
New Jersey System of Care

Financing Overview

CHIPRA Quality Demonstration Grant TA Webinar Series
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Overview

- System funding sources
- Federal reimbursement sources
- Non-eligible populations
- Rate-setting methodology

NJ System of Care Funding Streams

- State appropriations:
 - Mental Health
 - Child Welfare
 - Medicaid
- Federal revenue sources
 - Medicaid/SCHIP

Federal Funding Mechanics

- Rehab Option: In-home Services, EBPs, Mobile Response, Group Homes/Therapeutic Foster Care
- TCM: Care Management, Youth Case Management
- Cost Allocation Plan: Family Support, Administrative Services Contract, State Services

Non-Eligible Children

- Medicaid “look-alike” program
 - All providers reimbursed at same rates as Medicaid program
 - Providers submit claims through same process
 - Provides single payment structure for all children receiving services

CME Financing

- Use a deficit-funded contract with revenue targets
- Provide contract funding for costs not eligible for Medicaid reimbursement (e.g., Flex Funds)
- Monthly Inclusive Rate is set using cost-based methodology including all allowable costs
- Rate strongly determined by ratio of care managers to children

Rate-Setting Methodology

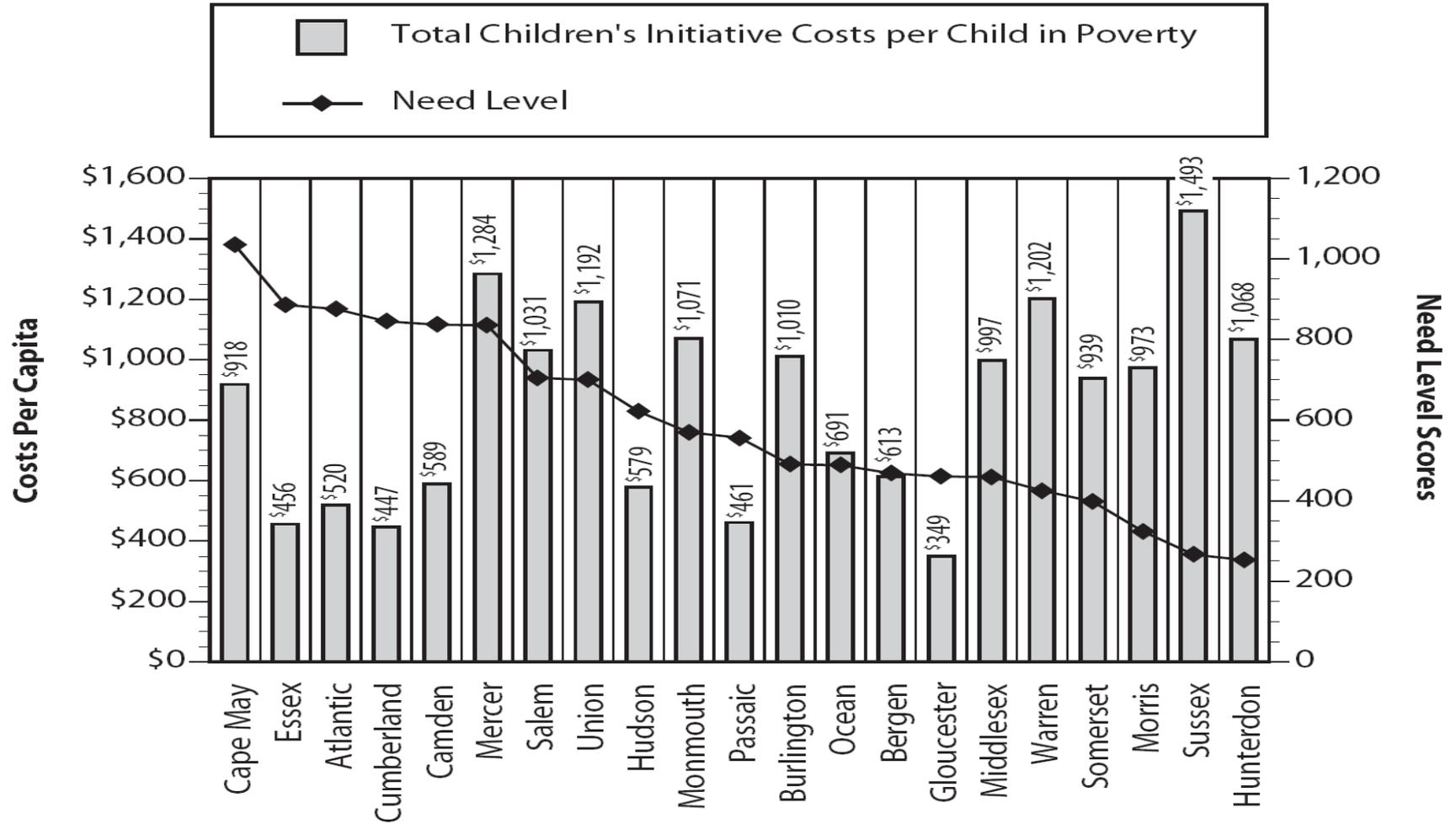
- Market-based methodology using transparent inputs to arrive at rate
- Requires collaboration with providers around true cost of care
- Requires clear modeling of staffing and service-level requirements

Financing Benefits

- Reduced use of acute inpatient services saved more than \$30 million in last three years alone
- Residential treatment budget reduced by 15% over last three years
- Total federal revenue increased 5x since 2000, while state costs grew 2x

Figure 7.

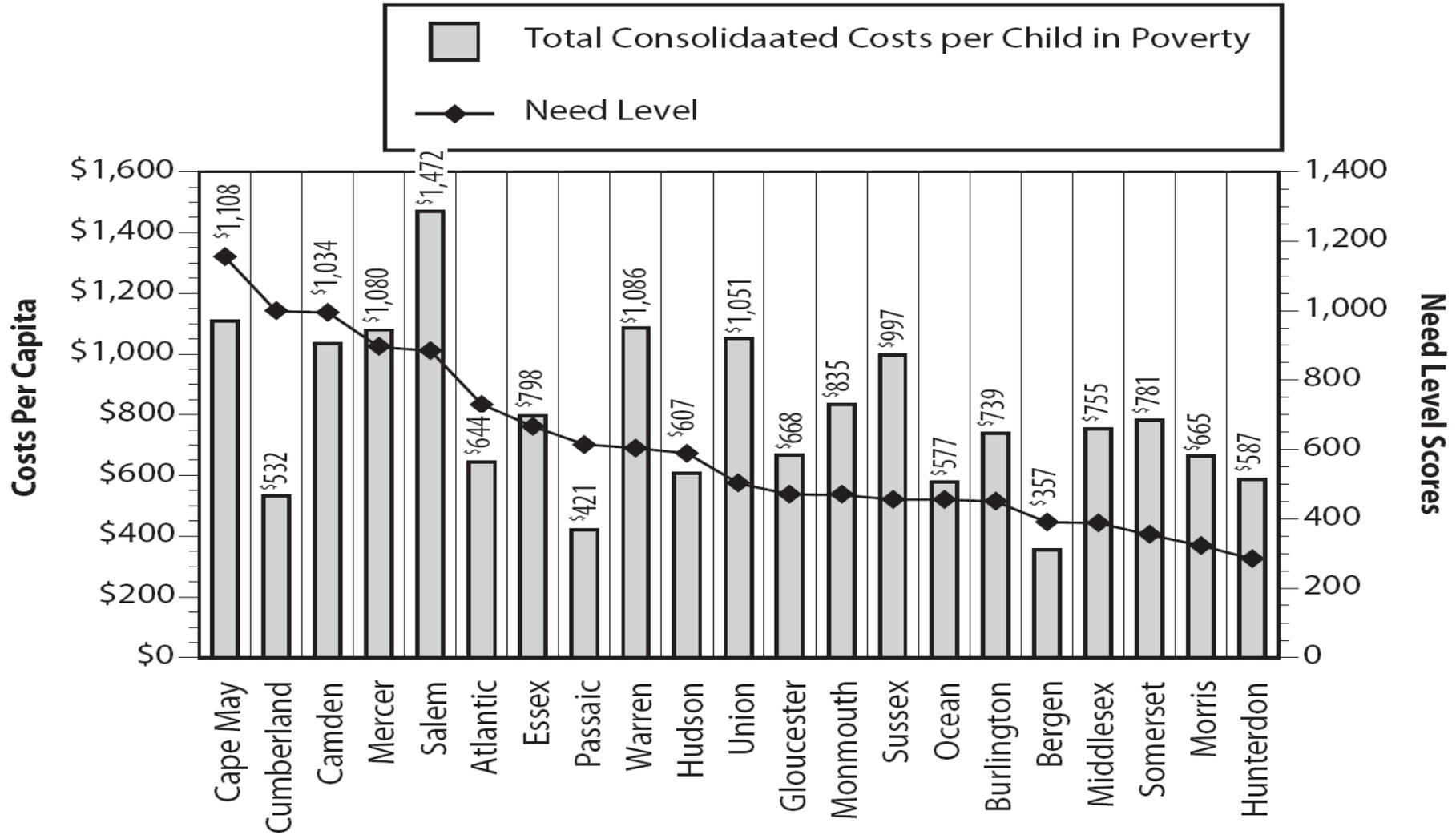
Comparison of Original Estimated Spending per Capita and Need Index



Children = Ages 0 through 17

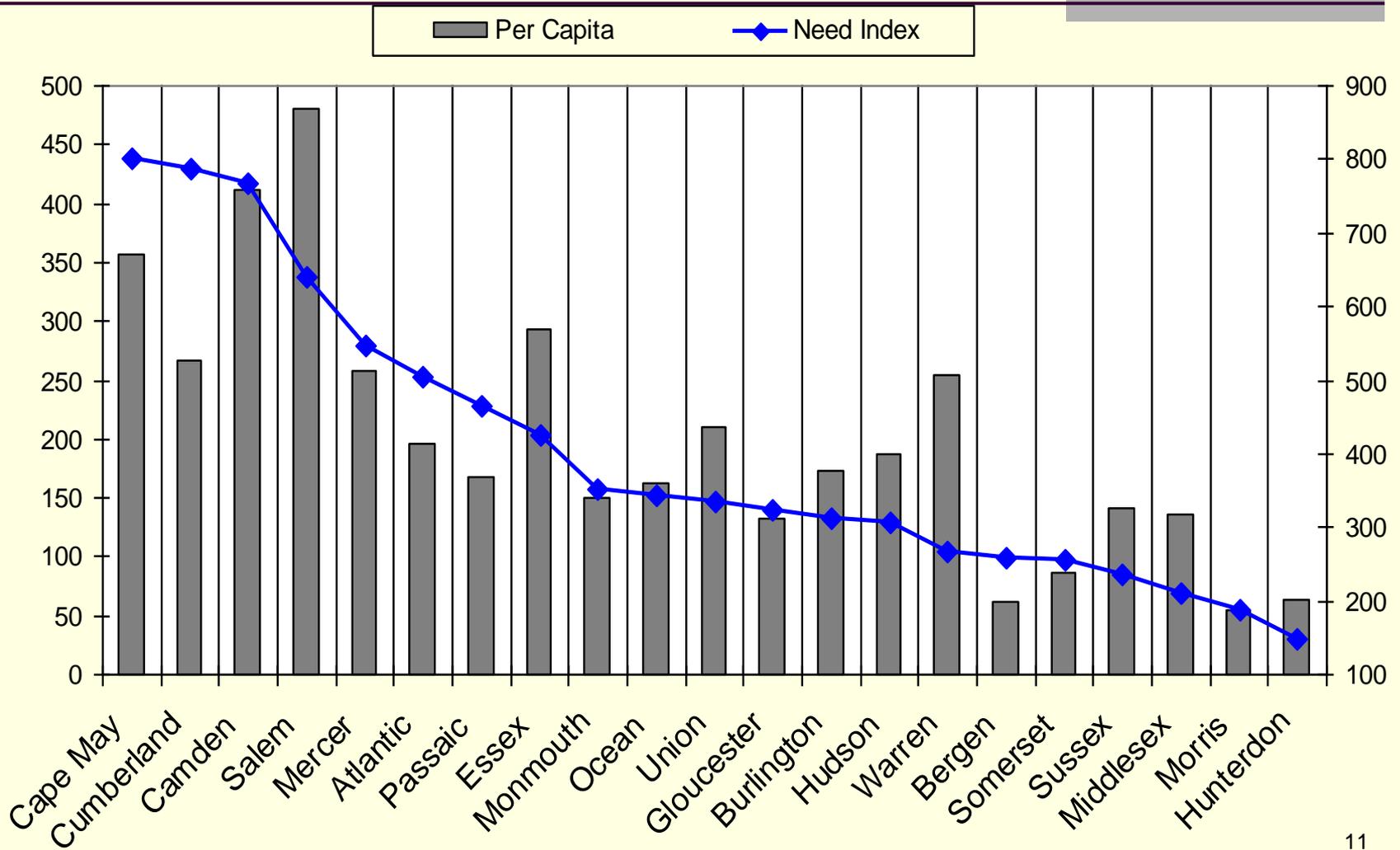
Figure 8.

Comparison of 2005 Consolidated Children's Mental Health Spending per Capita and Need Index



Children = Ages 0 through 17

Comparison of FY '08 Consolidated Per Capita Spending to Needs Index by County





Questions?