

**DHS Responses
OLS Medicaid Follow ups
Assembly Budget Committee Hearing
May 24, 2011**

Assemblyman Greenwald:

- Please provide documentation on how the \$300 million savings estimated from the Comprehensive Medicaid Waiver is allocated to the individuals components thereof. In your response, please include the ranges of savings calculated by Mercer's actuarial consulting for categories of eligibility, services, delivery, federal revenues and purchasing strategies.

Response: Please refer to the attached "Waiver Initiative Summary".

Assemblyman Chiusano:

- Please provide the total annual State expenditure made on the State's healthcare system, as well as the total population served by that expenditure.

Response: Between the Departments of Health and Senior Services and Human Services, approximately \$5.8 billion (State funds only) is appropriated for healthcare related programs in SFY12 serving more than 1.3 million beneficiaries. There are other appropriated healthcare related resources and beneficiaries served in other Departments (e.g. DCF, Corrections, Judiciary, MAVVA), however, this response only covers the two Departments that appeared in front of the Assembly Budget Committee on May 24, 2011.

Assemblyman Schaer:

- Please provide information as to how child support income is treated with respect to eligibility for TANF benefits. Also, if child support benefits are not received by the custodial parent in a given month, are TANF benefits automatically adjusted? Is it the responsibility of the custodial parent to report the non-receipt of child support benefits, or are the Division of Family Development and the county welfare office automatically aware of the non-receipt of child support benefits? How are lump sum child support payments treated with respect to TANF benefits?

Response: As a condition of eligibility for Work First New Jersey Temporary Assistance for Needy Families (WFNJ/TANF), an applicant must assign all rights to child support income to the state (42 U.S.C. 608(a)(3)). As a result of this assignment of rights, WFNJ/TANF applicants/recipients are required to cooperate with the Office of Child Support Services (OCSS) for locating the non-custodial parent and establishing/enforcing child support orders.

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Financial eligibility information for WFNJ/TANF can be found in N.J.A.C. 10:90-3. An initial eligibility test is conducted where all countable income (including child support) shall be considered and compared to the initial maximum allowable income levels for the appropriate eligible family size to determine monthly benefit amount.

There is no change to TANF benefits received if child support payments are not collected. However, the \$100 disregard amount that is paid to the custodial parent from a portion of the child support payment will not be paid until the child support amount has been collected.

It is not the responsibility of the custodial parent to report non-receipt of child support. The Office of Child Support Services (OCSS) is the responsible party for tracking and recording child support collections.

Lump sum collections received would first be applied to meet the current monthly support obligation. Any remaining lump sum balance would be utilized to repay arrears on the child support case in accordance with 42 U.S.C. 657 and N.J.A.C. 10:110-17.1. There is no impact to TANF benefits.

Confidential - Waiver Savings FY12

State-Only in \$000's

FY12 Comprehensive Waiver Savings Range		
Low	High	% Range

Waiver Initiatives

Eligibility

Freeze New Enrollment up to 134% FPL			
Eliminate Prior Quarter Coverage			
Prospective Enrollment			
10 Day Choice Window			
Eligibility Subtotal	17,000	32,500	8.4% - 9.4%

Services

Benefit Flexibility

Adopt limits on amount, duration & scope of service			
Services Subtotal	2,000	5,000	1.0% - 1.4%

Delivery System

Managing Acute / Medical Care

Promote Competition			
Pilot Accountable Care Organizations			
Support Health Homes			
Integrate Behavioral Health Services for Certain adults/children with Moderate Behavioral Health Needs			
Incentives for integrating physical/behavioral health for Individuals under behavioral health ASO			
ACO for GA			
Managing Services for Duals			
Managing Behavioral Health			
Managing LTC			
Managing I/DD			
Delivery System Subtotal	16,000	40,000	7.9% - 11.6%

Prudent Purchasing

Payments to Providers

Medicare Rates for Primary Care			
Health Home Payments			
Rebalancing of Community Behavioral Health Fees			
Payments for Out-of-State providers			
Promoting negotiations between HMOs/FFS & Hospitals			
Medicaid Payor of Last Resort			
Member Responsibility			
Cost Sharing			
Prudent Purchasing Subtotal	34,000	67,500	16.8% - 19.6%

Federal Revenue

Medicare Part B Retro - One Time			
Mandating Medicaid application for DD			
Managing I/DD			
Supports Waiver			
Federal Revenue Subtotal	133,500	200,000	65.9% - 58.0%
Waiver Initiative Subtotal	202,500	345,000	100.0% - 100.0%