

The New Jersey Department of Human Services **Division of Developmental Disabilities**



DDD QUARTERLY UPDATE FOR INDIVIDUALS, FAMILIES AND PROVIDERS

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Assistant Commissioner

March 20, 2019

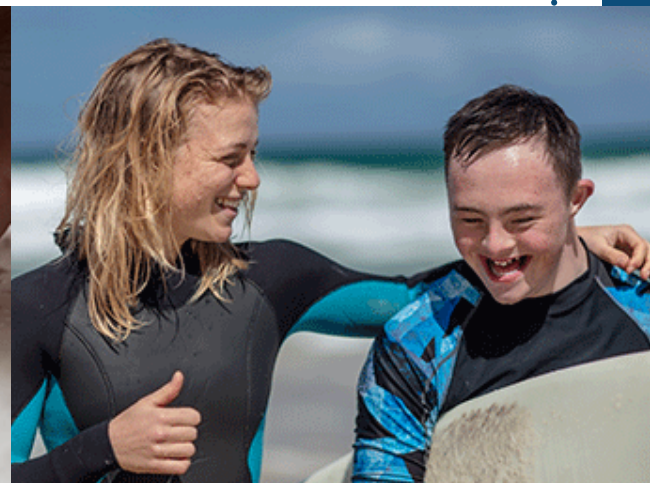


Overview

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- **Proposed Fiscal Year 2020 Budget Overview**
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NJ **ABLE**
A member of The National ABLE Alliance

ABLE: Achieving a Better Life Experience Act of 2014
The National ABLE Alliance is a partnership of States dedicated to providing those living with disabilities with an ABLE investment product that offers multiple financial options at low cost.



About ABLE

Giving those with disabilities the ability to save.

What is ABLE?

ABLE helps individuals with disabilities and their families:

- **save for disability-related expenses on a *tax-free* basis**
- **preserve their ability to benefit from supplemental security income Medicaid, and other federal programs.**



Eligibility

How do I qualify to open an NJ ABLE account?

Who's eligible?

To be eligible, individuals must meet two requirements:

- 1) Your disability was present before the age 26; and**
- 2) One of the following is true:**
 - You are eligible for SSI or SSDI because of a disability
 - You experience blindness as determined by the Social Security Act; OR
 - You have a similarly severe disability with a written diagnosis from a licensed physician that can be produced if requested.



Health &
Wellness



Use of Funds

What can ABLE funds be used for?

Qualified Disability Expenses

- ANY expense that is incurred as a result of living with a disability and is intended to improve quality of life.
- Not limited to medical necessity.
 - **Education**
 - **Health and wellness**
 - **Housing**
 - **Transportation**
 - **Legal fees**
 - **Financial management**
 - **Employment training and support**
 - **Assistive technology**
 - **Personal support services**
 - **Oversight and monitoring**
 - **Funeral and burial expenses**

Special Tax Advantages

- ABLE savings may grow and be withdrawn tax-free, **provided that savings are used for qualified, disability-related expenses.**¹
- Earnings may compound federally tax-deferred, maximizing the return on your investment.

No impact on current benefits

ABLE assets will be disregarded or receive favorable treatment when determining eligibility for most important means-tested benefits:

- **Supplemental Security Income**
- **Medicaid**

Impact on benefits (cont.'d)

Supplemental Security Income (SSI)

- Balances of \$100,000 or less are excluded from your SSI resource limit
- > \$100,000 SSI cash benefits will be suspended, but Medicaid will continue

Medicaid Eligibility

- Able assets are disregarded
- >\$100,000 and SSI cash benefit stops, Medicaid will continue
- NJ ABLE is subject to “Medicaid Payback” Provision

ABLE Facts

ABLE Facts

- The designated beneficiary of the account is the account owner
- Income earned by the account will not be taxed, as long as withdrawals are used for qualified expenses
- Contributions to the account can be made by anyone (the account beneficiary, family and friends)
- Contributions must be made using post-taxed dollars
- Can open an account in any State that allows outside residents (40)

User-friendly

- Open an account online with as little as \$25.
- Access your account 24/7 from a PC, tablet, or mobile device.
- Access by phone or online.

Contribute more, pay less.

High maximums

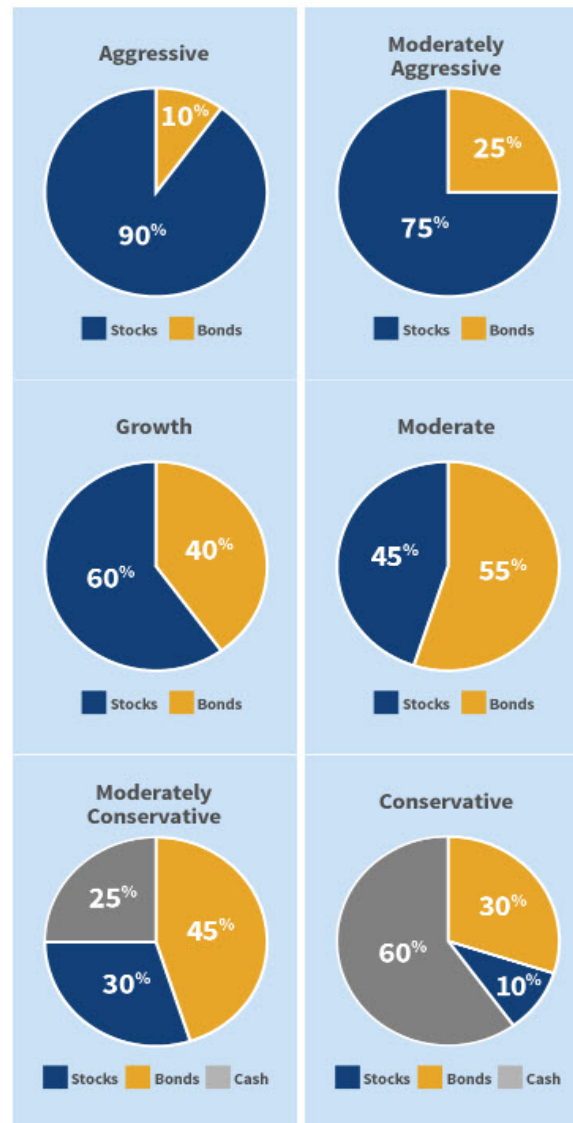
NJ ABLE: \$15,000 per year max. Lifetime contribution limit: \$305,000.

Low fees

The annualized investment costs on assets per investment option range from 0.34% to 0.38%, depending on which investment option(s) you select.

Each Account is charged an account maintenance fee of \$15 each quarter. This fee can be discounted by \$3.75 if you select email delivery for statements and confirmations.

Investment options to fit your needs.



529 College Savings Rollover Provision:

- Allows funds in a 529 College Savings account to be rolled over into a 529A account (ABLE Account)
- The ABLE account beneficiary must be either:
 - **the beneficiary of the 529 College Savings account, or**
 - **A “family member” of the beneficiary of the 529 College Savings account**
- The funds rolled over from the 529 college savings account to an ABLE account are subject to the annual contribution limit and thus capped at \$15,000 for any given tax year (provided no other contributions into the account have been made during that tax year)

Eligibility for Saver's Credit:

- Also known as the **Retirement Savings Contributions Credit**
 - Allows a tax credit to low and moderate income taxpayers who make contributions to retirement accounts
- Saver's Credit can be taken for your contributions to an ABLE account if you're the designated beneficiary and you meet the following:
 1. Age 18 or older;
 2. Not a full-time student; and
 3. Not claimed as a dependent on another person's return
- Amount of credit is a certain percentage of your contribution depending on your gross annual income; Maximum of \$2,000/year
- For more information: <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>

Additional Contributions Above \$15,000 “*ABLE to Work Act*”

- This provision allows ABLE account beneficiaries who work, and earn income, to contribute above the \$15,000 annual contribution limit.
 - *Up to the annual federal poverty limit (\$12,140 for 2019) or up to the amount of their earned income, whichever is less.*
- The contributions above the \$15,000 annual contribution limit would be limited to contributions made specifically by the account beneficiary into their ABLE account.
- **The additional contribution would only be allowed if the beneficiary is not participating whatsoever in his/her employer based retirement fund.**



Opening An Account

How to Enroll.....

- **Visit:** nj.savewithable.com to learn more about the Program, request an information kit or enroll online.
- **Call:** 1(888) 609-8869 to speak with a Program representative Monday through Friday, 8:00am – 5:00 pm ET.
- **Email:** nj.clientservice@savewithable.com
- **By Mail:** (printed application)

NJ ABLE
P.O. Box 219289
Kansas City, MO 64121

(Ascensus College Savings Recordkeeping Services, LLC)

Frequently Asked Questions

Who can open an ABLE account?

Eligible individuals can open the account for themselves, or an authorized individual can open an account on their behalf.

What are the options to enroll?

You can enroll online or print and mail in the application from the website. Applications are not taken over the phone, however, if the account owner needs help filling out the online or paper application technical assistance will be provided.

Do I have to prove that withdrawals are for qualified disability expenses?

Not at the time of the withdrawal. Annually, NJ ABLER will report the total amount of your withdrawals to the IRS and the date and amount of each of your withdrawals to the Social Security Administration. In the event that either entity wants to verify the expenses, it's recommended that you keep detailed records.

Frequently Asked Questions

Can I have more than one NJ ABLE account?

No. You're limited to one ABLE account, except in the case of a rollover from another qualified ABLE program. This extends beyond NJ ABLE to include accounts in other ABLE programs.

In the case of a rollover to an ABLE account for the same account owner, the account from which the funds are withdrawn must be closed within 60 days of the withdrawal.

Can friends and family make contributions into my account?

Absolutely! Anyone can contribute directly to your NJ ABLE account. No matter who contributes, you, the account owner or authorized individual, retain control over the account.

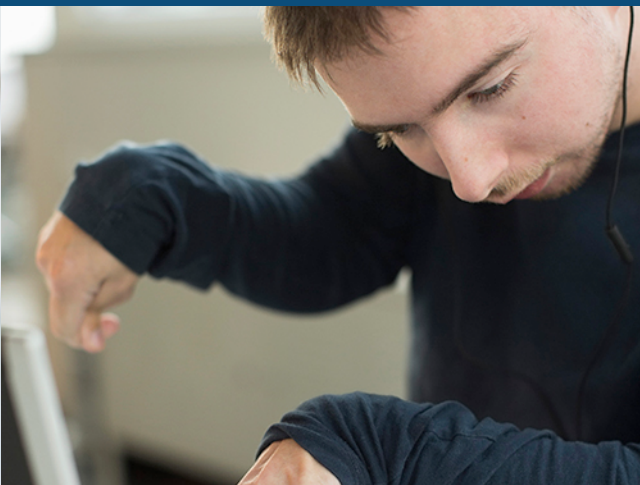
How often can I change my investments?

Twice per calendar year. You can change your investment options for any NEW contributions at any time.

Frequently Asked Questions

What's the difference between an ABLE account and a Special Needs Trust or a Pooled Income Trust?

- **Control:** Individual control vs. trustee control
- **Ease of accessing funds**
 - ABLE funds are easy to access with checking and debit card options
 - SNT funds are more complicated and have more rules in order to preserve eligibility for benefits.
- **Set up costs:**
 - ABLE account is less expensive to establish
 - SNT often requires an attorney or high minimum contributions
- Can I have both?
 - **Yes** (See handout)



ABLE Stories

Parent of ABLE Account Owner: Lauren Hughes



Lauren is her son's strongest advocate. It is her number one job. That is why she opened an ABLE account in February 2017 for Steven, who has Trisomy 9 Mosaic, a rare chromosomal disorder. Funds in Steven's account will be used to save for his future and to replace the family's aging van with a wheelchair accessible one.



"As a parent, ABLE has given me peace of mind in knowing I can set my son up financially for his current and future needs, without risking benefits. Creating an ABLE account is not time consuming, and very easy to do from the comfort of your own home. You really have nothing to lose and everything to gain. Even small contributions over time can have a significant impact on quality of life!"— Lauren Hughes



ABLE Account Owner: Katy Oliver



Katy is 28, works full time and is on the Medicaid Buy-In Program (NJ Workability). She has cerebral-palsy and is using her ABLE account to save for disability related equipment and to build her dream HGTV quality accessible home.



“The process of getting an ABLE account is pretty painless. It seems counterintuitive to everything we have been told. I’m a living, breathing example that this does not count against you. I’m getting the same services as before. It doesn’t count against you and, unlike a trust, it isn’t expensive.”

– Katy Oliver

ABLE Account Owner: Edward Mitchell



Edward is 31 and ABLE-eligible due to a spinal cord injury from a hit and run car accident when he was 17 years old. He has an MBA and is working two part-time jobs. He's using his ABLE account to save up for vehicle modifications and to *finally* move out of his parents house and into his own accessible housing.



“ABLE has allowed me to start saving without penalizing or jeopardizing my benefits. My parents worry what will happen to me when they are no longer able to help or they have died. ABLE gives them some peace of mind about my future. Plus, unlike a special needs trust that must be controlled by a trustee or trustees, ABLE gives me - a person with a disability - control over my finances and increased independence.” – Edward Mitchell

ABLE Resources

- ABLE National Resource Center www.ablenrc.org
- Social Security Administration: ABLE accounts
<https://secure.ssa.gov/poms.nsf/lnx/0501130740>
- Internal Revenue Service (IRS) ABLE Accounts
<https://www.irs.gov/government-entities/federal-state-local-governments/able-accounts-tax-benefit-for-people-with-disabilities>

Proposed FY20 Budget Overview

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- **\$22.5M in new funding for the Division**
 - \$15.5M to support Home and Community Based Services
 - \$7M to support services for individuals with an intellectual/developmental disability and co-occurring mental illness ('dual diagnosis')

Proposed Dual Diagnosis Initiatives

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- **Expansion of Emergency Capacity Beds in the community**
 - ✦ 20 beds to be added to reduce the need for hospitalization and increase the ability to support people in crisis to return to their home
- **Development of a Medicaid Behavioral Health Home Pilot Program**
 - ✦ Centralize coordination of health and mental health services
- **Completion of a statewide review of in-patient stabilization services and funding mechanisms**

NJ Caregiver Task Force

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- **Legislation Adopted December 2018**
 - Consists of 11 members from public and private sectors, with three Governor-appointed public members: a caregiver for a person with a disability, a caregiver for a person with mental illness, and a caregiver for an elderly person
- **Identified Goals**
 - Evaluate support services currently available to caregivers
 - Identify caregiver needs
 - Recommend improvements to caregiver services
 - Expand caregiver resources and support

Self-Directed Employee Services Update

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- The only self-directed employee (SDE) service model currently available in fee-for-service is a Fiscal/Employer Agent (F/EA) model, with Public Partnerships LLC (PPL) as the fiscal intermediary
- Recent Improvements to F/EA model
 - New, personalized enrollment process implemented
 - New customer service training curriculum implemented
 - Dedicated call center staff in New Jersey to be in operation beginning April 2019

Self-Directed Employee Services Update

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- Anticipated Change to F/EA model

Implementation by Public Partnerships of **single EIN** (Employer Identification Number) **held by the individual receiving services**

- EIN held only by the individual receiving services is already in place in PPP (Personal Preference Program)
- Moving to single EIN will eliminate the dual EIN issue that has been problematic for some families

Self-Directed Employee Services Update

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- Even with improvements/changes to F/EA model, stakeholder feedback is that having only one self-directed service model available is limiting for individuals and families.
 - Concern about F/EA model requirement for the individual to enroll as the employer (hold the EIN) or assign someone else to enroll as the employer
 - Concern about lack of employer-sponsored health benefits in F/EA model

Self-Directed Employee Services Update

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Implementation of a second self-directed employee service model in fee-for-service :

Agency with Choice (AwC)

- Easter Seals New Jersey will be the fiscal intermediary (FI)
- Rollout projected to begin July 2019
- Will be available to individuals enrolled in Supports Program or Community Care Program under Fee-for-Service who wish to utilize self-directed employees (SDEs)



Self-Directed Employee Services Update

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- What is Agency with Choice?
 - ✦ A **self-directed employee** (SDE) service model similar to the model offered previously by Easter Seals
 - ✦ A co-employment model, with the fiscal intermediary (FI) as the employer of record and holding the EIN and the individual as the managing employer
 - ✦ Enrollment in employer-sponsored health benefits available as an option to SDEs working full time for the employer (Easter Seals)
 - ✦ Paid time off available to all SDEs, based on number of hours and number of years worked for the employer (Easter Seals)

Self-Directed Employee Services Update

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- What does this mean?
 - Individuals who receive self-directed services via a self-directed employee (SDE) will be able to choose which model works best for them
 - Individuals who *only* receive self-directed services via a community vendor/provider will remain in the F/EA model administered by PPL
 - Individuals can move from one model to another as their needs change, though an individual can only participate in one model at a time (cannot have SDEs in two different models)

Self-Directed Employee Services Update

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- **What does this mean?**
 - Participation in the AwC model will have a monthly cost to the individual's budget
 - Cost will be driven by whether all SDEs are working part time vs. one or more SDEs are working full time for the employer (Easter Seals)
 - More detail will be released in the coming weeks

Fee-for-Service Transition Oversight Board

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- **First meeting held February 2019**
 - Governor appointed ten members to independent DDD Fee-for-Service (FFS) Transition Oversight Board to review and monitor:
 - ✦ Quality of Care – ensure FFS transition does not negatively impact delivery of high quality services
 - ✦ Reimbursement Rates – ensure FFS rate structure is adequate and can accommodate growing need for services
 - ✦ Provider Adequacy – ensure FFS transition does not negatively impact provider network adequacy



Fee-for-Service Implementation

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- **System currently more than 80% converted to fee-for-service (FFS)**
 - More than 9,200 individuals on the CCP converted to FFS
 - More than 9,000 individuals on the SP converted to FFS
- **Projection is by June 30, 2019 system will be more than 90% converted**

NJCAT Assessments / Reassessments

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- Our waivers state that NJCAT reassessments will occur every five years
- While a disability is life long, an individual's intensity of need may fluctuate in the areas of Self Care, Behavior and Medical as they age
- Consistent feedback from various stakeholders that completion of the NJCAT can be challenging, and can be impacted by who is completing the assessment and how they interpret questions

NJCAT Assessments / Reassessments

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- **How is DDD addressing?**
 - Moving toward utilization of state staff trained to facilitate the assessment process as a neutral third party
 - ✦ Face-to-face meeting between state facilitator, individual and his/her family, and service provider/s, where NJCAT questions are reviewed
 - ✦ Presence of a trained facilitator will enable questions to be clarified and standardize the process across the system

NJCAT Assessments / Reassessments

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- DDD has begun face-to-face NJCATs for reassessment requests that were granted, as well as a limited number of pilot agencies
- Utilization of face-to-face facilitation of NJCAT assessment/reassessment is expanding slowly
- Some assessments and some reassessments are still handled through the standard process (online or over the phone) as we migrate to this method

Graduates Timeline

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- **Planning for Adult Life (PFAL)**
 - DDD-funded program for students with intellectual and developmental disabilities age 16-21 and their families
 - Offers information, resource materials, webinars, training sessions, student groups, and parent groups
 - www.PlanningForAdultLife.org

Graduates Timeline

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- **At Age 18**

- Medicaid Eligibility

- ✦ Supplemental Security Income (SSI)

- ✦ If there are issues...

- Medicaid Eligibility Troubleshooting Form available at

- www.nj.gov/humanservices/ddd/documents/medicaid-eligibility-troubleshooting.docx

- DDD.MediElighelpdesk@dhs.state.nj.us

- Division of Developmental Disabilities Eligibility

- ✦ Contact the Intake Unit within your Community Services Office

- www.nj.gov/humanservices/ddd/staff/cso/



Graduates Timeline

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- **February/March of Graduating Year**
 - Complete and submit the Support Coordination Agency Selection Form to DDD.SCAChoice@dhs.state.nj.us
 - ✦ SCA Selection Form will be provided by Intake Unit and is also available at: www.nj.gov/humanservices/ddd/documents/support-coordination-agency-selection.docx
 - If receiving services through CSOC (generally respite or behavioral supports arranged through PerformCare) and turning 21 before March of graduating year, contact the Intake Unit 1-2 months prior to 21st birthday to continue CSOC-funded services

Graduates Timeline

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- **April of Graduating Year**
 - DDD assigns Support Coordination Agency
 - Individual/family will be notified of SC Agency assignment if an email address is included on the SCA Selection Form
 - Support Coordinator (SC) will reach out to the individual/family
 - ✦ SC will begin development of the Individualized Service Plan (ISP)
 - ✦ SC can attend IEP or transition-related meetings at the school

Graduates Timeline

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- **April – June of Graduating Year**
 - Development of the Individualized Service Plan (ISP)
 - ✦ Based on input from the planning team – individual, guardian, family, school personnel, providers, etc.
 - ✦ Based on information in the Person Centered Planning Tool (PCPT) and the NJCAT
 - For services to be available upon graduation, ISP should be completed and approved prior to exiting the school system

DDD Executive Management as of March 2019

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Special Assistant

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Family Outreach



DDD Unit Contacts

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Unit	Contact Name	Contact Email
Intake	James Schiralli	James.Schiralli@dhs.state.nj.us
Support Coordination	Cheryl Betz	Cheryl.Betz@dhs.state.nj.us
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Provider Performance & Monitoring	Wendy Yosco	Wendy.Yosco@dhs.state.nj.us
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Questions