



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

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PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

CAROLE JOHNSON
Commissioner

May 29, 2019

The Honorable Eliana Pintor Marin
c/o Frank Haines
Legislative Budget and Finance Officer
Office of Legislative Services
State House Annex, P.O. Box 068
Trenton, New Jersey 08625-0068

Dear Chairwoman Pintor Marin,

Please accept the following responses from the Department of Human Services to questions conveyed in follow-up correspondence from the Assembly Budget Committee.

Assemblyman DiMaio

Question: The Governor proposes levying a Corporate Responsibility Fee on employers that have more than 50 employees receiving State Medicaid benefits. Will employers that enter into collective bargaining agreements with their employees that do not include health benefits be subject to this fee? Is the department concerned that the fee will serve as a disincentive to hire part-time employees?

DHS Response: The employers with more than 50 employees enrolled in NJ FamilyCare that would be subject to the proposed corporate responsibility fee employ individuals who receive health care coverage funded by taxpayers. This proposal is intended to encourage these employers to provide health benefits. Where they do not, it is intended to support the costs associated with New Jersey taxpayer-funded health care, regardless of whether or not the employer's coverage is part of a labor agreement. We intend for this fee to encourage employers to offer coverage or contribute to the taxpayers' cost of providing Medicaid. Employers will continue to make their own determinations about hiring or hours based on business needs.

Question: In September 2018, the State Auditor released an audit reporting shortcomings in NJ FamilyCare eligibility determinations. Please outline how the DHS collaborates with the Department of Labor and Workforce Development, and other applicable State departments, to access wage data in determining applicant eligibility for NJ FamilyCare.

DHS Response: The Department's Integrated Eligibility System utilizes several data verification sources to determine eligibility, including data from the Department of Labor. The Department's online system, called DOVE - the Departmental Online Verification Engine - compiles information relevant to eligibility determinations from multiple different systems to be used by caseworkers in county agencies and by the Department's eligibility contractor to access income, employment and other information as part of the eligibility determination process. The DOVE system aggregates information from key resources such as the Department of Labor's Wage Reporting System (WAGE) which documents employment and wage information, the Department of Labor's Local Office Online Payment System (LOOPS) for unemployment income, and the Department of Labor's Disability Automated Benefits System (DABS) to review disability benefits. The Department's Integrated Eligibility System also utilizes the Federal Data Services Hub (FDSH), which provides a real-time check of name, date of birth, death, social security number, citizenship, and immigration status at no cost to the State. Applications entered electronically are able to leverage these real-time verification processes. The FDSH also allows for Medicaid eligibility checks and the exchange of insurance information between the Federal marketplace and the Department's integrated eligibility system.

Question: P.L.2019, c.32 established several multiyear schedules for gradually raising the State minimum wage from currently \$8.85 per hour to not less than \$15 per hour. During the Assembly Budget Hearing, Commissioner Johnson noted that the department did not anticipate a significant impact on staff or third-party providers in FY 2020. Please outline how the DHS anticipates preparing for future minimum wage increases, as well as the effects of wage compression, in FY 2021, FY 2022, FY 2023, and FY 2024.

DHS Response: DHS funds reimbursement rates for a number of third-party entities and agencies across program areas. These provider entities do not report hourly wages for the individuals they employ when they bill these rates. However, as part of ensuring that the rate increases for personal care assistants and direct support professional wages included in the FY 2019 budget are passed through to workers, the Department will collect wage information from impacted agencies at the close of the fiscal year. This data collection will allow the Department to better assess the impact of minimum wage increases in future fiscal years.

Question: Of the \$100.0 million FY 2020 Expanded Addiction Initiatives appropriation, \$14.5 million is proposed for the implementation of the Office Based Addictions Treatment (OBAT) program. Please outline the breakdown of the \$14.5 million across the various components of the OBAT program, specifically regarding increased reimbursement rates for services.

DHS Response: The \$14.5 million for the OBAT program funds enhanced rates for Office Based Addiction Treatment providers and new navigator services for MAT initiation, stabilization, and maintenance. This cost also assumes increased utilization of MAT, as the Department anticipates additional providers offering MAT services following the removal of prior authorization in Medicaid health plans. The enhanced rate structure allows physicians to bill \$438.17 for each intake and assessment associated with a patient initiating MAT. This new rate recognizes the additional time required to assess the needs of medically and psychosocially complex patients with substance use disorders. OBAT costs also assume increased physician billings for evaluation and management codes

to recognize that in the early stages of treatment, physicians can see patients as often as daily. The rate structure also includes new billable services for navigators to assist patients receiving MAT by establishing a comprehensive, individualized treatment plan that addresses the non-medical factors that have an impact on substance use disorder treatment. Navigators will bill a \$152 rate for this planning process, \$76 once a week for up to six weeks, and then have the option to bill \$76 per month as needed to support services such as assisting with patient follow-up, setting up and keeping counseling appointments, community connections to social services, employment and housing support and necessary education for treatment compliance and recovery planning.

Question: The department issued a notice announcing the increase of Medicaid fee-for-service rates for behavioral health intakes and initial treatment planning billed by a mental health or substance abuse treatment program. According to the notice, the department estimates the increased expenditures for FY 2020 will be \$7.7 million, of which \$1.9 million represents the State share. How will these funds be disbursed among community-based behavioral health providers and physicians in the OBAT program?

DHS Response: The FY 2020 budget recommendation continues the recent rate increases for intake services provided by mental health and substance abuse disorder providers and is expected to increase combined State and federal funding for these services by \$8.5 million annually. Of this amount, \$7.7 million is anticipated to be disbursed on a fee-for-service basis to providers serving Medicaid eligible clients (as outlined in the public notice), including OBAT providers as described in the previous question, with the balance of funding disbursed to mental health providers serving individuals not eligible for Medicaid.

Assemblyman McKeon

Question: Since 2009, the DHS has contracted with LogistiCare to manage non-emergent medical transportation (NEMT) services for Medicaid recipients in all counties. In March 2018, the State Auditor published a report that recommended that the DHS improve its procedures for administering the NEMT contract. Please clarify the date on which the most recent contract with LogistiCare was renewed. Please identify any cost efficiencies achieved under the current contract due to the implementation of changes, either recommended in the State Auditor's report or otherwise, from the previously adopted contract.

DHS Response: The current NEMT contract with Logisticare began in September 2017 and expires in August 2022. The audit released in March 2018 reviewed the period of July 1, 2014 to July 30, 2017, prior to the new contract. Logisticare provides over 6.5 million rides each year to NJ FamilyCare beneficiaries. Services are utilized by over 55,000 individuals each month. Following the audit findings, the NEMT Request for Proposals (RFP) and subsequent contract award included changes to achieve additional contract oversight, increased vendor reporting and monitoring, and technology enhancements to improve provider compliance and reduce client wait times when booking trips. To ensure that state dollars are directed to the transportation services themselves rather than administrative costs, the current contract also now includes a provision that requires the vendor to

provide refunds to the state if direct service costs fall below 80 percent of the amounts paid by the state.

Question: P.L.2017, c.238, known as “Stephen Komninos’ Law,” effective May 1, 2018, enhances notification requirements for instances when a resident with developmental disabilities of a community-based residential program has incurred an injury. The law also increases DHS administrative responsibilities regarding site visits and incident investigations. Furthermore, the law requires the drug testing of all direct care staff members who may come into direct contact with individuals with developmental disabilities prior to employment and randomly during the course of their employment, with DHS paying for all associated expenses.

In FY 2018 and this far in FY 2019, how many cases have been reported and how many have been investigated? Of the investigated cases, how many resulted in: a substantiated claim of neglect or abuse; an unsubstantiated claim; and an inconclusive claim?

DHS Response: Between June 2018 and April 2019, there were 19,865 total Unusual Incidents reported to DHS, all were reviewed. Of the total, 4,890 required agency follow-up/ investigation of which 62 percent were substantiated. In addition, 594 were serious incidents investigated by the Department of which 46 percent were substantiated. Also, 6,075 were 911 calls (often for Danielle’s Law compliance); and, 8,306 were a combination of other reportable events (operational issues such as loss of power, etc.) or medical events (accidental injuries, etc.).

Question: In FY 2018 and this far in FY 2019, due to investigations completed under the law, how many individuals have been placed on the Central Registry of Offenders Against Individuals with Developmental Disabilities?

DHS Response: Today, 248 individuals are currently on the Central Registry of Offenders Against Individuals with Developmental Disabilities. In 2017, 41 individuals were added and 35 were added in 2018.

Question: In FY 2018 and this far in FY 2019, how many staff members have been drug tested prior to employment, and how many have been drug tested randomly? In each of these categories, how many tests have shown positive results? Of the positive results, how many were due to cannabis use? How often are random drug tests performed?

DHS Response: As part of its implementation of the Stephen Komninos Law, the Department requires all direct care staff and supervisors applying for employment at a program, facility, or living arrangement licensed or funded by the Department’s Division of Developmental Disabilities to be drug tested. Additionally, at least once per year, 10 percent of the direct care staff and supervisors are subject to random drug testing, which is performed quarterly. Drug testing is also permitted as-needed with reasonable suspicion. The Department completed over 12,000 drug screenings from June 2018 through the end of calendar year. Since then, the total number has increased to 20,189 drug screenings, 868 of which were random tests, at a cost of about \$1 million. On par with national averages, less than five percent of completed drug screens were positive.

Assemblyman Benson

Question: Does the screening of children through the Early Intervention System in the Department of Health include outreach regarding the NJ FamilyCare program?

DHS Response: The Department will work with the Department of Health to identify opportunities to use the Early Intervention System screening process to ensure referrals for families who are uninsured are made to NJ FamilyCare.

Assemblywoman Egan Jones

Question: Administered by the Area Agencies on Aging in each county, the State funds congregate meal services to seniors, providing at least one hot nutritious meal per day, five or more days per week. Please provide information on any recent or anticipated changes to the delivery of congregate meal services, via a pilot program or another mechanism.

DHS Response: There are no anticipated statewide changes to the delivery of congregate meal services for older residents; however, the Department is aware of a potential pilot program being considered by the Camden County Area Agency on Aging. This one-year pilot would provide restaurant vouchers to certain seniors in the program.

Thank you for the opportunity to respond and for your continued support for the work of the Department of Human Services.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carole Johnson", is written over the typed name and title.

Carole Johnson
Commissioner