

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

Prior OIG audits of New Jersey's Medicaid mental health services identified a significant number of improper claims. On the basis of these audits, we initiated an audit of similar mental health services provided under New Jersey's Programs of Assertive Community Treatment (PACT).

Under its PACT program, New Jersey offers community-based, intensive, comprehensive, integrated mental health rehabilitation services through a multidisciplinary team of professionals (known as a PACT team) to Medicaid beneficiaries with serious and persistent mental illness.

Our objective was to determine whether New Jersey's claims for Federal Medicaid reimbursement of payments for PACT services complied with Federal and State requirements.

How OIG Did This Audit

Our audit covered \$69.3 million (\$36 million Federal share) in claims paid during 2013 through 2016. We reviewed a random sample of 100 claims for monthly PACT services to determine whether they complied with Federal and State requirements.

More Than One-Third of New Jersey's Federal Medicaid Reimbursement for Providing Community-Based Treatment Services Was Unallowable

What OIG Found

Of New Jersey's 100 sampled claims for Federal Medicaid reimbursement of payments for PACT services, 50 complied with Federal and State requirements, but 50 did not. Of the 100 claims, 21 contained more than 1 deficiency. We found PACT program services provided were not adequately supported or documented (36 claims), plan of care requirements were not met (17 claims), PACT teams did not include staff from required clinical disciplines (8 claims), and providers did not obtain prior authorization for beneficiaries (5 claims), among other findings. We also identified potential quality-of-care issues related to PACT services. Specifically, PACT team psychiatrists associated with 33 of our sample claims did not provide the minimum amount of face-to-face psychiatric time required for their caseload. Also, despite defining the PACT program as rehabilitative, New Jersey did not require periodic reauthorizations or reevaluations of beneficiaries' program eligibility.

The deficiencies occurred because New Jersey did not inform PACT providers of all Federal and State requirements for providing PACT services and did not adequately monitor or have procedures in place to ensure that providers claimed PACT services in accordance with these requirements.

On the basis of our sample results, we estimated that New Jersey improperly claimed at least \$14.9 million in Federal Medicaid reimbursement.

What OIG Recommends and New Jersey Comments

We recommend that New Jersey (1) refund \$14.9 million to the Federal Government, (2) reinforce program guidance to PACT providers, (3) improve its monitoring of the PACT program, and (4) consider developing regulations for periodic reassessments to determine whether beneficiaries continue to require PACT services.

New Jersey generally disagreed with our findings and assessment of the causes of the deficiencies. Specifically, New Jersey disagreed with our first and final recommendations, agreed with our second recommendation, partially agreed with our third recommendation, and described steps it had taken or will take to implement our second and third recommendations. After reviewing New Jersey's comments and additional documentation, we revised our findings and recommendations accordingly. We maintain that our findings and recommendations, as revised, are valid.