

Discussion Points

Department-wide

1. As of April 16, 2021, the Department of Human Services has received \$2.08 billion in federal grants related to the coronavirus 2019 (COVID-19) pandemic, which includes \$311.6 million in assistance out of the State's flexible \$2.4 billion Coronavirus Relief Fund (CRF) allocation, made available pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020.

Federal COVID-19 Pandemic Assistance Received by Department of Human Services				
Division	Program	Amount Received	Amount Expended or Committed	Amount Available
Division of Mental Health and Addiction Services	Crisis Counseling	\$1,007,142	\$1,007,142	\$0
Division of Family Development	Public Assistance Grants	\$5,400,472	\$5,387,044	\$13,428
Division of Aging Services	Special Programs for the Aging	\$29,930,518	\$24,691,958	\$5,238,260
Various Divisions	Provider Relief Fund	\$4,094,323	\$0	\$4,094,323
Division of Medical Assistance and Health Services	Children's Health Insurance Program (Enhanced FMAP) *	\$41,200,907	\$35,423,903	\$2,931,987
Division of Medical Assistance and Health Services	Medical Assistance Program – Medicaid (Enhanced FMAP) *	\$1,364,963,586	\$724,125,105	\$421,958,398
Division of Family Development	Child Care Development and Block Grant	\$241,296,565	\$58,867,956	\$182,428,609
Division of Mental Health and Addiction Services	COVID-19 Substance Abuse and Mental Health Services	\$4,859,649	\$41,868	\$4,817,781
Division of Aging Services	National Family Caregiver Support	\$2,671,147	\$2,537,589	\$133,558
Division of Mental Health and Addiction Services	Mental Health Disaster Assistance	\$9,791,555	\$8,684,235	\$1,107,320
Division of Mental Health and Addiction Services	Substance Abuse and Prevention Treatment Block Grant	\$45,050,958	\$0	\$45,050,958
Division of Mental Health and Addiction Services	Block Grants for Community Mental Health Services	\$22,649,212	\$0	\$22,649,212
Division of Family Development	SNAP Mass Change	\$1,633,577	\$0	\$1,633,577
Various Divisions	CRF – FEMA Match	\$1,800,157	\$1,795,609	\$4,548
Division of Management and Budget	CRF – DHS Mitigation Program	\$4,000,000	\$3,906,694	\$93,306
Division of Family Development	CRF – Child Care	\$200,500,000	\$186,068,848	\$14,431,152
Division of Family Development	CRF – Homelessness Prevention	\$14,000,000	\$10,938,393	\$3,061,607
Division of Family Development	CRF – Increased Income Assistance	\$13,227,050	\$13,227,050	\$0
Division of Family Development	CRF – County Benefits Administration	\$9,812,508	\$9,812,508	\$0
Division of Family Development	CRF – PEBT Program	\$20,135,465	\$20,135,465	\$0
Division of Developmental Disabilities	CRF – Community Provider Support	\$9,711,921	\$9,675,680	\$36,241
Division of Developmental Disabilities	CRF – DDD Testing	\$9,500,000	\$8,167,135	\$1,332,865
Division of Developmental Disabilities	CRF – Community Care Residences	\$6,400,000	\$4,311,074	\$2,088,926
Division of Developmental Disabilities	CRF – Hazard Pay for Developmental Centers	\$14,653,276	\$14,653,276	\$0
Division of Mental Health and Addiction Services	CRF – Mental Health and Substance Use Disorder Program	\$4,640,172	\$4,640,144	\$29
Division of Mental Health and Addiction Services	CRF – Substance Treatment and Housing Assistance	\$507,523	\$407,523	\$100,000
	TOTAL:	\$2,083,437,683	\$1,148,506,199	\$713,206,085
* The amount received includes sums that were subsequently transferred to other departments. The amounts expended and available only show amounts retained by the department.				

- Questions:** For each program included in this table, were federal COVID-19 funds used to supplement or supplant State funding in FY 2021? Does the department plan to utilize any federal funding to supplant State funding for any programs in FY 2022? If federal funding was used in FY 2021, or will be used in FY 2022, to supplant State funding, please show the amount by which State funding was reduced.

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- For each program included in this table, other than the enhanced federal matching percentages, please explain how the federal funds were used and list the recipients of any grant awards.
- Has the department utilized federal COVID-19-related funds to: implement public health directives related to COVID-19; purchase personal protective equipment for department employees; implement enhanced cleaning protocols at department facilities; upgrade information technology systems; provide department clients with mobile technology to facilitate family meetings; provide wage increases or supplemental pay to direct support staff employed by third-party contractors; provide salaries or hazard pay to department employees, other than those employed at the developmental centers; or provide new or enhanced services and supports to department clients?
- To the extent that federal COVID-19 grants have been utilized to establish new programs or services, how does the department plan to fund these programs or services in future years?

DHS Response:

Federal rules prohibit using Coronavirus Relief Funds (CRF) to supplant or replace state funding. Therefore, no CRF funding was used to supplant items in the state budget.

DHS has utilized CRF and COVID-19-related funds to provide personal protective equipment for employees and providers, enhance technology for the department and contracted providers, and to provide wage increases. Please see detailed answers below.

CRF – DHS Mitigation Program

This program provides reimbursement for steps to mitigate the spread of the virus and continue vital operations since the beginning of the public health emergency. The funding reimbursed for unbudgeted costs at the five state-operated Developmental Centers for facility upgrade costs, PPE, and other direct coronavirus related expenditures to mitigate virus spread. The funding also reimbursed for technology purchases, including laptops, cell phones and software, to ensure staff could continue operating and expanding essential services uninterrupted during the emergency. The program also reimbursed efforts to mitigate coronavirus transmission for essential staff, such as inspectors and hotline operators, some of whom have had to report for in-person work. The program was allocated \$4 million.

CRF – Child Care

DHS created this program to provide essential support to the child care industry. The program was split into the following parts:

- Provides state child care subsidies for child care during the school day for school-age children (children age 5 to 13 years old). Participation in the state Child Care Subsidy Program is available to children in families with incomes up to 200 percent of the federal poverty level who meet program criteria. Around 21,000 school-age children were receiving a state subsidy to support the cost of before- and after-school child care. Under the COVID Child Care Initiative, currently enrolled and any newly enrolled school-age children are eligible for state subsidy funding for child care services throughout the school day if attending school remotely through the end of this school year. This funding is paying

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for subsidies at licensed child care centers or registered family child care providers, and child care providers are paid the state's subsidy rate for school-age children based on the hours of care needed.

- Tuition Assistance Program – DHS created a new program to provide child care assistance to New Jersey families who are not eligible for the state Child Care Subsidy Program but who are in need of either full or part-time child care due to their child's school's remote learning schedule. This assistance was available for families with school-age children, 5 to 13 years old, with annual incomes up to \$150,000 through an application process. Funding for recipients of this program is provided directly to the family's selected licensed child care center or registered family child care and providers are paid the state's subsidy rate for school-age children based on the hours of care needed. Over 5,000 children were approved under this program with approximately \$14.5 million expended.
- Supplemental Payment - To support the reopening and sustainability of child care centers that make it a priority to serve children receiving the state child care subsidy, DHS provided supplemental payments of \$300 per subsidy-eligible child, per month, including infants, toddlers, and school-age children to providers. These payments represent more than \$64 million to nearly 3,000 providers.
- Made grant funding available to all licensed child care centers and all registered family child care providers in New Jersey that opened by October 1st, 2020 to manage added operational costs due to new COVID-19 health and safety guidelines. These funds were available to nearly 3,000 child care providers in New Jersey with increased COVID-related costs, such as purchasing PPE and other supplies and materials, cleaning and sanitation, and other operational needs related to COVID-19 that are eligible expenses for the Coronavirus Relief Fund.

CRF – Homelessness Prevention

DHS used its current infrastructure of non-profits and county agencies to provide housing assistance payments to eligible households with incomes up to 450% of the federal poverty level that suffered a financial hardship due to COVID-19, such as loss of income or working fewer hours, and were one or more months behind in rent or mortgage payments since March 2020 through December 2020 (with a \$25,000 limit per household). This proposal intended to support families struggling to catch up with their rent or mortgage due to the COVID-19 emergency by assisting with back-rent/mortgage costs to avoid a future eviction or falling further behind on payments. The program provided assistance to 1,617 residents, expending \$10.5 million on services.

CRF – Increased Income Assistance

DHS' Division of Family Development (DFD) administers the state-based assistance program for individuals and couples without dependent children with very low incomes called General Assistance (GA). Pre-pandemic, DFD had projected a continuation of modest decreases in GA program participation based on recent caseload trends. As a result of the pandemic, DHS instead experienced a significant increase in the GA caseload. As this growth was unexpected, the DHS budget did not include sufficient funding to support the increased level of need, and CRF funding allowed for this program to support the large number of individuals newly applying for assistance as a result of the economic hardships caused by the COVID-19 pandemic. This CRF program has

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utilized approximately \$13 million that otherwise would have needed to be absorbed by the state budget.

CRF – County Benefits Administration

This program provided funding to County Boards of Social Services to manage the increase in applications and enrollment in public assistance programs like Medicaid, WorkFirst NJ and SNAP food assistance. While the state administers these programs, eligibility and enrollment is generally managed by County Boards of Social Services. DFD used average work times and caseload statistics to determine county allocations and use the current reimbursement payment model to reimburse counties based on proof of additional expenses due to COVID-19 to support SNAP, WFNJ and Medicaid applications since the beginning of the public health emergency. Counties could use funding for eligible expenses including PPE, technology and staffing. The program disbursed \$9.8 million to counties.

CRF – P-EBT Program

DHS built a new program (P-EBT) to issue food benefits to school-age children who were receiving free and reduced lunch but couldn't access those meals when schools closed. DHS worked with the state Departments of Agriculture and Education and school districts to obtain information for students who qualified. This way eligible families did not need to apply with the intent of obtaining maximum participation. This program was part of the Federal Families First Coronavirus Response Act and DHS received federal approval to deliver these benefits to students who met the criteria. In addition, DHS also received federal approval to continue to deliver these benefits for the month of September for this school year as schools were transitioning to in-person instruction. The benefits for September were only available to eligible children attending remote school for at least 5 consecutive days. The total expenditure for this CRF program was \$20 million. The program was broken into two parts:

Direct food assistance for Hybrid-Learners - DHS identified about 150,000 students not included in the September 2020 benefits because their schools did not meet the federal definition of at least 5 consecutive days in remote learning. DHS issued food benefits to the families of these students.

Administrative Cost Reimbursement for P-EBT Program – This portion of the program reimbursed for total vendor costs incurred. Costs include eligibility determinations, the printing and mailing of P-EBT cards to eligible families, and various IT programming and maintenance costs to set up and run this new program.

CRF – Community Provider Support

This program allowed certain community providers supported by DHS and the Department of Children and Families (DCF) to apply for reimbursement for documented COVID-related expenses. Eligible Community Provider agencies were allowed to submit for reimbursement of the following COVID-related expenses: Personal Protective Equipment (PPE), Cleaning and Infection Control, and HIPAA-compliant technology to facilitate remote services. A total of 234 providers submitted for roughly \$9.5 million in reimbursements.

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CRF – DDD Testing

The program provided for staff at Developmental Centers to receive weekly COVID-19 testing pursuant to New Jersey Department of Health Executive Directive No-013, COVID-19 Testing at Licensed Long-Term Care Facilities, Assisted Living Residences, Comprehensive Personal Care Homes, Residential health Care Facilities, and Dementia Care Homes. Additionally, the program paid for testing of critical community oversight staff in advance of field work related to guardianship and abuse/neglect investigations. This program also paid for in-home, self-administered PCR testing for residents and staff of New Jersey's group homes. Testing is ongoing and the program has expended approximately \$8 million.

CRF – Community Care Residences

This program provided an increase to per diem payment rates for Community Care Residences (CCRs) by a total of \$6.4 million to account for increased and unbudgeted costs due to the COVID-19 public health emergency (PHE). During the PHE, CCR providers were performing additional tasks and encountering increased food and utility expenses in order to provide care and supervision to individuals with developmental disabilities while their day programs and employment options were closed. CCRs serve adults with developmental disabilities in their homes. CCR staff provide essential tasks such as supervision, feeding, toileting, and other personal care. Due to the closure of day programs and workshops to reduce the risk of COVID-19 for this vulnerable population, these individuals were home all day - leading to the need for CCRs to provide 24/7 care. This 24/7 care led to increased expenses.

CRF – Emergency Rate for Developmental Centers

This program provided an emergency rate for employees of the five state-operated Developmental Centers. The program expended \$14.6 million.

CRF – Mental Health and Substance Use Disorder Program

This program provided assistance to the more than 250 providers who participate in the Division of Mental Health and Addiction Services (DMHAS) network and provide prevention, treatment and recovery support to the uninsured and underinsured. The program was established in consultation with providers and their associations to address critical needs and unreimbursed costs they were facing as a result of the pandemic. The reimbursements covered critical areas of need, including: personal protective equipment and virus mitigation items; COVID testing for staff and clients; COVID-related emergency rates for in-person direct care staff undertaking work involving COVID risks; and HIPAA-compliant technology to facilitate telehealth such as tele-mental health and substance use disorder counseling. The result of the program was \$4,388,365 in reimbursements to 64 providers.

CRF – Substance Treatment and Housing Assistance

Individuals with opioid use disorder (OUD) who are experiencing homelessness or are at-risk of homelessness face significant challenges that have been heightened and increased by the COVID-19 pandemic, including challenges accessing care and fear of entering treatment programs that might require congregate care. Many individuals with OUD at risk for housing instability have been negatively affected by the COVID-19 pandemic as treatment and sources of income have been disrupted. Stable, affordable housing is a critical factor for an individual seeking recovery. To address these barriers to critical addiction treatment and recovery, DHS funded the Substance Use Treatment and Housing Assistance Program. The program provided rental assistance and

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care management services for New Jersey residents who are least 18 years old with opioid substance use issues -- individuals who face considerable new challenges given the impact of COVID on programs and services. Initial rental supports and care management services were provided through the end of calendar year 2020. Individuals must have either a current or history of OUD and be homeless or at risk of homelessness. Individuals are expected to contribute 30% of their Adjusted Gross Income towards rental payments. The program awarded 181 subsidies and expended approximately \$400,000.

DMHAS - Substance Abuse and Prevention Treatment Block Grant

This is a supplemental award issued to DMHAS as part of the Substance Abuse, Prevention and Treatment Block Grant. DMHAS' spending proposal is pending federal approval. If approved, funding would support an expansion of prevention activities including targeted prevention initiatives to underserved populations, care management to support individuals as they transition from one level of treatment to the next, increased peer training, support to our provider agencies to enable them to operate in a virtual environment, development of SUD 24/7 crisis response (emergency room diversion) resources to promote housing stability. The spending deadline is March 14, 2023.

DMHAS - Block Grants for Community Mental Health Services

This is a supplemental award issued to NJ DMHAS as part of the Mental Health Block Grant. DMHAS' spending proposal is pending federal approval. If approved, funding would support diversion of individuals in crisis from hospitalization, increase access to treatment to underserved populations (e.g., cultural/ethnic/faith-based/LGBTQ populations) and make resources available to promote housing stability. The spending deadline is March 14, 2021.

DMHAS - Crisis Counseling

This is the FEMA Crisis Counseling Program, Immediate Services Program Grant, which funded the NJ Hope and Healing program. The program provides outreach and supportive services to NJ residents impacted by the pandemic. The program ran from March 25, 2020 to September 21, 2021. It is extended to June 21, 2021 through a program listed below.

DMHAS - COVID-19 Substance Abuse and Mental Health Services

This funding was to provide treatment services for NJ residents impacted by the pandemic. DMHAS funded Rutgers- UBHC to operate a COVID Coordinating Entity, a helpline to access and provide or refer to brief treatment. Also, there was funding provided to the DCF Children's System of Care (CSOC) for peer services.

DMHAS - Mental Health Disaster Assistance (in the form of crisis counseling)

This is the FEMA Regular Services Program to continue operating the NJ Hope and Healing line. The funding for this program began September 22, 2020 and runs through June 21, 2021. There is the possibility of a cost extension for this program.

DOAS – Nutrition Services for Older Americans

This federal funding provided through the CARES ACT augments nutritional meals to support older adults who are sheltering at home due to the COVID-19 public health emergency.

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DOAS – National Family Caregiver Support for Older Americans

This federal funding provided through the CARES ACT expanded supports for family caregivers including counseling, respite care, training, and information.

2. The Federal Funds Information for States estimates that New Jersey State and local government entities will receive a combined \$15.1 billion in federal assistance under the American Rescue Plan Act of 2021.

- **Questions:** Please detail the amounts the department anticipates to receive under the American Rescue Plan Act of 2021 and indicate the purposes for which the funds would be used, by division and program. By what date would the funds have to be expended?

DHS Response:

Child Care Stabilization Grants: \$427,548,476

Division: Family Development

Program: Child Care Services

Purpose: Supplemental provider assistance payments for goods and services required to maintain or resume child care services, including mental health supports for children and staff.

Expenditure Deadline: 09/30/2023

Child Care and Development Block Grant: \$266,779,051

Division: Family Development

Program: Child Care Services

Purpose: Supplemental provider payments under existing block grant rules.

Expenditure Deadline: 09/30/2024

Pandemic Emergency Assistance: \$17,254,346 (Estimate)

Division: Family Development

Program: Temporary Assistance to Needy Families (TANF)

Purpose: Short term non-recurring assistance to TANF households.

Expenditure Deadline: 09/30/2022

Mental Health Block Grant: \$22,649,000

Division: Mental Health and Addiction Services

Program: Community Services

Purpose: Supplemental mental health services and resources consistent with existing block grant rules.

Expenditure Deadline: 03/14/2023

Substance Abuse Block Grant: \$45,051,000

Division: Mental Health and Addiction Services

Program: Addiction Services

Purpose: Supplemental prevention and treatment services and resources with existing block grant rules.

Expenditure Deadline: 03/14/2023

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Congregate and Home Delivered Meals: \$19,994,000 (Estimate)

Division: Aging Services

Program: Programs for the Aged

Purpose: Distributed to county Area Agencies on Aging for senior nutrition in accordance with Older Americans Act IIIC rules.

Expenditure Deadline: 09/30/2022

Supportive Services for Older Adults: \$12,200,000 (Estimate)

Division: Aging Services

Program: Programs for the Aged

Purpose: Distributed to county Area Agencies on Aging for supportive in-home services in accordance with Older Americans Act IIIB rules.

Expenditure Deadline: 09/30/2022

Family Caregiver Services: \$3,844,000 (Estimate)

Division: Aging Services

Program: Programs for the Aged

Purpose: Distributed to county Area Agencies on Aging for caregiver support services in accordance with Older Americans Act IIIE rules.

Expenditure Deadline: 09/30/2022

Preventative Services: \$1,163,000 million (Estimate)

Division: Aging Services

Program: Programs for the Aged

Purpose: Distributed to county Area Agencies on Aging for disease prevention and health promotion in accordance with Older Americans Act IIID rules.

Expenditure Deadline: 09/30/2022

**10% Federal Match Enhancement for Medicaid Home and Community Based Services:
(Pending Federal Guidance)**

Division: Medical Assistance and Health Services; Developmental Disabilities

Program: Various

Purpose: Supplemental provider support payments, enhanced/additional services, services to additional recipients

3. Since the onset of the COVID-19 pandemic, the federal government has awarded several billions of dollars to the State of New Jersey.

- **Question:** What are the department's plans to maximize federal financial assistance during the COVID-19 pandemic and as the State recovers therefrom?

DHS Response:

DHS has worked to maximize the federal dollars available to enhance and expand services for New Jerseyans during the public health emergency. Additionally, DHS is grateful to the members of our state's congressional delegation, who have been fierce advocates in securing federal support.

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Among the Department's numerous efforts to maximize federal assistance has been its monthly application to provide extra food assistance benefits. Because of the state public health emergency, New Jersey is able to apply to provide NJ SNAP households with the maximum monthly benefit. DHS has been able to provide this since the beginning of the public health emergency, which amounts to \$694.1 million in supplemental monthly SNAP payments since March 2020. As long as the state public health emergency remains in effect, DHS plans to continue to draw down these additional benefits for New Jerseyans in need of food assistance for as long as they are available.

DHS will continue to apply for waivers and funding to maximize assistance to New Jerseyans in this unprecedented pandemic.

4. Many federal agencies and departments have waived certain requirements during the COVID-19 pandemic.

- **Questions:** What, if any, federal waivers has the department applied for during the COVID-19 pandemic? What waiver requests were approved and what waiver requests were denied? How many of these waivers have an opportunity to be extended?

DHS Response:

DHS has requested and received multiple Medicaid and Children's Health Insurance Program (CHIP)-related flexibilities from the federal Centers for Medicare and Medicaid Services (CMS) to support our pandemic response. These include:

- Two waivers under Section 1135 of the Social Security Act, granting flexibility around provider enrollment, fair hearings, prior authorization of services, provision of personal care assistance, and eligibility and care planning for home and community-based services.^{1 2}
- Two COVID-related Medicaid state plan amendments, granting flexibility around presumptive eligibility and enrollment of beneficiaries, telehealth and other delivery system flexibilities, prescription refills, and reimbursement for vaccine administration.^{3 4}
- A COVID-related CHIP state plan amendment, granting flexibility around CHIP eligibility determinations and premiums / cost-sharing.⁵
- Two emergency "Appendix K" amendments to the New Jersey FamilyCare Comprehensive Demonstration authorized under Section 1115 of the Social Security Act. These amendments included a range of emergency flexibilities around the provision of home and community based long-term care services, including through the Managed Long Term Services and Supports (MLTSS) program, as well as the HCBS programs administered by the Division of

¹<https://www.medicaid.gov/state-resource-center/disaster-response-toolkit/federal-disaster-resources/entry/54033>

²<https://www.medicaid.gov/state-resource-center/disaster-response-toolkit/federal-disaster-resources/99271>

³<https://www.medicaid.gov/State-resource-center/Medicaid-State-Plan-Amendments/Downloads/NJ/NJ-20-0003.pdf>

⁴<https://www.medicaid.gov/medicaid/spa/downloads/NJ-20-0021.pdf>

⁵<https://www.medicaid.gov/CHIP/Downloads/NJ/NJ-20-0028.pdf>

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Developmental Disabilities, and Children's System of Care programs administered by the Department of Children and Families.^{6 7}

Most of these flexibilities either automatically continue or can be easily extended through the end of the federal public health emergency, which the Biden administration has indicated will continue until at least the end of CY 2021. Please note that these flexibilities are in addition to other changes to federal Medicaid requirements that automatically apply to all states, and do not require state-specific approval (e.g. restrictions on disenrollment of Medicaid beneficiaries during the public health emergency). None of the emergency flexibilities that New Jersey requested were formally denied by CMS; however, some components are still pending approval and DHS worked cooperatively with our federal partners across two federal Administrations and made significant modifications to our waiver submissions in order to ensure federal approval.

In addition, the Division of Mental Health and Addiction Services submitted a waiver to the US Health and Human Services, Substance Abuse and Mental Health and Services Administration (SAMHSA) requesting permission to relax the schedule for dispensing methadone to individuals receiving services in a licensed opioid treatment program (OTP). More specifically, the requested waiver enabled OTPs to operate in accordance with the guidance SAMHSA issued enabling individuals to take home methadone in a secured container when the individual has been assessed to be able to safely manage taking the medicine in accordance with the physician's orders. This has been effective in reducing the number of individuals in an OTP waiting for their medicine to be administered on a daily basis. The waiver continues to be in effect.

In addition, the Division of Family Development requested and successfully secured a number of waivers/state options to the US Department of Agriculture, Food and Nutrition Services to simplify SNAP applications and eligibility determination and maximize access including:

- Waiving initial and recertification interviews
- Extended recertification and interim reporting
- Allowing for telephonic signatures
- Waiving of in-person quality control reviews

These flexibilities have been approved on a month-by-month basis with a requirement for the state to confirm the presence of a state emergency or disaster declaration according to the Continuing Appropriations Act of 2021. DHS will continue to apply for these waivers and flexibilities.

New Jersey also applied for two additional waivers to process all cases as expedited cases and suspend student eligibility rules. USDA issued a mass denial to multiple states for these waivers on April 10, 2020.

⁶ <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/nj-1115-request-cms-appendix-k-appvl.pdf>

⁷ <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/nj-1115-request-cms-appendix-k-appvl-09252020.pdf>

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5. Diversity and inclusion in the workplace rose to prominence as a mainstream topic of interest in 2020.

- **Questions:** Please indicate the percentage of minorities and women in each of the department's middle and senior management.
- Please detail any plans the department may have to increase the representation of minorities and women among its middle and senior managers.
- Please indicate any structures and elements of its culture that are known to the department as having had the effect of making minorities and women feel unwelcome and limiting diversity and inclusion. How does the department intend to address these structures and cultural elements? What initiatives has the department implemented in the last two years to further the diversity and inclusiveness of its workplace? Does the department intend to undertake any additional initiatives through the end of FY 2022?

DHS Response:

The department considers diverse and inclusive staffing to be mission critical as it is important for employee composition to reflect the individuals, families, and communities we serve – about one in five residents of the state.

The percentage of DHS's executive leadership that has identified as non-white is 38%. The percentage of the department's executive leadership that has identified as female is 77%. The department's commissioner, deputy commissioner, and chief of staff are female.

According to employee data provided by the Civil Service Commission, as of April 1, 2021, 56% of the department's total workforce identified as non-white and 69% identified as female.

The department looks forward to working with the Civil Service Commission, the Office of Diversity and Inclusion, and the Office of New Americans to continue identifying and utilizing inclusive strategies to increase diversity of staff across all position levels at DHS.

6. P.L.2019, c.32 established several multiyear schedules for gradually raising the State minimum wage to not less than \$15 per hour by 2024. The State minimum wage will rise to at least \$13 per hour as of January 1, 2022. The statutory minimum wage will further increase to \$14 per hour on January 1, 2023 and \$15 per hour on January 1, 2024. The FY 2022 Governor's Budget provides an additional \$74.1 million to the Department of Human Services due to the 2021 and 2022 minimum wage rate increases: \$41.7 million to the Division of Developmental Disabilities; \$19.5 million to the Division of Medical Assistance and Health Services; \$12.8 million to Work First New Jersey childcare facilities in the Division of Family Development; and \$157,000 to community based senior programs in the Division of Aging Services.

- **Questions:** What programs and service providers, disaggregated by budget line, in the Division of Developmental Disabilities and the Division of Medical Assistance and Health Services will receive funding for the increased minimum wage rate? Please explain any increase in federal funds due to these appropriations.

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- **What programs and service providers, disaggregated by budget line, in the Division of Developmental Disabilities and the Division of Medical Assistance and Health Services will receive funding for the increased minimum wage rate? Please explain any increase in federal funds due to these appropriations.**
- **Whose wages would be raised and by how much? Will any of these additional funds be used to increase wages for front-line direct care staff? Alternatively, will the \$74.1 million be used exclusively to bring hourly wages in line with the \$12 per hour statutory minimum wage for 2021 and the \$13 per hour statutory minimum wage for 2022?**
- **How many State employees does the department anticipate receiving a wage increase?**
- **How much funding will the department require in FY 2023 and FY 2024 to accommodate the minimum wage increases in those fiscal years?**

DHS Response:

In the Division of Developmental Disabilities, the recommended \$41.7 million State investment in wages for FY 2022 impacts community residential services and associated providers across the Division and is allocated by line item as below.

- Supports Program - Employment and Day Services - \$6 million
- Supports Program - Individual and Family Support Services - \$4 million
- CCP – Individual Supports - \$17.7 million
- CCP – Individual and Family Supports - \$6 million
- CCP – Employment and Day Services - \$8 million

The costs for these services are matched with federal dollars, which will be used in full to support the funding increases and when added to State resources provide a total of \$83.4 million in additional funding for wages in FY 2022. These funds will support direct-care staff and front line supervisors, and support wage increases in excess of the statutory minimum wage in recognition of the fact that the work of these front-line workers is more complex and challenging than minimum wage work available in other areas of the economy. DHS believes that wages above the statutory minimum are critical to ensure continued access to high quality services for individuals with intellectual and developmental disabilities living in the community.

In the Division of Medical Assistance and Health Services (DMAHS), the recommended \$19.488 million increase in FY 2022 builds upon the continuation of the FY 2021 10% increase for Nursing Facilities as well as the increase to \$20 per hour for personal care service agencies to account for increases in minimum wage as well as Covid-19 related costs. Of the additional \$19.488 in state funds for DMAHS minimum wage changes for FY 2022, \$15 million is allocated to nursing facility providers and \$4.488 million to providers that transport program recipients to dialysis, primary care, and other medical appointments. These amounts were allocated to the following line items:

- Medical Coverage – Nursing Home Residents - \$15 million
- Medical Coverage – Community Based Long Term Care Recipients - \$4.488 million

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These increases also receive federal matching funds that when combined with State resources provide approximately \$39 million in additional resources for wages.

In the Division of Aging Services, the \$157,000 in recommended growth is allocated to the Community Based Senior Programs line items and will accommodate staff wage increases at 26 congregate housing providers, and will also allow approximately 400 individuals who choose their own care providers through the Jersey Assistance for Community Caregiving (JACC) program to adjust wages in response to the rising minimum wage.

At this time, there are no State employees anticipated to be impacted by the change in the minimum wage in FY 2022.

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Division of Mental Health and Addiction Services

7. In November 2020, the Division of Mental Health and Addiction Services received \$25.0 million out of the State's flexible federal Coronavirus Relief Fund allocation for its mental health and substance use disorder programs. In February 2021, the division returned \$20.4 million to the Coronavirus Relief Fund. As of April 16, 2021, the division has expended nearly all of the remaining \$5.1 million.

- **Questions:** Please describe the original plan for the \$25.0 million Coronavirus Relief Fund allocation for mental health and substance use disorder programs. For what reason(s) was \$20.4 million not expended and returned to the Coronavirus Relief Fund? How did the return of the \$20.4 million affect service providers and the population they serve on behalf of the division? Please detail, by program, how the \$5.1 million out of the Coronavirus Relief Fund was expended.
- Have there been any disruptions to provider services and capacity due to a lack of funding to mitigate the consequences of COVID-19?

DHS Response:

DHS established a robust reimbursement program using Coronavirus Relief Funds (CRF) to provide assistance to the more than 250 providers who participate in the Division of Mental Health and Addiction Services (DMHAS) network that provide prevention, treatment and recovery supports to the uninsured and underinsured. The program was established in consultation with providers to address critical needs and unreimbursed costs they were facing as a result of the pandemic.

The reimbursements covered critical areas of need, including:

- Personal protective equipment and virus mitigation items.
- COVID testing for staff and clients.
- COVID-related emergency rates for in-person direct care staff undertaking work involving COVID risks.
- HIPAA-compliant technology to facilitate telehealth such as tele-mental health and substance use disorder counseling.

These reimbursable categories were established based on provider feedback of unanticipated expenses related to the pandemic. Purchasing gloves and masks, testing staff and clients, and providing enhanced emergency rates for direct care staff were identified as critical needs for these essential providers.

The program also responds to the abrupt change in delivery of services to telehealth, allowing providers to receive full reimbursement for costly HIPAA-compliant technology to safely provide services during the pandemic and beyond. This portion of the program was completed with crucial technical guidance and expertise from the New Jersey Association of Mental Health and Addiction Agencies (NJAMHAA).

The program allowed for reimbursement of eligible COVID-19 expenditures from the beginning of the public health emergency on March 9 through Nov. 23. Provider reimbursement submissions could be made electronically through a spreadsheet.

Discussion Points (Cont'd)

DMHAS alerted these institutions through our distribution networks and through trade associations. The Division also held webinars to brief providers and answer questions on applications and eligible expenditures. Additionally, Division staff worked individually with providers to answer questions and ensure submissions met federal CRF guidance. Further, DMHAS extended the timeframe for submission of reimbursable expenses to Dec. 7, 2020 to permit more providers to participate.

The result of the program was \$4,388,365 in reimbursements to 64 providers. The average provider reimbursement was \$67,513. In total, the program paid providers: \$1,716,072 in staff emergency pay; \$1,215,294 for virus mitigation; \$866,853 for HIPAA-compliant technology to provide telehealth services; \$504,245 for PPE; and \$51,481 for staff and client COVID testing.

Prior to the formation of the CRF reimbursement program, DHS provided monthly retainer payments to all contracted mental health and substance use disorder providers. These payments were critical to sustaining services to New Jerseyans. DHS is not aware of any disruptions in services due to lack of funding to mitigate the consequences of COVID-19.

8. The FY 2022 Governor's Budget recommends increasing the Grants-in-Aid appropriation for Community Care by \$16.2 million to \$328.3 million. This account funds contracts with community mental health agencies to provide an array of mental health services, with a focus on assisting individuals discharged or diverted from the State's psychiatric hospitals. Of the increase, \$2.2 million is attributed to Olmstead placements. The State has engaged in long-term efforts to reduce the number of institutionalized individuals with mental health challenges pursuant to the U.S. Supreme Court's decision in *Olmstead v. L.C.*, 527 U.S. 581 (1999), which requires that individuals with mental illness receive services in the least restrictive appropriate environment.

- **Questions:** Please provide the annualized cost and number of Olmstead community-based beds developed during FY 2021, and anticipated in FY 2022. In each fiscal year, please disaggregate this information by beds for patients discharged from the State's psychiatric hospitals, and beds for individuals at risk of institutionalization or homelessness.

DHS Response:

FY 2022 funding will allow for the development of 200 additional beds, of which 155 are anticipated to be used for the placement of psychiatric hospital discharges, and 45 for the diversion of individuals at risk of institutionalization. The total projected cost of these placements as they occur throughout FY 2022 is \$2.8 million, which includes the \$2.2 million in State appropriations and \$600,000 federal Medicaid matching funds. The total annualized cost of these additional beds in the following fiscal year is approximately \$8.5 million. Of this total, an estimated \$6.1 million will be required from State appropriations, and \$2.4 million from federal matching funds. Due to resource constraints and the focus on pandemic response in FY 2021, the number of community-based beds remained relatively constant at approximately 3,200 beds.

Discussion Points (Cont'd)

9. The FY 2022 Governor's Budget includes \$4.0 million for the establishment of the Psychiatry Residential Program. The program would be funded out of the Grants-in-Aid appropriation for Community Care and is a component of the recommended \$16.2 million increase for that budget line.

- **Questions:** How many psychiatric resident training slots does the division anticipate funding in FY 2022 under the Psychiatry Residential Program? How many training slots are currently funded? Please provide a distribution of slots by institution. When does the division anticipate the slots to be filled? Does the program place any post-residency restrictions on its graduates regarding the number of years they must serve in certain settings?
- Is \$4.0 million the total allocation to the program or will it also be supported by other funding sources? Is federal COVID-19 assistance being utilized to fund the additional resident training slots? If yes, how will these additional psychiatric resident training slots be supported in the future? How will the division determine the distribution of program appropriations?

DHS Response:

The Psychiatric Residency Program will fund ten four-year residents. The Division does not currently fund any residents. A competitive solicitation will be issued to establish the number of slots per institution. These slots will be filled in the 2022 – 2023 academic year based on residency selection occurring early in the calendar year for the subsequent academic year. The program is unable to place post-residency restrictions; however, the residents would need to commit to working with individuals served in DHS-funded programs during their four-year residency. We believe that following the completion of the residency program there will be individuals who will have an interest in being a New Jersey service provider and in continuing to work in the public behavioral health system. The \$4 million recommended appropriation is the total allocation for the four-year residency program, and it does not include any federal COVID-19 funding.

10. The Governor's FY 2022 Budget includes two new appropriations within the division: \$2.2 million for the Justice Involved Mental Health Pilot program and \$250,000 for the Monmouth Mental Health Association.

- **Questions:** Please provide information on each new initiative identified above, including a description of how funds will be spent, the target population for each program, and the number of anticipated program participants in FY 2022. Does the department anticipate funding these initiatives in future fiscal years, and if so, what is the cost anticipated in FY 2023?

DHS Response:

In partnership with the court system and local mental health service providers, DHS will establish a pilot program in at least two counties that would coordinate treatment and social service for individuals who are justice-involved, especially those known to the court for repeat offenses and in need of mental health care. The coordinated approach will utilize trained mental health counselors, case managers and peer providers in courts to provide onsite and/or virtual screening, assessment for services, and direct referrals. This team will provide continued follow-up and outreach to consumers while in pre-adjudication phase, connecting individuals to treatment and

Discussion Points (Cont'd)

support services, such as housing assistance and employment training and opportunities. DHS currently anticipates funding for the program will continue in future fiscal years, with the level of funding determined by the outcomes and experience gained from the pilot program.

The Monmouth Mental Health Association is currently a Division funded provider for services such as Intensive Family Support, Community Support Services (CSS), and Programs for Assistance in the Transition from Homelessness (PATH). DHS will be collaborating with the Monmouth Mental Health Association to continue enhancing access to mental health treatment, in particular through outpatient care and for individuals identified as high risk.

11. The Executive proposes the elimination of \$150,000 in funding for the Morris County Hope One Initiative, which supported the Morris County Sheriff's Office mobile outreach program and the ongoing effort to replicate this work. The program's mission is to assist those suffering from Opioid Use Disorder with referrals to service providers and naloxone, among other services. This \$150,000 appropriation was provided in FY 2020 and FY 2021.

- **Questions:** Why is the appropriation for the Morris County Hope One Initiative recommended to be discontinued in FY 2022? How will the elimination of funding affect the program's capacity and services in FY 2022?

DHS Response:

The funding provided for Morris County Hope One in fiscal years 2020 and 2021 was used to fund startup and expansion costs including the purchase and up-fit of a vehicle to be used for mobile outreach, and associated expansion of various addiction recovery and training programs. With the equipment and programs now in place, the line item appropriation is no longer necessary.

12. The Governor recommends increasing the appropriation for State-billable patients who are cared for in county psychiatric hospitals by \$15.5 million to \$120.7 million in FY 2022. The division pays 85 percent of the maintenance of county patients and 100 percent of the maintenance of State patients in county psychiatric hospitals. Evaluation data in the FY 2022 Governor's Budget indicates no change in the average daily population of State-billable patients in FY 2022.

- **Questions:** What factors account for the projected increase in funding? Of the increase, how much does the department anticipate allocating for service needs that are COVID-19 related, and for service needs that are independent of COVID-19?

DHS Response:

The increase in recommended funding results from an escalation in the cost-based county reimbursement rates, and is driven by several factors. A significant portion of the recommended growth is due to normal cost increases related to wages and general inflation impacting operations across the county-run facilities. Adding to normal growth in FY 2022, a number of county facilities are no longer subject to downward rate adjustments related to prior-year cost reconciliations. The change in this adjustment returns the reimbursement rate for one of these facilities to a significantly higher level that is more consistent with actual costs. Finally, there was a larger than normal increase in the average per diem cost of serving an individual in a State

Discussion Points (Cont'd)

psychiatric hospital. This average cost is used as the maximum allowable county reimbursement amount, and the change in this calculated average allowed the rate for one county facility that had been previously limited to this value to increase substantially. The recommended appropriation increase is based solely on rate calculations that are independent of COVID related costs.

Discussion Points (Cont'd)

Division of Medical Assistance and Health Services (Medicaid/NJ FamilyCare)

13. As a condition for the receipt of the temporarily enhanced federal matching percentages under Medicaid and the Children's Health Insurance Program, the federal Families First Coronavirus Response Act requires the State to continue to provide Medicaid coverage to all individuals enrolled on or after March 18, 2020, until the last day of the month when the health emergency period ends, regardless of any changes in individuals' circumstances that otherwise would result in termination. The federal government has stated that the emergency period will likely remain in place for the entirety of 2021 and that states will be provided with 60 days' notice before the emergency period is terminated. According to a department response to an FY 2021 legislative budget question, the coverage of about three percent of NJ FamilyCare clients is usually ended in a given month.

In the year to March 2021, NJ FamilyCare enrollment increased by 284,458 enrollees to 1.97 million. According to the FY 2022 Budget in Brief, the department anticipates enrollment to reach 1.99 million in FY 2022. Furthermore, the Executive recommends increasing FY 2022 State General Fund appropriations for NJ FamilyCare by \$212.1 million due to enrollment growth.

- **Questions:** How much of the enrollment growth since March 2020 is attributable to the suspension of eligibility redeterminations as opposed to new enrollments? What is the projected cost impact of enrollment growth on FY 2021 NJ FamilyCare expenditures, segregated by State, federal, and all other funds?
- What assumptions did the department use to determine anticipated NJ FamilyCare enrollment in FY 2022? How much of the recommended \$212.1 million increase for NJ FamilyCare enrollment growth can be attributed to new enrollees and to the temporary cessation of eligibility redeterminations? What is the total projected cost of the enrollment growth, including all funding sources? What is the total projected FY 2022 cost; segregated by State, federal and all other funds; of the suspension of eligibility redeterminations?
- How many NJ FamilyCare clients are projected to have their coverage terminated upon the resumption of eligibility redeterminations? What are the department's plans for the resumption of eligibility determination? How long would it take to process the large volume of eligibility redeterminations? What would be the additional associated costs? What is the anticipated NJ FamilyCare enrollment following the resumption of eligibility redeterminations?

DHS Response:

Total NJ FamilyCare enrollment increased by nearly 17% from March 2020 to March 2021, to a total of 1.97 million beneficiaries. Given the unprecedented economic and care-delivery impacts of the pandemic, DHS does not believe that any pre-COVID statistics on enrollment termination are a reliable proxy for the pandemic period. As such, it is not possible to precisely calculate what share of the enrollment increase may be driven by reduced disenrollments as opposed to increased new enrollments. In addition, under normal (pre-pandemic) circumstances, individuals will sometimes disenroll and subsequently re-enroll within a relatively short interval – thus, decreased disenrollments may be depressing subsequent enrollments, making comparisons to pre-pandemic enrollment patterns challenging. That said, data suggests that the primary driver

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of the enrollment trend during the Public Health Emergency (PHE) has been the pause in disenrollment of existing NJ FamilyCare members, and not growth in new enrollments.

To determine FY 2022 enrollment levels, DHS utilized current enrollment trends as of the time of the Governors Recommended Budget and trended forward up to an estimated peak enrollment in the middle of FY 2022. The \$212m increase is an increase from FY 2021 appropriations to meet estimated need in FY 2022.

While it is difficult to determine how many enrollees will be determined ineligible at the completion of the PHE, the budgeted resources anticipate an overall decline in enrollment beginning in January, 2022 and eventually a return to approximately pre-pandemic levels. The counties and vendor are administering renewals now as processing capacity permits; however, because of the PHE even those found ineligible have remained enrolled and their eligibility will be reconsidered at the end of the PHE. Please note that anyone terminated at the end of the PHE also has the right to a Fair Hearing and will remain enrolled until a final decision is made, so that will delay the disenrollment process.

	Total	State	Federal
FY 2021 Enrollment Growth	\$ 576,373,771	\$ 185,367,339	\$ 391,006,432
FY 2022 Enrollment Growth	\$ 834,130,000	\$ 212,145,000	\$ 621,985,000

14. As another condition for the receipt of the temporarily enhanced federal matching percentages under Medicaid and the Children's Health Insurance Program, the federal Families First Coronavirus Response Act also requires the State to provide Medicaid coverage without cost-sharing for COVID-19 testing and treatment, including vaccinations, during the emergency period.

- **Questions:** What has been the State cost to Medicaid and the Children's Health Insurance Program to cover COVID-19 testing, treatment, and vaccinations in FY 2021, broken out by program and type of service? What is the anticipated cost in FY 2022?
- How many Medicaid enrollees have received a full vaccination for COVID-19? How many enrollees does the department anticipate receiving the vaccination in FY 2022? How has the department worked with providers in ensuring access to a COVID-19 vaccination for NJ FamilyCare enrollees? Have any enrollees reported difficulties in registering for vaccine appointments because they lack access to a computer or internet access? If so, how has the division assisted these enrollees in registering for a vaccine?

DHS Response:

The State included approximately \$23 million in the Managed Care Acute Care program rates for vaccination administration expenses in FY 2021 and approximately \$26 million in FY 2022 (vaccine ingredient costs are fully covered by the federal government and outside of managed care).

Discussion Points (Cont'd)

The State did not include explicit capitation rate increases for testing and treatments costs in FY 2021 or FY 2022. Testing and drug treatment has been mainly paid for by the federal government; testing costs are not expected to increase in FY 2022 with vaccine availability.

For FY 2022, the State assumed that 25% of the non-dual Acute Care adult members would be vaccinated, representing the portion of eligible adults that did not get vaccinated in FY 2021 for any reason. The State also assumed that 50% of adolescent children would receive vaccinations in FY 2022 based on current vaccine approval information.

Since late 2020, DHS has been working closely with the five Medicaid managed care organizations (MCOs) and counterparts at the Department of Health on vaccine rollout and health equity strategy, with a focus on data and outcomes.

- Mail outreach – The outreach initiative began in January 2021 with the development of a mailer to be sent to all members over age 16. This mailer contained information in English and Spanish on how to register with the State’s COVID-19 vaccine registry, how to reach the Department of Health hotline with translation available in 200 languages, and how to find a vaccine distribution mega-site or other location. This mailing also included CDC educational material and encouraged Medicaid members to contact a care manager or their primary care provider about any vaccine-related questions or concerns.
- Telephonic outreach – All five Medicaid managed care organizations have care managers calling their members to encourage them to get vaccinated. They are analyzing immunization registry data and claims to assess which members may still be unvaccinated, and then prioritizing outreach to the highest risk members. The Department of Health is supporting outreach to Medicaid members broadly through the COVID-19 vaccine call center.
- Reporting – All five Medicaid managed care organizations are submitting biweekly reports on their outreach efforts. These reports include data from the State immunization registry, claims for vaccine administration, and vaccination status self-reported by members. They also include information on the member’s clinical priority level, race/ethnicity, and geography. However, this real-time data collection effort has encountered several challenges including:
 - Immunization registry data sharing is constrained by unique match limitations
 - Vaccine sites (mega sites, community organizations) are not always collecting health insurance information
 - Claims for administration of the vaccine are not submitted immediately
 - Limited visibility on vaccines received by Medicaid members who are also Medicare eligible

Due to these data challenges, members who we believe to be unvaccinated, when reached by phone, report at reasonably high rates that they have in fact already received the vaccine.

Reported barriers experienced by Medicaid members have included difficulty accessing email/websites and limited availability of vaccine appointments. To address these barriers, MCOs have worked with provider groups and with the Department of Health to ensure their members

Discussion Points (Cont'd)

are able to get appointments. MCOs can transfer a call to a direct line at the Department of Health COVID-19 hotline to help Medicaid members get appointments.

Vaccine hesitancy also presents a challenge. Educational materials were included in the member mailing to begin to address this known issue. In addition, MCOs are utilizing insights provided by focus groups on vaccine hesitancy, and they encourage members to talk about the vaccine with their primary care provider. Finally, MCOs are supporting the outreach work of local organizations that are trusted by the communities they serve.

15. NJ FamilyCare applications and eligibility redeterminations are processed by a State-contracted vendor, Conduent, and county welfare agencies. During the COVID-19 pandemic many government services were temporarily suspended or have been provided at a reduced scale, resulting in longer client wait periods.

- **Questions:** Please comment on the impact of COVID-19-related restrictions on the processing of NJ FamilyCare applications. Have application decision backlogs been developing? During the initial weeks and months of the pandemic beginning in March 2020, was there any entity responsible for processing applications that temporarily shut down and for how long? Are processing times currently back to pre-pandemic levels, if applicable? Please indicate the average application processing time by processing entity by month since January 2020.

DHS Response:

COVID-19 restrictions had significant impact on all NJ FamilyCare operations, but on the whole DHS has seen sustained or improved eligibility processing times.

In the case of Conduent, the health benefits coordination vendor, some remote functionality was in place already and expanded during the Public Health Emergency (PHE). This supported improved processing times noted in the table below for the more straightforward applications that are handled by the vendor.

Due to federal requirements, county welfare agencies process the more complex applications for Aged, Blind, and Disabled eligibility. Importantly, concurrent with the unexpected onset of COVID-19, DHS was advancing pre-planned improvements in technical systems used by county workers. The systems upgrades had two intended purposes: 1) Continue to shift emphasis away from paper applications circulated in the community and handled by county offices and towards online processing whenever possible, and 2) support front-end data entry of paper applications received into the core system to improve visibility on application status. Critically, this system also interfaces with the State-Based Exchange, GetCoveredNJ, which was launching in late 2020.

As counties adapted to remote work and shutdowns drove applicants to submit their information electronically, NJ FamilyCare received more online applications than ever before, which meant better data visibility than ever before.

Throughout 2020, DHS held weekly Zoom meetings with county leaders to monitor processing capacity and turnaround times using reports extracted from the new system. Where new reports

Discussion Points (Cont'd)

raised collective questions, collaboration between county and State staff led to improvements, and individual counties received support to troubleshoot specific concerns. Each county was impacted differently by the initial surge and subsequent developments, and DHS worked with them to manage specific circumstances and the statewide launch of GetCoveredNJ.

Aggregate findings show that as applications processed in the new system increased, overall processing times decreased. Please note that county welfare agencies process all applications for Aged, Blind, and Disabled (ABD) members seeking long-term-care services. These applications are considerably more complex than non-ABD applications, require time for families to access requested financial information, and significantly increase the overall average processing time listed in the County column.

	County Processed Median Days	Vendor Processed Median Days
January 2020	37	10
February 2020	31	11
March 2020	30	11
April 2020	28	6
May 2020	27	6
June 2020	33	3
July 2020	31	4
August 2020	26	3
September 2020	25	2
October 2020	23	3
November 2020	25	4
December 2020	31	9

16. The FY 2022 Governor's Budget proposes \$20.0 million in new State funding to support the new Cover All Kids Initiative. The aim of this multi-year initiative is to provide health insurance to 88,000 currently uncovered children. The FY 2022 Budget in Brief indicates that the initiative would use federal Medicaid funds to fulfill the purpose of the program.

According to a press release issued by the department on March 30, 2021, the department plans to provide nearly 53,000 children with health insurance coverage in FY 2022 by: eliminating the 90-day waiting period for coverage to children newly enrolling into the Children's Health Insurance Program; removing premiums requirements under that program; and developing targeted outreach efforts. In subsequent fiscal years, the department would provide coverage options for children of undocumented immigrants and those children whose families' incomes are over NJ FamilyCare eligibility, but still find coverage unaffordable.

The FY 2022 Governor's Budget anticipates the reduction of \$32.4 million in revenue attributed to individual share contributions under NJ FamilyCare. The revenue loss would be compensated by increased

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State funding out of the Health Care Subsidy Fund. Premiums have been suspended under the Children's Health Insurance Program since March 2020 in response to the COVID-19 pandemic.

- **Questions:** Has the division received approval from the federal Centers for Medicare and Medicaid Services for this initiative? If not, when does the division plan to apply for approval? Has the division received any feedback from the Centers for Medicare and Medicaid Services regarding the implementation of this initiative?
- What is the total projected cost in FY 2022 of the Cover All Kids Initiative, segregated by State, federal, and all other funds? What are the anticipated costs associated with each component of the initiative?
- Please detail the method behind the estimate that 88,000 children would newly obtain coverage under the Cover All Kids Initiative.
- Please describe the department's plans regarding outreach efforts to boost enrollment. What other State agencies or local entities will the department collaborate with? Does the department anticipate its partners to incur related expenses? If so, please explain. Will the department cover these costs?
- When does the department anticipate commencing the provision of coverage options for children of undocumented immigrants and uninsured children whose families' incomes are over NJ FamilyCare eligibility? By category of currently uninsured children, what would be the State costs and number of children who would be covered by the future expansion of the Cover All Kids initiative? Does the department anticipate any federal support for the expansion of the initiative? Please explain.

DHS Response:

The goal of the Cover All Kids initiative is to ensure that all children who currently lack coverage in New Jersey are enrolled in health insurance. Based on census data, we currently estimate that there are approximately 88,000 such children across the state.

Of those estimated 88,000 uninsured children, we estimate that approximately 53,000 are currently eligible for NJ FamilyCare, but are not enrolled. Our efforts during FY 2022 will focus on connecting these children to coverage, through enhanced and targeted outreach, and by eliminating potential barriers to coverage such as CHIP premiums and waiting periods. While DHS is still finalizing our enhanced outreach approach, we anticipate it will rely on a mix of strategies, including partnerships with trusted community-based organizations, engagement with schools, and (to the extent appropriate and legally permissible) utilization of data from other state or local agencies to identify uninsured but eligible children. We note that for this stage of the initiative, the CMS approvals required are likely to be minimal and straightforward (involving discretionary changes to CHIP premiums and waiting periods), and are unlikely to pose any barrier to implementation.

During FY 2022, DHS, in collaboration with DOBI, will also engage in intensive planning to develop coverage options for uninsured children who are currently ineligible for NJ FamilyCare, either

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because of family income or immigration status. The Division intends to rely on federal funds whenever this is possible and cost-effective, and expects to begin conversations with federal partners around options in the coming months. In some instances, coverage may need to be subsidized using state-only dollars. It is anticipated that coverage will be available to these additional populations of beneficiaries in FY 2023.

Estimated FY 2022 costs associated with the Cover All Kids Initiative are as follows:

- Enhanced Outreach: \$3 million
- Removal of 90-Day CHIP Waiting Period: \$2.0 million (\$6.0 million total)
- Benefit Cost Increases Due to Additional Enrollment of Medicaid/CHIP Populations: \$15.0 million (\$29.5 million total)
- Elimination of CHIP Premiums: \$10 million (\$30 million total) – this was not scored in FY 2022 Recommended Budget since premiums were suspended during the public health emergency.

17. P.L.2020, c.89 requires that the minimum wage for direct care staff who provide personal care, assistance, or treatment services directly to residents in long-term care facilities is \$3 higher than the prevailing State minimum wage. DHS is required to submit recommendations to the Legislature of any reimbursement rate increases as may be needed to comply with minimum wage requirements for long-term care facility direct care staff.

The current State minimum wage is \$12 per hour and will rise to at least \$13 per hour on January 1, 2022. Under P.L.2020, c.89, the minimum wage for long-term care direct staff members is currently \$15 per hour and will rise to \$16 per hour on January 1, 2022. The Executive recommends appropriating an additional \$19.5 million to the Division of Medical Assistance and Health Services to pay for minimum wage increases.

Furthermore, the FY 2022 Governor's Budget proposes the continuation of a 10 percent Medicaid nursing home rate increase established under P.L.2020, c.90, requiring that 60 percent of the additional revenue be used to increase wages or supplemental pay for staff providing direct care.

- **Questions:** To what extent, does the division anticipate long-term care facility direct care staff members will receive a wage increase under P.L.2020, c.89 in FY 2021, FY 2022, and FY 2023? How will COVID-19 related wage increases, such as the wage increase related to the 10 percent nursing home rate increase, affect the implementation of this law?
- How does the division anticipate the implementation of this law affecting Medicaid reimbursement rates? Does the division anticipate submitting recommendations to the Legislature to increase such rates in FY 2021, FY 2022, or subsequent fiscal years?
- Please detail the funding that is included in the FY 2022 Governor's Budget that reflects the implementation of this law, broken out by State, federal, and all other funds.

DHS Response:

DHS anticipates a majority of direct care staff members will receive a wage increase and the Medicaid rate increase directed by P.L.2020, c.90 may be used to meet this requirement. The

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Murphy administration has consistently increased long-term care rates and quality payments, with \$204 million included in the FY 2022 budget (\$102 million State). Of this amount, \$174 million is to fund the full annual cost of P.L.2020, c.90 and \$30 million is to fund additional minimum wage increases.

18. The FY 2022 Governor's Budget proposes the continuation of a 10 percent Medicaid nursing home rate increase established under P.L.2020, c.90. The Executive provides \$87.0 million in State funding for this increased rate. Budget language mirrors the existing law requiring that at least 60 percent of the additional revenue be used to increase wages or supplemental pay for staff providing direct care. To enforce compliance, facilities are required to report wage data to the department to demonstrate that funds have been passed through to workers, similar to the process implemented in recent years to ensure increased rates for wages for direct support professionals have been appropriately used. Furthermore, up to 40 percent of the additional revenue made available to a facility may be used to support new costs a facility is incurring to meet preparedness and response requirements related to COVID-19. The Executive anticipated nursing homes to receive \$130 million under P.L.2020, c.90 from October 1, 2020 through June 30, 2021.

- **Questions:** Has the division experienced any noncompliance with the direct care salary requirements of P.L.2020 c.90? How have these issues been addressed, and has the division garnished any portion of the rate increase due to such noncompliance? Please explain.
- According to the wage data received, what percentage of the 10 percent Medicaid nursing home rate increase have facilities dedicated to wage increase or supplemental pay? What is the average increase in pay received by staff providing direct care?
- In FY 2022, how much federal funding does the division anticipate under this policy?
- Does the division anticipate the continuation of this policy beyond FY 2022?

DHS Response:

Long-term care facilities will report wage and supplemental pay at the close of the FY 2021, at which point recoupment calculations, if any, will be made. The Division anticipates receiving \$87 million in federal funding for FY 2022, which is 50% match on the total additional expenditure of \$174 million.

19. In July 2019, the division began implementation of the High-Cost Drugs Risk Corridor Program. This program is intended to mitigate the unpredictable catastrophic claim risks associated with a predefined list of high-cost drugs that are prescribed for certain Medicaid beneficiaries: those who are ineligible for enrollment in Medicare while being eligible for Medicaid benefits and who at the same time are not enrolled in the Managed Long-Term Services and Supports program. The High-Cost Drugs Risk Corridor Program includes a pre-defined list of high-cost drugs, and only includes those instances where the per-recipient expense for these drugs exceeds \$150,000 in a given year. Rates include an estimated range, or corridor, for the total of all costs incurred for these high cost drugs. If a Managed Care Organization spends an amount that falls within this range, no adjustments are made. However, if it

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spends more on the risk corridor claims than the State-projected range, they receive additional funding. If they underspend, a portion of premiums will be recouped. The Executive anticipates \$10.0 million in FY 2022 NJ FamilyCare prescription drug utilization savings.

- **Questions:** What were the operational results of the High-Cost Drugs Risk Corridor Program in FY 2020, projected in FY 2021 and FY 2022? Did the program meet expectations in FY 2020? What were the program's cost savings in FY 2020 and projected in FY 2021 and FY 2022?
- Please identify the total amount of adjustments, by drug, made to Managed Care Organization cost reimbursements, and the total amount recouped from a Managed Care Organization, by the State, by drug, in FY 2020, and anticipated in FY 2021 and FY 2022.
- What factors account for the projected cost savings in FY 2022 due to prescription drug utilization?

DHS Response:

The intent of the High-Cost Drug Risk Corridor is to provide a shared risk arrangement for a defined list of high-cost drugs with low overall utilization that is not evenly distributed between MCOs. Prior to the establishment of this risk corridor, the State paid the full cost of these drugs.

For FY 2020a (July 2019 to December 2019), the expenses for the high-cost drugs exceeded projections and the State made a supplemental payment to the MCOs in the amount of approximately \$6 million. Previously, these costs represented pass through payments and the State would have paid the full cost. With the risk corridor, the MCOs were responsible for paying 20% of the payment exceeding projections and the State saved approximately \$1.2 million.

At the onset of the Public Health Emergency, DHS established a program-wide risk corridor, which was supported by federal guidance and nullified the High-Cost Drug Risk Corridor.

20. The FY 2022 Governor's Budget includes \$8.5 million to extend post-partum Medicaid coverage to a 365-day period, beginning on the last day of pregnancy. The FY 2021 Appropriations Act already incorporates funding for a 180-day period. But, currently, the federal Centers for Medicare and Medicaid Services is still reviewing a request for federal cost participation to extend this period from 60 days to 180 days. The extension to 180 days was first added to the FY 2020 Appropriations Act by the Legislature, and the department has estimated the cost to be \$9.1 million, with the State share at \$4.55 million.

- **Questions:** Has the department received any indication from the federal Centers for Medicare and Medicaid Services of the reason for the delay in the approval of federal financial participation for a 180-day post-partum Medicaid coverage period? Is the department confident of receiving federal approval in FY 2022 for a 365-day post-partum period?
- What is the department's method for determining the cost of providing a 365-day post-partum period? How many Medicaid recipients does the department anticipate qualifying for the extended post-partum period in FY 2022 and what is the anticipated average cost for benefits over the extended post-partum period per recipient?

Discussion Points (Cont'd)

DHS Response:

DHS had extended conversations with CMS over the course of 2020 on our request to extend post-partum coverage to 180 days. Ultimately, the previous federal administration was unwilling to approve our request as submitted. However, after the Biden administration took office, CMS notified DHS that its position had changed, and it is now willing to approve states' requests to extend coverage for either 180 or 365 days post-partum. In addition, the American Rescue Plan Act of 2021 gave states the option to request 12 months of post-partum coverage without waiver authority, effective April 2022. Given these developments, DHS is confident of receiving federal approval for the extension of coverage for 12 months post-partum and we have included the proposal in the FY22 budget. We note that during the COVID-19 federal Public Health Emergency (which is expected to continue for the remainder of CY 2021), mothers are maintaining coverage on an ongoing basis post-partum, under the federal continuous enrollment requirement.

DHS has assumed that the extension of the 365-day post-partum period will impact approximately 8,700 recipients. Utilizing the current cost for this population as a proxy, the estimated annual cost is \$34 million (\$17 million state share). Given that women qualifying for the extended post-partum benefit continue to remain enrolled as a result of the PHE (which current assumptions have ending on 12/31/2021), the impact of this benefit is assumed to start on 1/1/2022 for a six-month cost of \$17 million (\$8.5 million state share).

21. Historically, the Appropriations Act has supported limited funding for the Supplemental Prenatal Program, which provides prenatal care, contingent upon the availability of State funds, to pregnant women who meet all the other criteria for NJ FamilyCare but for their immigration status. The program usually runs out of resources around the end of the first quarter of the fiscal year. The Governor's FY 2022 Budget eliminates a cap on funding for this program, as well as adds coverage for contraceptives under the program. The Executive recommends appropriating \$19.0 million to support this program expansion in FY 2022, which includes the renewal of the \$3.8 million FY 2021 appropriation and \$15.0 million in new State funds.

- **Questions:** How many women were provided services under this program in FY 2020, and thus far in FY 2021? How many does the division anticipate serving in FY 2022?
- How much of the projected FY 2022 cost of this program is attributed to coverage of prenatal services? How much is attributed to coverage of contraceptives? Is federal financial participation available for this program?
- How does the division promote the availability of this program? With the proposed expansion of funding, does the division have plans to modify or increase these efforts to ensure utilization? Please explain.

DHS Response:

The number of women who received services through the Supplemental Prenatal Program were 5,558 in FY 2020 and 4,877 in FY 2021. As noted, funds are usually exhausted after 3 months,

Discussion Points (Cont'd)

therefore it is anticipated that funding the program for a full 12 months may result in an additional 15,000 woman receiving services through the SPNCP during FY 2022. Of the total \$19 million in funding, the estimated cost of prenatal services is \$16 million, with the balance available for the cost of contraceptives. The program is funded exclusively with State resources.

This program is promoted on websites of both DHS and the Department of Health. Typically, though, health care providers and community organizations are the main source of awareness for individuals who may qualify for the program. DHS intends to incorporate awareness of this program into the statewide Cover All Kids strategy as well, as it supports healthy pregnancies and improved outcomes. This will require strategic partnerships with health care providers and trusted community-based organizations.

22. The State pays Medicaid Managed Care Organizations a set amount per enrollee per month. This arrangement limits the State's exposure to cost fluctuations. But any underutilization of services will not accrue cost savings to the State, but profits to the Medicaid Managed Care Organizations.

In January 2021, the State Auditor released a report entitled "New Jersey FamilyCare, Medicaid Managed Care Rate Setting and Managed Care Organization (MCO) Administrative Costs for the period July 1, 2015 through August 31, 2020". In the report, the State Auditor recommended that the division include language in the MCO contracts that limits MCO profits by requiring underwriting margins that exceed a defined percentage to be shared with the State. In response, the division concurred with the recommendation. According to the report, in FY 2019 all five MCOs, collectively, earned underwriting gains in excess of a 2 percent underwriting margin totaling \$87.3 million. The State Auditor also noted that in Texas, MCOs must pay an experience rebate to the State, if the percentage of the MCO's net income before taxes is more than three percent of the total revenue for a specified 12-month period, based on the tiers below:

PRE-TAX INCOME AS A PERCENT OF REVENUES	MCO SHARE	STATE SHARE
Less than or equal to 3 %	100%	0%
Greater than 3%, less than or equal to 5%	80%	20%
Greater than 5%, less than or equal to 7%	60%	40%
Greater than 7%, less than or equal to 9%	40%	60%
Greater than 9%, less than or equal to 12%	20%	80%
Greater than 12%	0%	100%

In its audit response, the division noted the establishment of a program-wide risk corridor early in the COVID-19 pandemic as a measure to recoup payments from managed care entities based on pandemic-driven underutilization. The risk corridor was in operation from January through June 2020 and was projected to result in a \$450 million refund to the State early in 2021, of which \$157 million would be State share.

The audit report also noted that the division's managed care actuary position has been vacant since November 2018, to which the division noted that it was currently going through the State hiring approval process.

The Executive recommends appropriating \$113.3 million more in FY 2022 than in the current fiscal year due to an increase in the MCO capitation rate.

Discussion Points (Cont'd)

- **Questions:** In FY 2020 and thus far in FY 2021, how much have all five MCOs, collectively, earned in underwriting gains in excess of a 2 percent underwriting margin, disaggregated by acute and managed long-term support services claims?
- Does the division anticipate implementing any new policies in FY 2022 to limit MCO profits in excess of certain limits? Please explain.
- How much would the division have saved in FY 2020 if language had been added to the MCO contract providing that MCOs must pay an experience rebate to the State, similar to the rebate set in Texas?
- What was the actual cost savings, both State and federal portion, of implementing the COVID-19 managed care risk corridor?
- On what factors is the FY 2022 MCO capitation rate increase predicated?
- In the absence of a managed care actuary, how have the responsibilities of this position been performed? Has the managed care actuary position been filled? If still vacant, when is the anticipated hiring date, and what are the cause of the delays?

DHS Response:

The OLS audit reported on results from FY 2015 to 2018, and feedback from that audit was appreciated by the Division. For FY 2019, MCOs did not have a collective underwriting gain exceeding 2%.

Due to the Public Health Emergency, DHS implemented a two-sided risk corridor beginning in the second half of FY 2020 (Jan – June 2020). As a result of this action, the State recouped \$378 million in premiums for the FY 2020 risk corridor (\$128 million State funding and \$250 million Federal funding). DHS continued the risk corridor through FY 2021 and plans to keep the risk corridor in place for FY 2022 as well.

The increase in capitation rates for FY 2022 is primarily driven by annualizing legislative actions from FY 2021, including the HMO tax assessment and provider rate increases for Private Duty Nursing, Medical Day Care, Personal Care Assistance, and Nursing Facilities. Capitation rates also address the cost of COVID-19 vaccine administration.

The State has a contract with Mercer to provide actuarial services. The State has also added a fiscal analyst in the Managed Care Finance Office. The Managing Actuary position has been approved for hiring and posted several times, but no qualified applicants have been identified to date. Filling this position remains high priority for DHS.

23. The FY 2022 Budget in Brief indicates that the division will develop and deploy new ways of paying for primary care for Medicaid beneficiaries, including payments to providers who agree to serve as a medical home for their patients, in FY 2022 as a cost-saving initiative.

Discussion Points (Cont'd)

- **Question:** Describe these initiatives, and associated cost savings, planned in FY 2022.

DHS Response:

Currently, each of the Medicaid MCOs offers alternative payment models (APMs) for primary care providers in their networks. The medical home initiative included in the budget is intended to formalize the requirement that MCOs offer medical home and related APMs to their network providers, to strengthen such APMs, and to create alignment across MCOs where appropriate. While we are hopeful that this initiative will incentivize high quality, efficient care, we are not projecting a specific level of savings.

24. The FY 2022 Budget in Brief indicates that the Administration is supportive of Senate bill No. 887 and Assembly companion bill No. 4790. The legislation would apply a risk-reduction model to prescription drug services under the Medicaid program. The purpose of the initiative would be to identify and reduce simultaneous, multi-drug medication-related risk and adverse drug events, enhance compliance and quality of care, and improve health-related outcomes while reducing total cost of care in a measurable and reportable manner.

- **Questions:** Please estimate the cost savings to the Medicaid program due to the possible adoption of this legislation.
- Does the division anticipate any overlap between quality outcomes initiatives carried out by the managed care organizations and the implementation of the risk reduction model? If there is overlap, could this situation confound the results of the risk-reduction model?

DHS Response:

DHS and the Administration share the goals to enhance services for New Jerseyans on Medicaid. Senate Bill 887 and its Assembly companion direct DHS to enter into a contract with a third party entity to apply a risk-reduction model to Medicaid prescription drug services. Based upon the testimony provided and information publicly available, the initiative would provide to Medicaid enrollees enhanced medication safety measures to prevent adverse drug events. Should the measure become law, DHS would work diligently to select a vendor and evaluate potential impacts for the Medicaid program and its enrollees. Until a vendor is selected and DHS is able to engage in the specifics, any quality improvement or cost savings are unable to be determined. Likewise, DHS is unable to anticipate overlap between the initiatives carried out by managed care organizations and a risk-reduction model.

Discussion Points (Cont'd)

Division of Developmental Disabilities

25. The Executive recommends appropriating \$719.5 million in State funds in FY 2022 for Community Care Program (CCP) – Individual Supports, a \$2.9 million increase from the FY 2021 adjusted appropriation. The increase would be \$28.2 million if \$24.4 million in FY 2021 State funds expenditures and \$49.7 million in FY 2022 State funds expenditures were not offset by enhanced federal Medicaid cost reimbursements that are available during the federal public health emergency.

The FY 2021 adjusted appropriation includes an \$82.4 million supplemental appropriation that is anticipated to be needed because of the enhanced residential staffing rate, implemented from March of 2020 through the first half of FY 2022, and general expenditure trends. Of that amount, some \$56.8 million is built into the recommended FY 2022 program appropriations to maintain the enhanced residential staffing rate through December 2021. Specifically, the department increased the Community Care Program Individual Supports daily rate by 20 percent to provide the additional daytime staffing hours required during the public health emergency.

Moreover, the department announced the cessation, as of March 31, 2021, of a temporary \$3 per hour increase to direct support professional wages, which had been in effect since May 1, 2020. The effect of this action on the size of the direct support professional workforce is unclear. Competition with other industries for equal or higher wages to perform jobs with less responsibility has been cited frequently as a cause of shortages of direct support professionals.

- **Questions:** What assumptions did the division make in determining the funding level the enhanced residential staffing rate would require through December 2021? How is the total cost allocated between State and federal funds? What additional expenditures, segregated by State and federal funds, would the State incur if the enhanced rate were extended to the end of the fiscal year? Does the division have any plans to maintain all or portions of the enhanced residential staffing rate outside of the public health emergency?
- Does the department anticipate any disruption to services due to the elimination of the temporary wage increase for direct support professionals?

DHS Response:

DHS analyzed additional staffing needs to residential providers and determined a 20% increase for providers billing Individuals Supports daily rate would fund the increased hours in which many providers were utilizing additional staff. The increases are matched with federal dollars that will be used in full to support the funding increases. DHS would incur approximately \$56.5 million in additional state costs (\$113 million including federal match) if the 20% enhanced rate was continued for the final 6 months of FY 2022. DHS does not plan to maintain the increased rate outside the public health emergency.

DHS has not seen, nor anticipates any disruption of services due to the elimination of the temporary wage increase for direct support professionals.

26. Division-funded congregate day programs have been closed since March 17, 2020. According to the department, there are about 350 day program providers, serving more than 13,000 individuals with

Discussion Points (Cont'd)

intellectual and developmental disabilities. Initially, the department offered federally matched retainer payments, in an amount equal to 75 percent of the agency's highest month of billing between July and December 2019, after the closures until July 17, 2020, when this federal funding expired. Since then, the department has provided the maximum State share available to congregate day providers, an amount equal to 50 percent of the agency's highest month of billing between July and December 2019. Receipt of the supplemental payment is contingent upon the agency delivering and billing 15-minute increments of modified day services to interested individuals. The department also allows day program providers to bill for units of service provided virtually or in-person as a one-to-one service.

On March 15, 2021, the division issued guidance on the reopening of congregate day programs, stating that programs could open as soon as March 29. Among other requirements, the programs must open in accordance with the most current COVID-19 Activity Level Index for the region in which the congregate day program operates. Generally, Green and Yellow regions may re-open at 50 percent capacity, while Orange and Red regions must remain closed. For the week ending in April 3, 2021, the entire State is under an Orange category. The department has indicated that programs will continue to receive the supplement payment if they remain closed.

- **Questions:** What has been the impact of the closures of congregate day programs on the client population? Has the division observed an increase in the mental health needs of this population because of the lack of access to congregate day services? How has the division addressed these or any other issues regarding the client population and the closure of congregate day programs over the course of the pandemic?
- Thus far in FY 2021, what has been the State cost to provide supplemental payments to congregate day programs? How much does the department anticipate spending for the entire fiscal year, and in FY 2022?
- How many providers have been unable to comply with the requirements to receive the supplemental payments? Please explain the good-faith causes of noncompliance and how the division has supported these providers.
- Thus far in FY 2021, what has been the State cost to provide payments to congregate day programs for units of service provided virtually or in-person? How much does the department anticipate spending for the entire fiscal year, and in FY 2022? What federal funds has the department received and expended for these purposes?
- How many agencies, serving how many clients, does the division anticipate re-opening once possible?
- Has any agency permanently closed since February 2020 due to COVID-19-related reasons? If so, please indicate the agencies' number, their county locations, and the number of clients they served? What plans, if any, does the division have to serve clients associated with closed agencies? Does the division have any concerns about provider availability meeting the State's needs?
- Does the division have plan to adjust guidance on reopening congregate day programs as an increasing population of clients and program staff are immunized?

Discussion Points (Cont'd)

DHS Response:

The societal changes required by public health guidance to mitigate the impact of COVID-19, including the closure of congregate day programs, has disrupted the routines of individuals with intellectual and developmental disabilities. The congregate programs, employment activities, and community-based experiences enjoyed by individuals with intellectual and developmental disabilities provide structure, socialization and much more for participants.

DHS does not track data that would directly correlate the closure of in-person day services to increased mental health or behavioral health challenges. It is generally understood that the general population is experiencing a broad range of new or enhanced mental health and behavioral needs as a result of the pandemic. It is expected that the public health emergency has exacerbated symptoms for individuals with intellectual and developmental disabilities, especially as many are dually diagnosed with mental health and/or behavioral health conditions.

To assist those who presented with a need for additional supports and sought them during the public health emergency, the Division maintained its partnership with the Division of Mental Health and Addiction Services for the Crisis Assessment Response and Enhanced Services (CARES) program. This program serves individuals anywhere in New Jersey with developmental disabilities in mental health or behavioral crisis.

Additionally, to support individuals with intellectual and developmental disabilities during this time, DHS did the following:

- For individuals who attended day programs and reside in DDD-funded group homes, DHS provided an additional 20% in additional funding to compensate residential agencies for enhanced staffing needs when the individuals would typically be in a day activity, such as employment or day program.
- To maintain staff in residential settings during the pandemic, DHS instituted a \$3 per hour wage increase for staff working in group homes that was available from May 1 to July 31, 2020 and again from October 1, 2020 to March 31, 2021.
- For individuals who reside at home, DHS provided flexibilities around overtime availability and the selection of employees for individuals who use self-direction.
- For all persons, DHS streamlined the hiring process for staff, allowed for the provision of remote services (telehealth), maintained its toll free number for individuals and families to contact DDD, created a new COVID-19 email address for questions related to the virus and DDD policies related to it, and provided frequent updates through its DDD Communications Listserv and through weekly and bi-weekly webinars.

Thus far DHS has provided \$113 million in supplemental payments to congregate day program providers. The funds are all state dollars not eligible for federal match. DHS is currently unable to project the amount of continuing supplemental payments as utilization of in-person congregate day services evolves with public health guidance. In addition, supplemental payments did not and will not increase the projected spend of DHS.

Discussion Points (Cont'd)

Approximately 10% of providers chose not to deliver services virtually, representing 1% of services delivered. DHS has continued communication with providers as they work to resume services.

Pre-pandemic, DHS funded approximately 375 congregate day programs that served roughly 12,000 participants. All programs may re-open as soon as they are in compliance with re-opening requirements. Programs are required to submit an attestation of intention to re-open. Through April 30, 2021, DHS has received notice from 140 programs indicating they are or will re-open in the near term, but we expect that number to increase as the impacts of COVID-19 decrease.

DHS is not aware of any DDD-funded agencies that closed because of the pandemic. We credit this to the provision of Retainer Payments and State Supplemental payments after retainer payments to closed day provider agencies and other flexibilities. DHS continues to closely monitor this as the pandemic continues and stands ready to assist within the bounds of its authority.

DHS will continue to review all relevant public health guidance and make appropriate adjustments to impacted policies, procedures, and guidance. The health and safety of individuals with intellectual and developmental disabilities is paramount for DHS, and all decisions regarding closure, reopening and expansion of capacity allowances at congregate day programs are guided by data and improvements in public health.

Congregate day programs serve thousands of individuals with intellectual and developmental disabilities across New Jersey. Many program participants have co-occurring physical health conditions that make them particularly vulnerable to the effects of COVID-19. Further, it is challenging for many individuals with intellectual and developmental disabilities to adhere to safety protocols such as social distancing and masking that help to mitigate spread, which is especially important in congregate settings.

Under reopening guidance released on April 21, 2021, operating capacity based on the COVID-19 Activity Level Index (CALI) designation is as follows: 25% in Very High (Red); 50% in High (Orange); 50% in Moderate (Yellow); and full capacity in Low (Green). As of April 24, 2021, all counties were designated as having Moderate COVID-19 Activity Levels, allowing all congregate day programs to be open at 50% capacity.

27. In 2020, the State received \$2.4 billion in flexible Coronavirus Relief Fund disbursements from the federal government to pay for costs related to the COVID-19 pandemic. Salaries of employees involved in COVID-19 response activities are eligible to be charged to the fund. The State used a portion of its allocation to provide hazard pay to State workers who labored on the frontline in State institutions. Accordingly, the department received, and expended, \$13.4 million for staff at the State's developmental centers. In March 2021, the Wall Street Journal reported that the Department of Military and Veterans Affairs awarded hazard pay to ineligible administrators. The article quotes a spokesperson for the Civil Service Commission who stated that two specific managers who each received over \$10,000 in hazard pay did not qualify for the special project rate because of their salary levels.

- **Questions:** What were the benchmarks used in determining what employees were eligible for hazard pay out of the Coronavirus Relief Fund? Please provide a list, by job title, of every division employee who received hazard pay out of the Coronavirus Relief Fund, the amount

Discussion Points (Cont'd)

received, and the percentage of time that employee worked for which the employee received hazard pay.

DHS Response:

DHS requested enhanced compensation for direct care and service staff working at the State's five developmental centers for individuals with intellectual and developmental disabilities. The Civil Service Commission approved an Emergency Rate from March 28th, 2020 until June 30th, 2020 for developmental center employees working in direct care and service titles performing at-risk in-person services, including staff approved to perform necessary out of title work with a direct care or service function.

Discussion Points (Cont'd)

Division of Family Development

28. Since March 2020, the Division of Family Development has received various amounts of federal funding to support the Child Care Subsidy Program. In October 2020, the division received \$250 million out of the State's federal Coronavirus Relief Fund allocation to provide child care support to children and their families, as well as child care providers. As of April 16, 2021, \$14.5 million of the \$250 million total is unexpended, while \$49.5 million has been returned to the Coronavirus Relief Fund account. The division also received \$241.3 million in federal Child Care and Development Block Grant Funds, in addition to the annual base grant, in response to the COVID-19 pandemic. As of March 1, 2021, \$182.4 million of this funding is unexpended.

Furthermore, the American Rescue Plan Act of 2021 includes \$10 billion in Child Care and Development Block Grant funds dedicated to the child care sector, of which the Federal Funds Information for States estimates some \$268.0 million will be allocated to New Jersey. Funds can be used to reduce family co-pays and tuition, as well as to cover COVID-19-related expenses of child care providers, including staff salaries, care for the children of essential workers regardless of income, and costs related to reopening or operating at reduced capacity.

In a February 17, 2021 press release, the department announced that the following pandemic-related child care initiatives would be extended through the end of June: subsidies for child care provided during the school day; child care tuition assistance for children in families earning up to \$150,000 and in remote learning; and continued payments to child care providers: 1) of a supplemental payment of \$300 per subsidy-eligible child, and 2) based on the number of enrolled children who receive state assistance in their program, rather than attendance. The department will also continue to waive parent co-pays in the child care subsidy program for parents who request it due to impacts from COVID-19. Furthermore, P.L.2021, c.47 provides \$10 million in federal COVID-19 relief aid for child care providers, to be distributed by the New Jersey Economic Development Authority via a grant program.

- **Questions:** Please explain the decision to return \$49.5 million of the \$250.0 million allocation the division had received out of the Coronavirus Relief Fund for the support of the day care center industry. Has demand for assistance been satisfied?
- Please detail the division's plans for disbursement of the estimated \$268.0 million the State is estimated to receive in additional federal Child Care and Development Block Grant funds under the American Rescue Plan Act of 2021. Does the division intend to implement any new COVID-19-related child care initiatives?
- Please provide the amount of federal funding, by source, utilized for each COVID-19-related child care initiative in FY 2020 and FY 2021. Please indicate any State funding that supported these initiatives. Does the department anticipate continuing any of these initiatives in FY 2022? If so, please provide the amount of federal funding, by source, and State funding that will be support the efforts.
- How many children have been served under each COVID-19 child care initiative in FY 2020, thus far in FY 2021, and anticipated in FY 2022?

DHS Response:

Discussion Points (Cont'd)

DHS continues to use resources from the \$250 million allocation of CRF dollars to support families and providers. As needed to meet continued demand, the Division will begin using the \$178 million in federal Child Care funds available through the Consolidated Appropriations Act of 2021 to continue to fund the COVID child care programs. In particular, DHS continues to use the CRF dollars to fund the following two key programs through the end of the school year.

- Full-time child care for 10,000 school-aged children in our subsidy program during the school year. Traditionally, families with school-aged children are only eligible for before- and after-school subsidies as students are in school during the day. However, due to many schools maintaining all-remote or hybrid schedules, families in our subsidy program have been eligible for full-time care for School Year 2020-2021.
- Tuition assistance program for families with school-aged children with annual incomes up to \$150,000 needing child care due to remote learning. This program has already assisted over 5,000 children in need of child care through SY 2020-2021.

DHS has received the following in new child care federal funding in response to COVID-19.

- CARES Act- \$63 million: used to establish the Emergency Child Care Assistance program during the first wave of the pandemic. Emergency Child Care Assistance was provided to essential workers as defined by the governor's EO which included first responders, health care, child care, and food store workers regardless of income. The program paid enhanced rates to child care providers opened for emergency child care and served nearly 12,000 children. These dollars were also used to set up a Health and Safety grant program for emergency child care providers to pay for PPE and other COVID-related costs.
- Coronavirus Relief Funds of \$250 million and Consolidated Appropriations Act funding of \$178 million: DHS is using these dollars to fund COVID-related child care initiatives, including:
 - Issuing a supplemental monthly payment of \$300 per child from September 2020 and through the end of December 2021 to nearly 3,000 providers that serve children receiving the state child care subsidy to support the reopening and sustainability of child care centers;
 - Continuing to pay child care providers based on enrollment rather than attendance and waiving co-payments for families impacted by COVID from March 2020 through December 2021; and
 - Delivering COVID-19 stabilization grants to nearly 3,000 providers to help licensed child care centers and registered family child care programs meet the increased costs of re-opening and remaining open such as purchasing PPE and other supplies, cleaning, and sanitation.

DHS is awaiting federal guidance on the new \$268 million in Child Care Development Block Grant (CCDBG) funds available from the American Rescue Plan Act of 2021. DHS intends to use these dollars to continue to fund initiatives related to COVID stabilization and sustainability to support families and child care providers.

Discussion Points (Cont'd)

29. The Executive dedicated \$13.2 million of the State's Coronavirus Relief Fund allocation to support increased enrollment for income assistance benefits due to the pandemic through the State's Work First New Jersey program. As of April 16, 2021, the funding has been almost completely exhausted.

Furthermore, New Jersey stands to receive an estimated \$17.3 million under the American Rescue Plan Act for a Pandemic Emergency Assistance Fund program that is to enable states to help families with the lowest incomes cover their additional pandemic-driven expenses and avert eviction and other real hardships.

- **Questions:** Please detail how the \$13.2 million allocation for income assistance benefits out of the State's Coronavirus Relief Fund was used. How many individuals benefitted and what was the average benefit amount?
- Please detail the plans for the use of New Jersey's anticipated \$17.3 million Pandemic Emergency Assistance Fund grant. Does the division anticipate that federal funds will be sufficient to meet the anticipated demand for income assistance during the COVID-19 pandemic in FY 2021 and FY 2022?

DHS Response:

The \$13.2 million allocated for income maintenance was used to support the costs of providing General Assistance and Emergency Assistance benefits to approximately 3,100 individuals that were new to the program as a result of the unprecedented economic impacts of the public health emergency. These individuals received an average monthly benefit of \$357.

DHS is currently evaluating the best use of the \$17.3 million available from the Pandemic Emergency Assistance Fund.

30. The combined FY 2022 appropriation to the General Assistance Emergency Assistance and the Payments for Cost of General Assistance budget lines is recommend to increase by \$6.8 million due to the removal of the ineligibility for income assistance for individuals with drug convictions.

- **Questions:** How many individuals does the division anticipate receiving general assistance benefits in FY 2022 due to the removal of the prohibition on income assistance for individuals with drug convictions?

DHS Response:

While actual enrollment is uncertain, the recommended resources will support over 1,300 new recipients. For reference, data from FY 2020 indicates nearly 900 individuals were denied WFNJ - General Assistance (GA) due to having a drug distribution conviction.

31. The FY 2022 State funds appropriation to the Temporary Assistance for Needy Families program is recommended to increase by \$2.8 million due to the FY 2022 implementation of enhanced child support payments adjusted for the number of children in assistance unit.

Discussion Points (Cont'd)

- **Questions:** How many individuals does the division anticipate receiving enhanced child support payments in FY 2022 due the payments being adjusted for the number of children in assistance unit? What would be the average monthly increase for assistance unit, per child, under this policy?

DHS Response:

DHS estimates that approximately 665 TANF recipients with more than one child will receive additional child support. The monthly increase will vary based upon the amount of the payment made by the person ordered to pay support but the average pass through payment per child is \$100 a month.

32. The federal Families First Coronavirus Response Act allowed states to submit requests to provide meal replacement benefits through the Supplemental Nutrition Assistance Program (SNAP), known as Pandemic Electronic Benefits Transfer (P-EBT) Program, for households with children who attended a school that was closed in the spring of 2020 for at least five days and who otherwise would have received free or reduced-price meals. Since October 2020, the federal government has repeatedly extended and expanded the program, while providing further flexibilities. The American Rescue Plan Act allows states to continue their programs during the summer and through the remainder of the public health emergency. In addition, the federal government recently increased program benefits further and encouraged states to apply those increases retroactively.

As of April 16, 2021 the division has received, and expended, \$20.1 million out of the Coronavirus Relief Fund for participation in the P-EBT Program.

- **Questions:** For FY 2020, and projected for FY 2021 and FY 2022, please provide: the number of children participating in the P-EBT program; the amount of benefits distributed; and the cost, disaggregated by federal and State funds, to administer the program.
- Please explain how the federal expansions of this program since October 2020 have affected the scope and implementation of this program in FY 2021. What are the plans for the program in FY 2022, and how much additional federal funding does the division anticipate receiving to support these efforts?
- Has the division retroactively provided the increased benefits? If so, how much in additional benefits does the division anticipate distributing?

DHS Response:

During the School Year 2019-2020, approximately 700,000 students received a federally-funded P-EBT benefit, totaling over \$300 million. In addition, New Jersey received federal approval to deliver P-EBT benefits to children attending school remotely in September 2021. Some children that had previously received P-EBT benefits were excluded from receiving P-EBT benefits in September based on federal guidance. The Murphy Administration used \$20.1 million in CRF dollars to issue a special food assistance benefit similar to P-EBT to these excluded children and to cover the state's administrative costs to set up P-EBT.

Discussion Points (Cont'd)

In October 2020, the P-EBT program was authorized for School Year 2020-2021 and included children under six years old in SNAP households living in areas where child care and school operations have been disrupted due to COVID. This version of P-EBT also restricted eligibility criteria to the program by precluding duplication of meals provided at school for students attending school with hybrid schedules. Eligible students must be enrolled in the National School Lunch Program and attending a school either remote or hybrid that has been closed or operated with reduced attendance for five consecutive days at any point during this school year.

Following the October 2020 authorization, the federal government delayed guidance and state plan approvals. The NJ P-EBT plan received federal approval on April 20, 2021. New Jersey is using allowable simplifying assumptions to provide two benefit amounts for students learning entirely remote or hybrid, and to eligible SNAP children under six years. Benefits will be retroactive to October 2020. DHS is currently working with the state Departments of Education and Agriculture to engage over 700 school districts. The collaborative effort will involve training and guidance development. Implementing P-EBT will also include creating a portal to help track student attendance to avoid duplication of benefits if students are receiving a meal at school during non-remote days. DHS estimates that approximately 951,000 children could be eligible for P-EBT benefits, totaling approximately \$679 million in benefits for the current school year.

33. The FY 2022 Governor's Budget recommends new funding totaling \$5.0 million for child care provider pilot programs: \$4.45 million for the Child Care Capital Improvements Pilot Program; and \$550,000 for the Child Care Shared Services Pilot Program. The Governor's FY 2022 Budget in Brief indicates that the Capital Improvements Pilot Program would allow providers to make needed capital improvements to their facilities in exchange for participating in the Grow NJ Kids program, the State's child care quality rating and improvement system, while the Shared Services Pilot Program would allow for shared service collaborations in Central and Southern New Jersey to reduce providers' administrative costs. These funds are in addition to the \$10 million in federal COVID-19 relief aid for child care providers, to be distributed by the New Jersey Economic Development Authority via a grant program, pursuant to P.L.2021, c.47.

- **Questions:** Please detail the plans for each program. How much, and in what manner, does the department anticipate distributing funds to providers under each program? How many providers does the department anticipate supporting under each program in FY 2022? Does the department anticipate funding these initiatives in future fiscal years?
- **How will these programs differ in scope from the \$10 million grant program to be administered by the Economic Development Authority?**

DHS Response:

DHS plans to work with the Department of Children and Families and the Economic Development Authority to establish a grant program for capital improvement projects and to support shared services initiatives in the southern and central regions of the state. These programs are different from the EDA Small Business Emergency Assistance Grant Program, which will provide grants to child care providers for COVID-related impacts.

Discussion Points (Cont'd)

Division of Management and Budget

34. The Governor proposes increasing the language appropriation for the provision of legal assistance to individuals facing detention or deportation based on their immigration status from \$6.2 million to \$8.2 million. In FY 2021, Legal Services of New Jersey was the recipient of the grant funding.

- **Questions:** Please explain the rationale for recommending a \$2.0 million increase in the appropriation to provide legal assistance to individuals facing detention or deportation based on their immigration status. Is demand for legal assistance demonstrably outpacing available resources? Is the Executive anticipating an increase in immigration status-based detention and deportation proceedings in the coming fiscal year?
- Please provide the following FY 2021 information: the number of individuals facing detention or deportation who were provided legal services through the appropriation; the method used to select individuals for services; the number of closed cases which resulted in detention or deportation; the number of cases still active.

DHS Response:

According to research by advocates, including the New Jersey Coalition for Immigrant Representation, a significant number of individuals detained or in deportation proceedings still lack legal representation and would benefit from increased state funds. There were approximately 5,300 people detained in New Jersey, of those only approximately 1,500 received some form of legal screening and 857 of them were represented through the state funded program in 2019.

Generally, detention numbers have been steady for the past seven years; however, during the COVID Public Health Emergency detention numbers decreased. Between FFY 2020 and FFY 2021, more than 1,000 individuals have been assisted through this program. During the pandemic, legal services providers have worked to obtain compassionate release for their clients. The future of immigration detention is still unclear as some federal policies proposed by the Biden Administration are still pending, such as the moratorium on deportations and detentions, which is currently being litigated federally. These factors will impact the numbers of those detained moving forward.

Individuals detained in need of free legal representation must have an annual income of less than 290% of the Federal Poverty Level. Based on 2019 data, more than 50% of individuals represented by this program were released from detention.

35. The FY 2022 Governor's Budget proposes maintaining the \$200,000 appropriation for the Office of New Americans, which was established by Executive Order in FY 2021 to build trust and improve access to services for immigrants and refugees in New Jersey. According to the department, the FY 2021 funding supported a staff of two to three members who advanced the goals of the office, expanded reach as well as help oversee the legal services for immigrants initiative, and continued to support the state's COVID-19 response to ensure it is responsive to the specific needs of immigrants and refugees in New Jersey.

Discussion Points (Cont'd)

- **Questions:** Please explain the role of the Office of New Americans in responding to the COVID-19-related needs of immigrants and refugees. Did the office receive any federal funds to support these initiatives? If so, how much and from what source?
- In FY 2022, how many individuals, by title and salary, will support the office? What will be the goals of the office in FY 2022?

DHS Response:

The ONA has been active in helping to connect COVID-19 response efforts to immigrant and refugee communities including COVID testing, contact tracing, and vaccinations. Primarily, the ONA has focused on developing resources including language access data to identify language needs in New Jersey and COVID financial and employment supports for immigrants. The ONA also has and continues to facilitate stakeholder engagement with immigrant rights advocates and service providers to provide COVID information and updates to trusted community organizations and leaders, as well as provides technical assistance and support on strategies to ensure COVID response efforts are inclusive of new American communities.

The ONA did not receive any federal funds to support these initiatives. In FY 2021, the budget included \$200,000 for staffing, and hiring is currently underway. In FY 2022, the ONA has a Director with a salary of \$130,000 and is in the process of hiring a Community Engagement Coordinator and Programs and Initiatives Coordinator. Salary funding needs exceeding the line item appropriation will be funded from general salary resources available to the Department.

In FY 2022, the ONA anticipates amplifying its community outreach and engagement, continuing to support New Jersey's COVID efforts, and supporting initiatives including: the Governor's Cover all Kids Initiative, training and education related to changes in federal Public Charge rules, and driver's licenses for New Jerseyans regardless of immigration status.

36. The FY 2022 Governor's Budget proposes doubling the appropriation for the Nurture NJ program from \$250,000 in FY 2021 to \$500,000 in FY 2022. Nurture NJ is an interdepartmental program to develop a Statewide awareness campaign and plan committed to reducing infant and maternal mortality and morbidity, and ensuring equitable maternal and infant care among women and children of all races and ethnicities.

In January of 2021, the department published the Nurture NJ Maternal and Infant Health Plan, which provided recommendations for reducing the State's high rates of maternal and infant mortality and eliminating the racial disparities responsible for these deaths. Recommendations specific to the department include: strengthening efforts to make the health care system accountable to women of color through reliable coverage and evidence-based practices; supporting a representative, effective community workforce serving pregnant individuals and babies; collaborating with the Department of Health to improve accountability to women of color through data transparency; collaborating with the Department of Health to ensure access to affordable, equitable integrated behavioral health care at all times; and ensuring access to a comprehensive evidenced-based child birth education for all Medicaid beneficiaries as standard practice of prenatal care.

Discussion Points (Cont'd)

The FY 2022 Budget in Brief states that to advance the work of Nurture NJ, the proposed budget includes: 1) \$8.5 million in the Department of Human Services to expand postpartum coverage under Medicaid to a 365-day period, beginning on the last day of pregnancy (see Discussion Point #20); 2) \$2.0 million for a pilot program in the Department of Community Affairs that would provide State Rental Assistance Payments and wrap-around services for eligible pregnant women; 3) \$450,000 in the Department of Health for a doula registry; and 4) an unspecified amount for an analysis of the birthing workforce and services available that impact the primary social determinants of health.

- **Questions:** Please describe any new FY 2022 initiatives, along with anticipated costs, that will be implemented under the Nurture NJ program.
- **How has the department addressed the recommendations provided in the Nurture NJ Maternal and Infant Health Plan? What costs are anticipated from implementation of these recommendations in FY 2021 and FY 2022?**
- **What role, if any, will Nurture NJ play in implementing the Department of Human Services-specific recommendations identified above?**

DHS Response:

This budget includes funding that directly supports recommendations outlined in the Nurture NJ Maternal and Infant Health Strategic Plan, such as:

- \$8.5 million to expand Medicaid coverage for 365 days postpartum, which will allow New Jersey to become one of the first states to extend Medicaid coverage for one full year after delivering a baby.
- \$19 million for the Reproductive Health Care Fund to ensure that our undocumented mothers are being provided prenatal, delivery services and contraceptive care.
- \$2 million in additional funds to the State Rental Assistance Program to develop a pilot for housing support and targeted wraparound services for eligible New Jersey pregnant moms.
- \$500,000 for Nurture NJ and a landscape analysis of New Jersey's maternal and infant health hotspots which will allow us to continue to build on our awareness campaign, identify service gaps, target potential interventions, better inform mothers and families on services available, and better understand our birthing workforce and infrastructure.

DHS is tracking 39 recommendations within the Nurture NJ strategic plan that relate to the Medicaid program. These recommendations generally fall within the categories of benefit enhancement, workforce development, payment policy, technology interoperability, and health outcomes and equity analysis.

In partnership with the Department of Health, DHS is currently focused on implementation and workforce development to broaden availability of community doula services and lactation support. With respect to payment policy, DHS has implemented the statutory requirement for prenatal claims to be accompanied by a perinatal risk assessment and for early deliveries to be reimbursed only when medically necessary. DHS is also currently engaged in a stakeholder

Discussion Points (Cont'd)

process to develop and launch a perinatal episode of care in 2022, which will incorporate best practices in maternal/child health into provider reimbursement and bring new understanding NJ FamilyCare providers on health equity matters.

To support ongoing focus on health equity and provide data and information for improved decision-making recommended in the Nurture NJ strategic plan, the Governor's proposed budget includes \$1.3 million to support a new Medicaid Health Equity Center, which would include clinical and analytical resources to focus on ensuring that all enrollees and potential enrollees have a fair and just opportunity to be as healthy as possible.

37. The FY 2022 Governor's Budget recommends appropriating \$750,000 in new State funds for the Office for State Diversity, Equity, and Inclusion. The Nurture NJ Maternal and Infant Health Plan recommended the establishment of this office to build a racial equity infrastructure.

- **Questions:** What are the goals for the Office for State Diversity, Equity, and Inclusion in FY 2022, and how will the State appropriation support these goals? Has the department incurred any cost in FY 2021 due to the establishment of this office? Please outline the organizational structure of the office and detail, by title and salary, the office's number of funded positions and the positions that are already filled.
- Does the department anticipate that this office will collaborate with the Nurture NJ Program? Please describe.

DHS Response:

The Office for State Diversity, Equity, and Inclusion will coordinate diversity, equity, and inclusion activities across state agencies to reduce racial injustice and promote equity-based policymaking within the state. The office will work in coordination with the Governor's office to carry out these goals in support of the Nurture NJ strategic plan. The office will be led by a Director and supported by no more than 5 staff persons. The office has not yet been formed, and no expenses have been incurred in FY 2021.