



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

EXECUTIVE SUMMARY

**DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
AND
DIVISION OF AGING SERVICES
MANAGED LONG-TERM SERVICES AND SUPPORTS
July 1, 2014 to June 30, 2018**

We found home-based Managed Long-Term Services and Supports (MLTSS) beneficiaries were not always opting to receive MLTSS services, and neither the Managed Care Organizations (MCOs) nor the Division of Medical Assistance and Health Services (DMAHS) adequately monitored whether beneficiaries utilized MLTSS services at a level warranting enrollment in MLTSS rather than non-MLTSS Medicaid which has significantly lower monthly capitation rates. We also found beneficiaries, who no longer met MLTSS clinical eligibility, were not being removed from MLTSS coverage timely. In addition, beneficiaries were being automatically enrolled in MLTSS based on outdated clinical eligibility determinations, and MCOs were not clinically assessing those beneficiaries timely. Lastly, we observed DMAHS' assertion regarding the extent to which MLTSS has shifted the long-term care population away from nursing homes and into home and community-based care is impacted by the MLTSS home-based beneficiaries not receiving MLTSS services.

AUDIT HIGHLIGHTS

- We conservatively estimated that continued enrollment of 2,777 beneficiaries who opted not to receive any services requiring MLTSS enrollment for a period of one year resulted in \$76.2 million in enhanced capitation paid to the MCOs. Although shifting these beneficiaries to a non-MLTSS benefit plan could result in increases to the capitation rates paid to the MCOs for non-MLTSS beneficiaries, enhanced capitation payments for those MLTSS home-based beneficiaries who opt not to utilize MLTSS services should be avoided.
- The 2,777 beneficiaries included 253 who did not receive any long-term care services at all during the year analyzed. These beneficiaries received only care management services. Enhanced MLTSS capitation totaling \$11.2 million was paid to the MCOs for these beneficiaries for the year. We estimated non-MLTSS capitation would have totaled \$1.9 million for the same period.
- We reviewed 80 beneficiaries, where clinical eligibility was not authorized based on the MCO conducted clinical assessment, and found the Office of Community Choice Options within the Division of Aging Services did not terminate 65 beneficiaries from MLTSS coverage timely, resulting in \$1.7 million in improper capitation payments.
- We reviewed MLTSS enrollment as of January 2018 and identified 677 beneficiaries who were enrolled based on outdated clinical assessment determinations. Additionally, the MCOs did not complete timely clinical assessments or beneficiary plans of care for 208 of these beneficiaries.

AUDITEE RESPONSE

Although the department disagrees with the monetary effect of unnecessary MLTSS enrollment, it generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click [here](#).