Fiscal Year	Number of Cases Closed Due to Earned Income	Number of Recidivist Cases with in 12 months	Annualized Recidivism Rate
SFY 2008	6,484	1,215	18.70%
SFY 2009	3,927	637	16.20%
SFY 2010*	3,432	525	15.30%

Note: The Annualized Recidivism Rate for SFY 2010 contains only 9 months of data.

Senator Weinberg:

- Please provide information on the following: (1) the amount Medicaid reimbursement was increased for dental services in the Medicaid fee-for service program, and (2) the average dental reimbursement paid by Medicaid managed care organizations compared to the average amount paid under the Medicaid fee-for-service program.

**Response:**

1) In January 2008, DMAHS invested approximately \$5 million to increase Children's fee-for-service dental rates resulting in a Children's weighted average rate increase of 155%.

2) There are almost 600 dental procedure codes currently in use. The three year weighted average Medicaid fee-for-service reimbursement is \$43.06 and the three year managed care weighted average reimbursement is \$39.45.

Senator Cunningham (DHS added this in response to Senator Cunningham's inquiry at the hearing):

- At the Senate Hearing, Senator Cunningham stated that 32 Child Care Centers were closing in her area. Upon researching this issue, we are able to confirm the following.

**Response:** In Hudson, there are currently 453 license centers listed with Office of Licensing of which 126 are located in Jersey City. In addition there are approximately 374 Registered Family Day Care Providers in Hudson.

DFD contracts with 19 licensed centers of which three centers have multiple sites bringing the total to 25 centers.