DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

NOV 10 2003

TO: Wade F. Horn, Ph.D.
Assistant Secretary
for Children and Families

Thomas A. Scully
Administrator
Centers for Medicare & Medicaid Services

FROM: Dara Corrigan
Acting Principal Deputy Inspector General

SUBJECT: Review of the Ability of Noncustodial Parents to Contribute Toward the Medical Costs of Title IV-D Children in New Jersey That Were Paid Under the Medicaid Program (A-02-02-02004)

We are alerting you to the issuance within 5 business days of our final report entitled "Review of the Ability of Noncustodial Parents to Contribute Toward the Medical Costs of Title IV-D Children in New Jersey That Were Paid Under the Medicaid Program." A copy is attached.

Congress enacted the Child Support Performance and Incentives Act of 1998 (Public Law 105-200, effective October 1, 2001) to encourage the States to enforce medical support orders and provide health care coverage to uninsured children. Under the provisions of the law, Congress directed the establishment of the Medical Child Support Working Group by the Secretaries of Health and Human Services and Labor. The Secretaries appointed the members from the child support community. In June 2000, the Working Group issued a report to both Secretaries identifying impediments to effective enforcement of medical support orders and recommending solutions. Since medical support orders are not enforceable when employers do not provide health insurance or the cost is unreasonable, some Title IV-D children are enrolled in Medicaid. In cases where Title IV-D children are enrolled in Medicaid, the Working Group recommended that States authorize decisionmakers, such as judges, to require noncustodial parents (NCPs) to contribute toward the costs of Medicaid benefits for their children.

The objective of our audit was to identify the number of children in New Jersey who received child support (Title IV-D children) and also received Medicaid benefits because their NCPs did not provide court-ordered medical support. We also determined the potential savings that could have accrued to the Medicaid program if the NCPs had been required to contribute toward the Medicaid costs of these children. Our audit covered the period September 1, 2001, to August 31, 2002.

We conducted similar audits in seven other States on which we have issued or will soon issue final reports. We conducted these audits as a result of a June 1998 Office of Inspector General report, which identified significant potential savings in Connecticut if NCPs were required to contribute toward the Medicaid costs of their children.

We reviewed a statistical sample of 200 children from a population of 17,701 children in New Jersey who were covered by Title IV-D of the Social Security Act between September 1, 2001, and August 31, 2002. We estimated that 14,692 children received Medicaid benefits because their NCPs did not provide court-ordered medical support because either it was not available through their employers at a reasonable cost or the NCP was unemployed. Of the 14,692 children, an estimated 5,930 had NCPs who could potentially contribute an aggregate of $2,507,044 toward total Medicaid costs of $11,818,691 (Federal and State combined). The potential savings were calculated by subtracting from the NCP's monthly net income the child support ordered and a self-support reserve and dividing the result by the NCP's number of children. If sufficient income remained, we considered it potentially available to cover part or all of the Medicaid expenses.

New Jersey's child support guidelines require NCPs to provide private medical insurance for their children if it is available at a reasonable cost. However, State officials advised us that currently there is no requirement that NCPs contribute toward the Medicaid costs of their children.

We recommended that New Jersey utilize the results of our review in determining whether existing child support guidelines should be modified to require NCPs to contribute toward the Medicaid costs of their dependent children.

State officials did not respond to our specific recommendation. However, they provided additional information on some of the sample cases we reviewed. We modified the final report to reflect the additional documentation provided.

If you have any questions or comments about this report, please do not hesitate to contact me or have your staff call Donald L. Dille, Assistant Inspector General for Grants and Internal Activities, at (202) 619-1175, or e-mail him at ddille@oig.hhs.gov. To facilitate identification, please refer to report number A-02-02-02004 in all correspondence.

Attachment

DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

Office of Audit Services
Region II
Jacob K. Javits Federal Building
26 Federal Plaza
New York, NY 10278

NOV 14 2003

Report Number: A-02-02-02004

Ms. Alisha A. Griffin
Director
Division of Family Development
Office of Child Support & Paternity
P.O. Box 709
Trenton, NJ 08625

Dear Ms. Griffin:

Enclosed are two copies of the Department of Health and Human Services (HHS), Office of Inspector General (OIG), report entitled "Review Of The Ability Of Noncustodial Parents To Contribute Toward The Medical Costs Of Title IV-D Children In New Jersey That Were Paid Under The Medicaid Program." A copy of this report will be forwarded to the action official noted below for his/her review and any action deemed necessary.

Final determination as to actions taken on all matters reported will be made by the HHS action official named below. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), OIG reports issued to the Department's grantees and contractors are made available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise. (See 45 CFR Part 5.)

To facilitate identification, please refer to report number A-02-02-02004 in all correspondence relating to this report.

Sincerely,

Timothy J. Horgan
Regional Inspector General
for Audit Services

Direct Reply to HHS Action Official:

Ms. Jean Augustine
Director
Office of Audit Resolution and Cost Policy
Department of Health and Human Services
Room 522E, Humphrey Building
200 Independence Avenue, **S.**W.
Washington, D.C. 20201

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

REVIEW OF THE ABILITY OF NONCUSTODIAL PARENTS TO CONTRIBUTE TOWARD THE MEDICAL COSTS OF TITLE IV-D CHILDREN IN NEW JERSEY THAT WERE PAID UNDER THE MEDICAID PROGRAM

November 2003
A-02-02-02004

EXECUTIVE SUMMARY

OBJECTIVE

The objective of our review was to identify the number of children in New Jersey who received child support (Title IV-D children) and also received Medicaid benefits, during the period September 1, 2001, to August 31, 2002, because their noncustodial parents (NCPs) did not provide court-ordered medical support. We also determined the potential savings that could have accrued to the Medicaid program if the NCPs had been required to contribute toward the Medicaid costs of these children.

SUMMARY OF FINDINGS

New Jersey's child support guidelines require NCPs to provide private medical insurance for their children if it is available at a reasonable cost. However, State officials advised us that currently there is no requirement that NCPs contribute toward the Medicaid costs of their children.

We reviewed a statistical sample of 200 children from a population of 17,701 children who were covered by Title IV-D of the Social Security Act between September 1, 2001, and August 31, 2002. We estimated that 14,692 children received Medicaid benefits because either private medical insurance was not available through the NCP's employer at a reasonable cost or the NCP was unemployed. Of the 14,692 children, an estimated 5,930 had NCPs who could have potentially contributed an aggregate of $2,507,044 toward total Medicaid costs of $11,818,691 (Federal and State combined). The potential savings were calculated by subtracting from the NCP's monthly net income the child support ordered and a self-support reserve and dividing the result by the NCP's number of children. If sufficient income remained, we considered it potentially available to cover part or all of the Medicaid expenses.

RECOMMENDATION

We recommend that New Jersey utilize the results of our review in determining whether existing child support guidelines should be modified to require NCPs to contribute toward the Medicaid costs of their dependent children.

Auditee Comments

In comments dated May 21, 2003, officials from the New Jersey Office of Child Support and Paternity (OCSP) did not respond to our specific recommendation. However, they provided additional information on some of the sample cases we reviewed. The OCSP

officials requested that this additional information be considered when finalizing the report. The New Jersey comments in their entirety have been included as Appendix C.

OIG Response

We appreciate the assistance of OCSP in performing this review. We have modified the final report to reflect the additional documentation provided by OCSP subsequent to the issuance of the draft report.

TABLE OF CONTENTS

INTRODUCTION

BACKGROUND

Child Support Enforcement Program

The Child Support Enforcement program was enacted in 1975 under Title IV-D of the Social Security Act. Within the Federal Government, the Administration for Children and Families, Office of Child Support Enforcement is responsible for administering the program. The purpose of the program is to establish and enforce support and medical obligations owed by NCPs to their children (Title IV-D children). States are required to seek medical support as part of child support orders when the NCP has access to health insurance through an employer at a reasonable cost. The amount of child support is based on State guidelines.

In New Jersey, the Department of Human Services, Division of Family Development, Office of Child Support and Paternity (OCSP) has primary responsibility and oversight of the program but delegates day-to-day responsibilities for public assistance cases to the county Boards of Social Services (BSS). The BSS are responsible for the establishment of paternity and obtaining child and medical support orders from family court. The BSS also work with local probation divisions to ensure the court orders are enforced.

Medicaid Program

The Medicaid program was established in 1965 under Title XIX of the Social Security Act to pay for medical expenses for certain vulnerable and needy individuals and families with low income and resources. Medicaid is the payor of last resort, whose costs are shared between the Federal and State Governments. Within the Federal Government, the Medicaid program is administered by the Centers for Medicare & Medicaid Services (CMS).

In New Jersey, the Department of Human Services, Division of Medical Assistance and Health Services (DMAHS) oversees the Medicaid program. The DMAHS pays for Medicaid services through arranged contracts with various managed care organizations or in accordance with established fee-for-service (FFS) schedules. Services provided to Medicaid recipients through managed care organizations are paid by DMAHS through negotiated premiums known as capitation rates. These premiums, which are based on recipient age, sex, and county location, are paid by DMAHS on a monthly basis. Medical procedures not covered by managed care organizations are paid to medical providers based on FFS schedules.

Related Reports

On June 18, 1998, we issued a report (Number A-01-97-02506) showing that NCPs could contribute approximately $11.4 million (Federal and State combined) toward their children's Medicaid costs in Connecticut. The report recommended that Connecticut require NCPs to pay all or part of the Medicaid costs for their dependent children.

Congress passed the Child Support Performance and Incentives Act of 1998 (CSPIA) (Public Law 105-200, effective October 1, 2001) to encourage the States to enforce medical support orders and provide health coverage to uninsured children. Under the provisions of CSPIA, Congress directed the joint establishment of the Medical Child Support Working Group by the Secretaries of Health and Human Services and Labor. The Secretaries appointed the members from the child support community. In June 2000, the Working Group issued a report to both Secretaries identifying impediments to effective enforcement of medical support orders and recommending solutions. Since medical support orders are not enforceable when employers do not provide health insurance or the cost is unreasonable, some Title IV-D children are enrolled in Medicaid. In cases where Title IV-D children are enrolled in Medicaid, the Working Group recommended that States authorize decisionmakers, such as judges, to require NCPs to contribute toward the costs of Medicaid benefits for their children.

After consideration of the report issued by the Working Group and the results of work performed in Connecticut, we initiated reviews in New Jersey, as well as New York, Connecticut (a follow-up), Indiana, Michigan, North Carolina, Texas, and Virginia to determine the potential savings to the Medicaid program that could have resulted if NCPs were required to contribute toward the cost of health care provided by Medicaid on behalf of their children.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objective

The objective of our audit was to identify the number of children in New Jersey who received child support and also received Medicaid benefits, during the period September 1, 2001, to August 31, 2002, because their NCPs did not provide court-ordered medical support. In addition, we determined the potential savings that could have accrued to the Medicaid program if the NCPs had been required to contribute toward the Medicaid costs of these children.

Scope

For the period September 1, 2001, to August 31, 2002, we reviewed a sample of 200 children from a population of 17,701 children:

- who received Title IV-D services;
- who were on public assistance;
- whose NCPs were court ordered to provide medical support; and
- whose NCPs made child support payments.

The sample items were statistically selected using a simple random sample design. Details on our sampling results and projections are presented in Appendix A. We did not review the overall internal control structure of the OCSP or DMAHS; however, we reviewed pertinent controls over the establishment and enforcement of child and medical support orders.

Methodology

To accomplish our objective we:

- ✓ reviewed Federal and State laws, regulations, policies, and procedures pertaining to the Child Support Enforcement program and the Medicaid program;

- ✓ reviewed OCSP guidelines for calculating child support payments;

- ✓ created a universe of 17,701 children from a file that was extracted from New Jersey's Automated Child Support Enforcement System (ACSES);

- ✓ tested the accuracy and completeness of the extract from ACSES;

- ✓ used simple random sampling techniques to select 200 children from the universe of Title IV-D children;

- ✓ determined for the 200 sample items:

    - if the child was Medicaid eligible;
    - if the NCP provided court-ordered medical support;
    - if the medical support orders were properly enforced;
    - if the NCP met their child support obligation; and
    - the cost of any Medicaid services provided;

- ✓ relied on the information contained in ACSES to determine if the NCP did not provide court-ordered medical support because it was not available through their employer at a reasonable cost or they were unemployed;

- ✓ used the following methodology to determine the amount of medical support the NCP could have potentially contributed toward their child's Medicaid costs for those sample items where the NCP was unable to provide the court-ordered

medical support.[1] We reduced the NCP's net monthly income by: (1) the amount of monthly child support the NCP was ordered to pay; and (2) the minimum self-support reserve the NCP was entitled to and/or the net income limitation imposed under the Consumer Credit Protection Act.[2] We then divided the amount available for medical support by the number of children the NCP had in our population to determine the amount available, if any, for medical support for our sample child;

- ✓ computed the potential savings to the Medicaid program by comparing the amount of medical support the NCP could pay to the monthly Medicaid costs the State paid on behalf of the NCP's child. The cost of these services represented months where the NCP had a current child support obligation and did not provide court-ordered medical support. The potential savings to the Medicaid program was the lower of: (1) the amount of medical support the NCP could pay or (2) the monthly Medicaid cost the State paid on behalf of the NCP's child; and

- ✓ used attribute and variable appraisal programs[3] to estimate: (1) the number of children that received Medicaid benefits because their NCPs were unable to provide court-ordered medical support; and (2) the amount the NCP could have potentially contributed toward these Medicaid benefits.

Our review was performed in accordance with generally accepted government auditing standards. Our fieldwork was performed at OCSP offices during the period September 24, 2002, to January 31, 2003.

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[1] NCPs are sometimes unable to provide court-ordered medical support because it is not available through their employer or because the cost is prohibitive. However, the NCP may have sufficient means to contribute toward the cost of Medicaid benefits provided to their child.

[2] Income withholding for child and medical support may not exceed the maximum amount allowed under the Consumer Credit Protection Act.

[3] An attribute is a characteristic that an item either has or does not have. In attribute sampling, the selected sample items are evaluated in terms of whether they have the attribute of interest. An attribute appraisal program is a computer program, which estimates the proportion of the population or the number of items in the population that have the attribute.

In variable sampling, the selected sampling units are evaluated with respect to a characteristic having values that can be expressed numerically or quantitatively, e.g., the dollar amount of error in a voucher. A variable appraisal program is a computer program, which computes a statistic from the sample values to estimate the population parameter, e.g., an estimate of the total dollar amount of error in the population.

FINDINGS AND RECOMMENDATIONS

New Jersey's child support guidelines require NCPs to provide private medical insurance for their children if it is available at a reasonable cost. However, State officials advised us that currently there is no requirement that NCPs contribute toward the Medicaid costs of their children.

We reviewed a statistical sample of 200 children from a population of 17,701 children who were covered by Title IV-D between September 1, 2001, and August 31, 2002. We estimated that 14,692 children received Medicaid benefits because private medical insurance was not available through the NCP's employer at a reasonable cost or the NCP was unemployed. Of the 14,692 children, we estimated that 5,930 had NCPs that could have potentially contributed an aggregate of $2,507,044 toward total Medicaid costs of $11,818,691 (Federal and State combined). The potential savings were calculated by subtracting from the NCP's monthly net income the child support ordered and a self-support reserve and dividing the result by the NCP's number of children. If sufficient income remained, we considered it potentially available to cover part or all of the Medicaid expenses.

Federal Laws and Regulations

Over the past decade, Congress passed several Federal laws and CMS published regulations to provide health insurance for uninsured children. Specifically:

- The Omnibus Budget Reconciliation Act of 1993 permits Title IV-D agencies to enforce medical support orders for children when the NCP has access to medical coverage.

- The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 directs the Title IV-D agency to notify an employer of a NCP's medical child support obligation and directly enroll his or her children if a health plan is available.

- CSPIA, Public Law 105-200, encourages States to enforce medical support orders and provide health coverage to uninsured children.

- Title 45 of the Code of Federal Regulations, section 303.31(b)(1), requires medical support orders to be established when the NCP has access to health insurance through an employer at reasonable cost.

While the essence of the above laws and regulations is to provide private medical coverage to uninsured children, medical support orders are not enforceable when

employers do not provide health insurance or the cost is unreasonable. Consequently, some Title IV-D children are enrolled in Medicaid.

State Child Support Guidelines

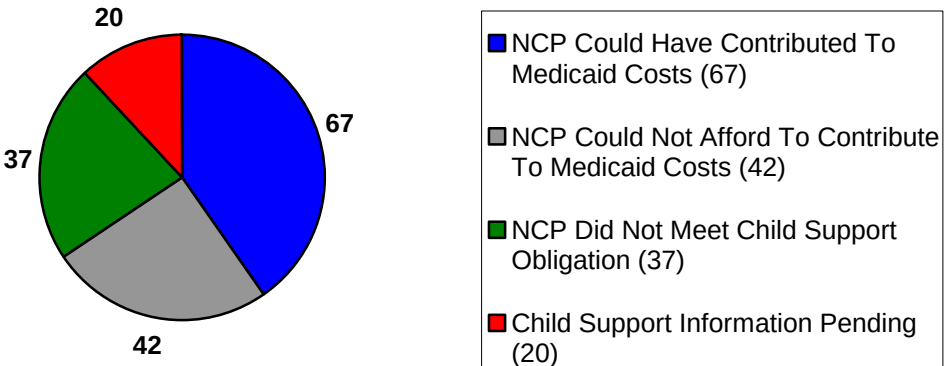
According to Appendix IX-A of the New Jersey Child Support Guidelines, the support order paid to the custodial parent for the benefit of the child is based on the NCP's share of the child-rearing costs. In addition, it requires that, unless the parents agree to an alternative health care arrangement, all child support orders will provide for the coverage of the child's health insurance when such insurance is available to either parent at a reasonable cost.

Analysis of Sample Items

We determined that 166 of the 200 sample children received Medicaid benefits, during the period September 1, 2001, to August 31, 2002, because their NCP did not provide court-ordered medical support.

As shown in Figure 1, we attempted to determine the number of NCPs who could have contributed toward the Medicaid costs paid on behalf of the 166 sample children who received Medicaid benefits.

Figure 1
Analysis of 166 Sample Children That Received Medicaid Benefits From 9/1/01 to 8/31/02



We found that for 67 of the 166 sample children, the NCPs could have contributed toward the Medicaid costs paid on behalf of their children. Specifically, we determined that the NCPs of these 67 sample children could have contributed $28,327 toward the total Medicaid costs of $133,537 (Federal and State combined). Projecting these results, we estimated that 14,692 children, whose NCPs did not provide court-ordered medical support, received Medicaid benefits during the period September 1, 2001, to August 31, 2002. Of the 14,692 children, an estimated 5,930 had NCPs who could have contributed $2,507,044 toward total Medicaid costs of $11,818,691 (Federal and State combined),

paid on behalf of their children. The estimates shown represent the midpoint of the 90-percent confidence interval. (See Appendix A for detailed sampling results.)

For 79 of the 166 sample children, there were no potential savings to the Medicaid program because: (1) the NCP could not afford to pay for any of the health care costs provided by Medicaid for 42 sample children; or (2) the NCP did not meet the child support obligation for 37 sample children and would not likely meet the medical support obligation.

For 20 of the 166 sample children, we were not able to determine if the NCP could have potentially contributed toward the Medicaid costs because we did not have income information. We requested that OCSP provide us with a copy of the child support order, which contained the income information needed to complete our analysis. The OCSP was unable to provide the requested documentation because it was not in the case file. Therefore, we could not complete our analysis to determine if the NCPs of these children could have potentially contributed toward their children's Medicaid costs.

For 34 of the 200 sample children, we were unable to determine if the NCP could have potentially contributed toward Medicaid costs paid on behalf of their children. We found that 19 of the sample children had NCPs that provided medical support; 7 sample children had NCPs that were either not required to provide medical support or we were unable to determine if they provided medical support; and 8 sample children did not incur Medicaid costs.

We met with OCSP officials to discuss the results of our review. The OCSP officials told us that there is currently no requirement that NCPs contribute toward the Medicaid costs of their children. We also provided OCSP officials with an analysis of our projections by Medicaid cost type (see Appendix B). This analysis showed that, of the estimated $2,507,044 that the NCPs could have potentially contributed, $2,236,718 (89 percent) related to services covered by monthly Medicaid premiums. The remaining $270,326 (11 percent) related to services covered under FFS schedules. The OCSP officials pointed out that trying to collect FFS amounts from an NCP would be more complicated than trying to collect monthly premiums from the NCP. Premiums are generally a fixed amount for each month whereas FFS can vary depending on the frequency and type of medical services provided in a month.

RECOMMENDATION

We recommend that New Jersey utilize the results of our review in determining whether existing child support guidelines should be modified to require NCPs to contribute toward the Medicaid costs of their dependent children.

Auditee Comments

In comments dated May 21, 2003, officials from OCSP did not respond to our specific recommendation. However, they provided additional information on some of the sample cases we reviewed. The OCSP officials requested that this additional information be considered when finalizing the report. The New Jersey comments in their entirety have been included as Appendix C.

OIG Response

We appreciate the assistance of OCSP in performing this review. We have modified the final report to reflect the additional documentation provided by OCSP subsequent to the issuance of the draft report.

APPENDICES

STATISTICAL SAMPLING INFORMATION

Detailed Sampling Results

Federal and State Combined

Population (Children)	Sample Size (Children)	Medicaid Costs (For 200 Children)	Sample Items With Characteristics of Interest (Children)	Medicaid Costs (For 166 Children)	Sample Items With Potential Savings (Children)	Medicaid Costs (For 67 Children)	Potential Medicaid Savings (For 67 Children)
17,701	200	$379,541	166	$301,591	67	$133,537	$28,327

Projections

Federal and State Combined

(Precision At The 90-Percent Confidence Level)

	Sample Items With Characteristics of Interest (Children)	Sample Items With Potential Savings (Children)	Sample Items With Potential Savings (Medicaid Costs)	Sample Items With Potential Savings (Medicaid Savings)
Upper Limit	15,436	6,968	$19,817,727	$3,077,097
Point Estimate (Midpoint)	14,692	5,930	$11,818,691	$2,507,044
Lower Limit	13,816	4,957	$3,819,656	$1,936,990
Precision	N/A	N/A	67.68%	22.74%

ANALYSIS OF PROJECTIONS BY MEDICAID COST TYPE

Table 1
Children Whose NCPs Could Have Potentially Contributed Toward All Or Part Of Medicaid Costs

	Medicaid Cost Type	Sample Value	Projection At Midpoint Of 90-Percent Confidence Interval
Children	Premium	35	3,098
	FFS	0	0
	Premium and FFS	32	2,832
	Total	**67**	**5,930**
Medicaid Costs	Premium	$26,236	$2,322,030
	FFS	$0	$0
	Both-FFS Portion	$76,379	$6,759,909
	Both-Premium Portion	$30,922	$2,736,752
	Total	**$133,537**	**$11,818,691**
Medicaid Savings	Premium	$13,019	$1,152,238
	FFS	$0	$0
	Both-FFS Portion	$3,054[4]	$270,325
	Both-Premium Portion	$12,253	$1,084,480[4]
	Total	**$28,326[5]**	**$2,507,043[6]**

[4] The difference between the amount shown here and the amounts shown in Table 2 and Table 3 are off by $1 due to rounding.

[5] The difference between the amount shown here and the amount shown in Appendix A is off by $1 due to rounding. In addition, the difference between the amount shown here and the amounts from Table 2 and Table 3 are off by $1 due to rounding.

[6] Our analysis showed that, of the estimated $2,507,043 that the NCPs could have potentially contributed, $2,236,718 (89 percent) related to services covered by monthly Medicaid premiums. This includes savings associated with children that received services covered by premiums only (totaling $1,152,238) as well as the premium portion (totaling $1,084,480) of savings associated with children that received services covered by both FFS and premiums.

The difference between the amount shown here and the amount shown in Appendix A is off by $1 due to rounding. In addition, the projection of the Total Medicaid Savings from Table 2 and Table 3 are off by $1 due to rounding.

ANALYSIS OF PROJECTIONS BY MEDICAID COST TYPE

Table 2
Children Whose NCPs Could Have Potentially Contributed Toward All Of Medicaid Costs

	Medicaid Cost Type	Sample Value	Projection At Midpoint Of 90-Percent Confidence Interval
Children	Premium	3	266
	FFS	0	0
	Premium and FFS	6	531
	Total	**9**	**797**
Medicaid Costs	Premium	$1,649	$145,958
	FFS	$0	$0
	Both-FFS Portion	$191	$16,869
	Both-Premium Portion	$4,273	$378,184
	Total	**$6,113**	**$541,011**
Medicaid Savings	Premium	$1,649	$145,958
	FFS	$0	$0
	Both-FFS Portion	$191	$16,869
	Both-Premium Portion	$4,273	$378,184
	Total	**$6,113**	**$541,011**

ANALYSIS OF PROJECTIONS BY MEDICAID COST TYPE

Table 3
Children Whose NCPs Could Have Potentially Contributed Toward Part Of Medicaid Costs

	Medicaid Cost Type	Sample Value	Projection At Midpoint Of 90-Percent Confidence Interval
Children	Premium	32	2,832
	FFS	0	0
	Premium and FFS	26	2,301
	Total	**58**	**5,133**
Medicaid Costs	Premium	$24,587	$2,176,072
	FFS	$0	$0
	Both-FFS Portion	$76,188	$6,743,040
	Both-Premium Portion	$26,649	$2,358,568
	Total	**$127,424**	**$11,277,680**
Medicaid Savings	Premium	$11,370	$1,006,280
	FFS	$0	$0
	Both-FFS Portion	$2,864	$253,456
	Both-Premium Portion	$7,980	$706,297
	Total	**$22,214**	**$1,966,033**

APPENDIX C

State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF FAMILY DEVELOPMENT
PO Box 716
Trenton NJ 08625-0716

JAMES E. McGREEVEY
Governor

GWENDOLYN L. HARRIS
Commissioner

PEARL ELIAS
Acting Director
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May 21, 2003

John J. Madigan, Audit Manager
Department of Health and Human Services
Office of Inspector General
Office of Audit Services
Region II
Jacob K. Javits Federal Building
New York, New York 10278

Dear Mr. Madigan:

We have reviewed the Draft Report titled *The Review of the Ability of Non-Custodial Parents to Contribute Towards the Medicaid Costs of Title IV-D Children in New Jersey.* Although we are in agreement that the cases specified need to be addressed; we are concerned that the number of cases presented in your report do not reflect the new information we have provided since the report was drafted. We have taken steps to resolve the outstanding list of cases needing court orders or medical documents and forwarded that information to your office. For those cases which the auditors identified as needing enforcement, all but 10 enforcement documents have been provided to your office. The 10 missing documents are due to non-response of employers to multiple requests.

In regard to the 50 outstanding case requiring either the court order of guideline worksheet to determine the income of the parties, our records indicate that court orders were provided in 41 of the cases. However there was no income information contained in the court order. Several requests have been sent to the Administrative Office of the Courts requesting further documentation but the information could not be located in the file.

Please consider the additional information that has been provided to your office when finalizing the report. If you have any questions, please call Donna Matlack at (609) 588-3816 Thank you for the opportunity to review the Draft Report.

Sincerely,

Alisha A. Griffin
Assistant Director

AAG:EC:DM:FV:v

[redacted]

This report was prepared under the direction of Timothy J. Horgan (RIGA). Other principal Office of Audit Services staff who contributed include:

John J. Madigan, Audit Manager
Glenn H. Richter, Senior Auditor
Kristen C. Culnan, Auditor

Technical Assistance
Brenda M. Ryan, Regional Statistical Specialist