

Integrity Monitor Firm Name: CohnReznick

Engagement: NJDOH CRF Integrity Monitoring

Quarter Ending: 12/31/2020

No.	Recipient Data Elements	Response						
A. General Info								
1.	Recovery Program Participant	NJ Department of Health (NJDOH/DOH)						
2.	Federal Funding Agency? (e.g. CARES, HUD, FEMA)	U.S. Department of Treasury- CARES						
3.	State Funding (if applicable)	N/A						
4.	Award Type	Federal Grant - Coronavirus Relief Funds (CRF)						
5.	Award Amount	\$202,984,765.64						
6.	Accountability Officer	Eric Anderson						
7.	Brief Description, Purpose and Rationale of Integrity Monitor Project/Program	<p>The purpose of this Integrity Monitoring Program is to support the Department of Health's monitoring and oversight of Coronavirus Relief Funds (CRF) in compliance with program, financial, and administrative requirements set forth in the federal-state grant agreement, the State-Recovery Program Participant sub-grant agreement, and applicable federal and state laws, regulations, and guidelines.</p> <p>The NJDOH has been integral to the COVID-19 response and health emergency items since the beginning of the pandemic. To this end, DOH has utilized CRF to fund necessary programs directly related to health initiatives in response to the pandemic and for the vaccination implementation in New Jersey. Below are the major programs as of the date of this report.</p>						
8.	Contract/Program Location (if applicable)	<p>NJDOH COVID-19 relief package consists of the following programs, some of which are still under development:</p> <table border="1" data-bbox="625 885 831 1105"> <tr><td>LONG TERM CARE TESTING</td></tr> <tr><td>TESTING EXPANSION</td></tr> <tr><td>DOH PUBLIC HEALTH DIRECT CARE SALARY</td></tr> <tr><td>SURVEY PROGRAM</td></tr> <tr><td>25% MATCH TO FEMA D19488</td></tr> <tr><td>EMERGENCY RATE - PSYCH HOSPITAL</td></tr> </table>	LONG TERM CARE TESTING	TESTING EXPANSION	DOH PUBLIC HEALTH DIRECT CARE SALARY	SURVEY PROGRAM	25% MATCH TO FEMA D19488	EMERGENCY RATE - PSYCH HOSPITAL
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9.	Amount Expended by Recovery Program Participant to Date	Integrity Monitors received a disbursement summary from DOH that stated as of Dec 10th, \$96,124,502 has been expended.						
10.	Amount Provided to other State or Local Entities	<p>Per inquiries and testing, Integrity Monitors are cognizant of:</p> <p>\$26,000,000.00 (NJ Hospital Association for LTC Testing Expansion)</p> <p>\$5,650,000.00 (NJ Medical Services Task Force Support Group for Testing Expansion)</p>						
11.	Completion Status of Contract or Program	12/30/2020; however due to recently signed legislation, the period of performance for this grant has been extended an additional year which may impact program operations.						
12.	Expected Contract End Date/Time Period	12/30/2020; however due to recently signed legislation, the period of performance for this grant has been extended an additional year which may impact program operations.						
B. Monitoring Activities								

13. If FEMA funded, brief description of the status of the project worksheet and its support.	Status has not been provided as of the date of this report submission. Integrity Monitors conducted an entrance conference with the program lead of the FEMA PA 25% Cost Share Program on 12/18/2020. According to the program lead, FEMA pays 75% of an expenditure with a 25% cost share. Integrity Monitors verified that the DOH has not accessed funds from the FEMA grant and access to the FEMA grant portal is handled within the Budget Office. On 12/21/2020 Integrity Monitors submitted a documentation request which included a program tracker and status of the Public Assistance project worksheets. Integrity Monitors confirmed on 12/22/2020 that Accounting and Procurement does not have a program tracker or status of the Public Assistance worksheets.
No.	Recipient Data Elements
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14. Quarterly Activities/Project Description (include with specificity activities conducted, such as meetings, document review, staff training, etc.)	<p>Integrity Monitors conducted a Kick Off Meeting with DOH Management on 12/16/2020 to confirm engagement scope and activities, the level of coordination expected during the engagement, primary points of contact, protocol for contacting Program leads and other project and administrative expectations. DOH management provided a background of all programs utilizing CRF funding and prioritized the following programs: 1) Long Term Care Testing; 2) Testing Expansion; and 3) Psych Hospital Direct Pay. Integrity Monitors have completed the following tasks since initial kickoff:</p> <ul style="list-style-type: none"> - Issued a documentation request for agency-wide documents, such as audits, policies, procedures, etc. - Coordinated with NJDOH on follow-up questions and requests essential for initial contact with Program Leads and completion of Risk Matrix - Provided a summary of the division wide self risk assessment to NJDOH and draft quarterly report - Led weekly status meetings with Accountability Officer - Performed entrance conferences with programmatic leads and reviewed/documentated their responses to the Risk Matrix questions - Reviewed MOU's between DOH and Treasury, single audit findings, as well as org charts - Requested meetings with entities in which DOH acts as a pass-through of grant funding - Issued documentation requests to all programmatic leads - Assessed the risk of each associated process area and identified potential areas of high risk - Documented potential process gaps - Remained cognizant of any potential areas of fraud, waste and abuse for communication to NJDOH - Developed testing procedures - Selected a random sample of transactions to test across NJDOH CRF funded programs - Conducted a review of NJDOH transactions in order to ensure compliance with eligibility criteria as set forth in the MOU's and the CRF program - Reviewed procurements/contracts/grant agreements applicable to tested sample - Conducted preliminary walk through of quarterly report with Accountability Officer - Submitted risk matrices and quarterly report to NJDOH for review and comment
15. Brief description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.	<p>Entrance conferences have been performed with project leads to obtain additional information on each program and its administration. Integrity Monitors have issued a series of documentation requests for information that applies agency-wide in order to evaluate overall internal controls, policies & procedures, as well as significant audit findings that may affect all programs:</p> <ul style="list-style-type: none"> -Single Audit Reports; -Grant Management Terms & Conditions; -Financial/Procurement Policies & Procedures; -Organization Charts; and -Other relevant guidance/documentation. <p>In order to gain an understanding of each program, ConReznick performed entrance conferences with each program lead. After each entrance conference, CohnReznick requested program-specific documentation to include, but not limited to:</p> <ul style="list-style-type: none"> -Program lead ethics training verification; -MOU executed between DOH and Treasury for that specific program; -Guidance documents/directives from federal agencies; -Applicable grant agreements/amendments; -Monitoring/Oversight Plan for program; and -Process flow documents. <p>We have also selected a random sample of transactions to test throughout all CRF programs. Support documentation related to those transactions has been requested and is being tested. Support documentation includes proof of costs for that program such as invoices, timesheets, procurements, contracts, etc. Our review includes validating the expended amount, review of cost eligibility as set forth by the MOU and CRF guidance, and ensuring that the contracting vehicle is proper in accordance with state and federal standards. CohnReznick has received all the documentation and have tested the transactions highlighted in yellow, while transactions not highlighted are still pending documentation receipt or source documentation is not readily available.</p>
16. Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	Integrity Monitors have selected random transactions utilizing the CRF to review payment and any other back up documentation to support payment. The sample covers over \$60 million in funding. Documentation requests have been issued for documentation relating to these payments. If applicable, procurement and contracting information has been requested for these transactions. Monitors review all procurements and resulting contracts for each sampled transaction, as applicable. The majority of the procurements tested have an accompanying waiver, excusing DOH from the advertising requirement due to emergency/exigency or fall below the micro-purchase threshold. Only one transaction tested was as a result of a pre-existing, competitive contract.

<p>17. Has payment documentation in connection with the contract/program been reviewed? Please describe</p>	<p>Integrity Monitors have selected random transactions utilizing the CRF to review payment and any other back up documentation to support payment. The sample covers over \$60 million in funding. Documentation requests have been issued for documentation relating to these payments to include support for those costs in order to perform a validation of expenses for the below transactions.</p> <table border="1" data-bbox="638 196 1564 651"> <thead> <tr> <th>Sample #</th> <th>Program</th> <th>Line Description</th> <th>TOTAL Expended</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Emergency Rate - Psych. Hosp.</td> <td>*</td> <td>\$ 9,428,319.15</td> </tr> <tr> <td>2</td> <td>CRF Direct Care Salaries</td> <td>*</td> <td>\$ 14,250,638.81</td> </tr> <tr> <td>3</td> <td>CRF LTC testing-Expansion Testin</td> <td>COVID VACCINE SUPPLIES</td> <td>\$ 2,121,000.00</td> </tr> <tr> <td>4</td> <td>CRF LTC testing-Expansion Testin</td> <td>PHLP21FUL003 10/25/20 COVID</td> <td>\$ 5,000,000.00</td> </tr> <tr> <td>5</td> <td>CRF LTC testing-Expansion Testin</td> <td>COVID VAC</td> <td>\$ 492,352.00</td> </tr> <tr> <td>6</td> <td>CRF LTC testing-Expansion Testin</td> <td>COVID VACCINE MEDICAL WIPES</td> <td>\$ 86,000.00</td> </tr> <tr> <td>7</td> <td>CRF LTC testing-Expansion Testin</td> <td>COVID VACCINE FREEZERS</td> <td>\$ 37,520.00</td> </tr> <tr> <td>8</td> <td>CRF Long Term Care testing</td> <td>*</td> <td>\$ 25,950,000.00</td> </tr> <tr> <td>9</td> <td>CRF LTC Survey</td> <td>COVID19 INFECTION CONTROL SURV</td> <td>\$ 1,996,225.00</td> </tr> <tr> <td>10</td> <td>25% Match to FEMA DR4488</td> <td>*</td> <td>\$ 41,193.37</td> </tr> <tr> <td>11</td> <td>25% Match to FEMA DR4489</td> <td>FY20 PSYCHHOSPITAL HAZARD PAY</td> <td>\$ 636,648.02</td> </tr> <tr> <td>12</td> <td>25% Match to FEMA DR4490</td> <td>HISTOLOGY LAB EQUIPMENT</td> <td>\$ 70,946.16</td> </tr> </tbody> </table>	Sample #	Program	Line Description	TOTAL Expended	1	Emergency Rate - Psych. Hosp.	*	\$ 9,428,319.15	2	CRF Direct Care Salaries	*	\$ 14,250,638.81	3	CRF LTC testing-Expansion Testin	COVID VACCINE SUPPLIES	\$ 2,121,000.00	4	CRF LTC testing-Expansion Testin	PHLP21FUL003 10/25/20 COVID	\$ 5,000,000.00	5	CRF LTC testing-Expansion Testin	COVID VAC	\$ 492,352.00	6	CRF LTC testing-Expansion Testin	COVID VACCINE MEDICAL WIPES	\$ 86,000.00	7	CRF LTC testing-Expansion Testin	COVID VACCINE FREEZERS	\$ 37,520.00	8	CRF Long Term Care testing	*	\$ 25,950,000.00	9	CRF LTC Survey	COVID19 INFECTION CONTROL SURV	\$ 1,996,225.00	10	25% Match to FEMA DR4488	*	\$ 41,193.37	11	25% Match to FEMA DR4489	FY20 PSYCHHOSPITAL HAZARD PAY	\$ 636,648.02	12	25% Match to FEMA DR4490	HISTOLOGY LAB EQUIPMENT	\$ 70,946.16
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<p>18. Description of quarterly activity to prevent and detect waste, fraud and abuse.</p>	<p>Integrity Monitors requested agency-wide, and program specific policies and procedures applicable to this grant funding to review formalized internal controls. At the time of this report, Integrity Monitors are still awaiting certain program specific policies and procedures, as well as source documentation for review. We will continue to request documentation in an effort to identify potential waste, fraud, and abuse. Integrity Monitors conducted entrance conferences with program leads to review internal controls. In addition, we met with the New Jersey Hospital Association to understand the funding for long term care facility testing advanced. Additionally, Integrity Monitors have selected random transactions utilizing the CRF to review payment and any other back up documentation to support payment. The sample covers over \$60 million in funding. Documentation requests have been issued for support relating to these payments. We have received documentation for the majority of our sample and have performed testing. We will continue to follow-up for support documentation for the remaining samples.</p>																																																				
<p>19. Provide details of any integrity issues/findings</p>	<p>No finding to report this period</p>																																																				
<p>20. Provide details on any other items of note that have occurred in the past quarter</p>	<p>N/A</p>																																																				
<p>21. Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters</p>	<p>N/A</p>																																																				
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<p>C. Miscellaneous</p>																																																					
<p>22. Attach a list of hours (by employee) and expenses incurred to perform your quarterly integrity monitoring review</p>	<p>For the period of December 15, 2020 through December 30, 2020, the following individuals have incurred a total of 292.7 hours: Campen, Amanda Cowan, Sarah Guevara, Elsie Luu, Cindy Newcomb, Carolyn Saunders, Brandi Thomas Irvin, Melanie No billable expenses were incurred.</p>																																																				

<p>23. Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.</p>	<p><u>Based on the inquiry and testing completed through 12/30/2020, the issues noted below warrant comment with possible follow up action.</u></p> <p><u>FEMA 25% Cost Share Program</u> The costs of this program are squarely eligible under the MOU and the CRF program parameters. If additional time is provided to this project, CR recommends requesting a more detailed breakdown of the expenditures by individual, along with pay registers to show proof of payment. CR also recommends gaining direct access to FEMA Grants Portal to review Project Worksheet status/detail.</p> <p><u>Long Term Care Program</u> Integrity Monitors were unable to obtain all required support documentation to test sample transactions, as proof of costs need to be requested directly of individual long term care facilities through NJHA and are not readily available directly from NJHA. If additional time is provided for this engagement, CR recommends initiating a sampling of these transactions where NJHA will coordinate with LTCFs to provide proof of cost. In a meeting with the NJHA, we learned that there have been several adjustments to the Attachment B which outlines the allocation per facility. Per NJHA, the adjustments were documented in emails. Integrity Monitors noted that NJDOH has a grant agreement with NJHA to provide funding to long term care facilities, however NJHA does not have a contract in place with the long term care facilities. In the event of a potential overpayment, there is no mechanism in place to recoup funds from the long term care facilities. In addition, CRF funding was issued based on a formula (bed count) prior to verifying proof of costs. If additional time is provided to this project, CR recommends reconciling actual costs to ensure that a facility did not receive excess funding. Another item which deserves further consideration is the procurement of NJHA vendor HBS to administer the reimbursements to eligible LTCFs. While the grant agreement between DOH and NJHA does provide for up to one million dollars in direct costs for administration, the subsequent HBS agreement with NJHA denotes a flat one million dollar fee for these expenses.</p> <p><u>Psych. Hospital - Direct Pay Program</u> Integrity Monitors were unable to obtain all required support documentation to test our random sample. Per the program lead, this information needs to come from NJ Treasury. If additional time is provided to this project, we would like to work with staff to verify costs associated with this program. DOH was able to provide an overview of hours with pay types; however, in order to validate these costs, CR needs pay registers and individual timesheets. Additionally if provided more time, CR would evaluate the positions chosen to test whether these positions are directly related to COVID-19 response. Per CRF guidance, expenses related to payroll costs must be substantially dedicated to the response and mitigation against COVID-19. There is a need to review the positions utilizing this funding as direct care to determine whether these positions are substantially dedicated to the response and mitigation against COVID-19.</p> <p><u>Psych. Hospital - Emergency Rate Program</u> Integrity Monitors were unable to obtain all required support documentation to test our random sample. If additional time is provided to this project, we would like to work with staff to verify costs associated with this program. DOH was able to provide an overview of hours with pay types; however, in order to validate these costs, CR needs pay registers and individual timesheets. Unlike the direct care pay, the hazard pay for all employees was incurred as a direct result of COVID-19, so concerns regarding eligibility are more limited than with the direct care pay.</p> <p><u>Survey Program</u> CR was able to perform review of proof of costs as well as procurement. Since DOH had a pre-established program that surveyed long term care facilities, if additional time is provided on this project we recommended performing an evaluation to determine what survey costs go above and beyond routine use and determine the costs directly caused by the pandemic.</p> <p><u>Testing Expansion Program</u></p>
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Name of Integrity Monitor: CohnReznick, LLP	Name of Report Preparer: Frank Banda
Signature:	
Date: 12/30/2020	