

**Integrity Monitor Report  
Category 3**

Integrity Monitor Firm Name: **Vander Weele Group**  
Quarter Ending: **6/30/2022**  
Expected Engagement End Date: **6/30/2022**

**A. General Info**

1. Recovery Program Participant:

New Jersey Division of Pensions and Benefits (“DPB”)

2. Federal Funding Source (e.g. CARES, HUD, FEMA, ARPA):

Coronavirus Aid, Relief, and Economic Security (“CARES”) Act

3. State Funding Source (if applicable):

N/A

4. Deadline for Use of State or Federal Funding by Recovery Program Participant:

December 31, 2021

5. Accountability Officer:

Gary Pinar

6. Program(s) under Review/Subject to Engagement:

State Health Benefits Program (“SHBP”) and School Employees’ Health Benefit Program (“SEHBP”)

7. Brief Description, Purpose, and Rationale of Integrity Monitor Project/Program:

Pursuant to E.O. 166, the Governor’s COVID-19 Compliance and Oversight Taskforce (“Taskforce”) has issued guidelines, which have been updated as of June 2021, regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”) to help prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds and provide expertise in Program and Process Management Monitoring; Financial Auditing and Grant Management; and Integrity Monitoring/Anti-fraud services.

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The Treasurer of the New Jersey Department of Treasury and the DPB entered into a Memorandum of Understanding (“MOU”) and made two amendments to the original MOU on behalf of the SHBP and SEHBP to permit grant funds to reimburse the SHBP and SEHBP for the costs of COVID-19 claims for testing and treatment. In total, the SHBP and SEHBP received \$146.2 million from the Coronavirus Relief Fund (“CRF”) established by the CARES Act for increased costs in connection with COVID-19 testing and treatment claims. The MOU, and the first and second amendments to the MOU, required that all funds be expended by no later than December 31, 2021. In the event funds were not expended by the expected deadline, any balance remaining was to be remitted to the Treasurer of the United States Department of the Treasury.

8. Amount Allocated to Program(s) under Review:

\$146,200,000.00

9. Amount Expended by Recovery Program Participant to Date on Program(s) under Review:

As of June 21, 2021, DPB expended all of the allocated \$146.2 million for reimbursing SHBP and SEHBP for the costs of COVID-19 claims for testing and treatment. As of December 31, 2021, DPB expended over \$469.1 million via SHBP and SEHBP relating to COVID-19 claims for testing and treatment.

10. Amount Provided to Other State or Local Entities:

N/A

11. Completion Status of Program (e.g. planning phase, application review, post-payment):

DPB is in the post-payment phase of the program.

12. Completion Status of Integrity Monitor Engagement:

We have completed all tasks as of June 30 and consider this engagement finalized. As such, this is the final quarterly report to be provided.

## **B. Monitoring Activities**

13. If FEMA funded, brief description of the status of the project worksheet and its support:

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a) IM Response

N/A

b) Recovery Program Participant Comments

[Type Here]

14. Description of the services provided to the Recovery Program Participant during the quarter (i.e. activities conducted, such as meetings, document review, staff training, etc.):

a) IM Response

As of the date of this quarterly Integrity Monitor Report, we have:

- i. Held internal team meetings to collaborate, brainstorm, and discuss project details and documents on a weekly basis;
- ii. Held group meetings with DPB, including procedural walkthroughs, follow up inquiries, and interviews of key personnel;
- iii. Reviewed documents provided by DPB regarding the administration of SHBP and SEHBP and supporting areas including, but not limited to, Health Management Systems, Inc.'s ("HMS" - New Jersey's third-party medical claims reviewer) processes and analytical tools;
- iv. Conducted independent research regarding administration of benefit programs;
- v. Reviewed program policies and procedures;
- vi. Conducted risk assessment procedures specific to SHBP and SEHBP benefit programs by reviewing the structure, internal controls, technical platform, and guidelines of the program; and,
- vii. Assessed and submitted a final risk assessment, Prioritized Recommendations Report, and Sampling and Monitoring Procedure.

b) Recovery Program Participant Comments

[Type Here]

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15. Description to confirm appropriate data/information has been provided by the Recovery Program Participant and description of activities taken to review the project/program:

a) IM Response

We confirm that we have received appropriate data/information from DPB regarding the administration of SHBP and SEHBP; including but not limited to:

- i. Grant-related agreements and amendments between DPB and NJ Department of Treasury;
- ii. DPB's claims payment procedures regarding SHBP and SEHBP;
- iii. DPB's self-assessed risk assessment;
- iv. Organizational Charts;
- v. Key Policies and Procedures, such as Conflict-of-Interests and Anti-fraud Processes;
- vi. Key policies and procedures of Horizon Blue Cross Blue Shield of NJ ("Horizon") (A TPA of DPB that provides health insurance- related services, including all claims under the SHBP and SEHBP); and,
- vii. Key procurement documentation of HMS.

We have encountered no issues with DPB providing requested documents. Activities conducted on our behalf to determine the effectiveness of the controls and procedures in place include, but are not limited to, the following:

- i. Reviewing and analyzing pertinent documentation;
- ii. Conducting follow-up inquiries;
- iii. Conducting interviews, group meetings, and process walkthroughs;
- iv. Drafting and updating deliverables throughout the engagement such as the risk assessment, Report of Prioritized Recommendations, and Sampling and Monitoring Procedure; and,
- v. Other activities.

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We received all requested documents to date, performed substantive procedures and reviewed data and information to determine the effectiveness of the controls and procedures in place.

b) Recovery Program Participant Comments

[Type Here]

16. Description of quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements:

a) IM Response

Quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements include, but are not limited to, reviewing procurement-related policies and procedures, and conducting inquiries, interviews, group meetings, and process walkthroughs. Such activities enable us to understand more about DPB's daily functions, fraud prevention procedures, and processes in administering the SHBP and SEHBP. We recently requested and reviewed pertinent grant (i.e., payment) supporting documentation.

b) Recovery Program Participant Comments

[Type Here]

17. If payment documentation in connection with the contract/program has been reviewed, provide description.

a) IM Response

Payment documentation in connection with the contract, such as pertinent grant (i.e., payment) supporting documentation, has been requested and provided. We have also continued with follow-up inquiries, interviews, and other activities as needed.

b) Recovery Program Participant Comments

[Type Here]

18. Description of quarterly activity to prevent and detect waste, fraud, and/or abuse:

a) IM Response

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Quarterly activities to prevent and detect waste, fraud, and/or abuse include, but are not limited to, documentation requests and analysis, follow-up inquiries, interviews, and other activities as needed. For example, discussing and meeting with SHBP and SEHBP program administrators, and with personnel of affiliated Divisions including the Budget and Compliance Unit and the Health Benefits Policy and Planning Unit, in understanding DPB's existing fraud prevention procedures. Information gathering from the activities described above and information obtained from further inquiries are memorialized into a Report of Prioritized Recommendations and Sampling and Monitoring Procedure, which are part of the scope of this assignment. The report and procedure will be finalized on or before June 30, 2022. It is recommended that the final versions of the Report of Prioritized Recommendations and the Sampling and Monitoring Procedure be reviewed by management and shared with staff, as applicable.

Our limited review of procedures and methods did not uncover evidence or red flags suggestive of systemic program waste, fraud, and/or abuse. Based on our review of the effectiveness of controls and procedures in place to prevent and detect waste, fraud, and/or abuse, we have provided recommended corrective actions and, in the risk assessment tool, have outlined additional risks to be considered.

#### **b) Recovery Program Participant Comments**

[Type Here]

#### **19. Details of any integrity issues/findings, including findings of waste, fraud, and/or abuse:**

##### **a) IM Response**

To date, we have not identified any integrity issues/findings, including findings of waste, fraud, and/or abuse. We have made recommendations via our final deliverables, including the risk assessment tool, Report of Prioritized Recommendations, and Sampling and Monitoring Procedure.

We have addressed with Management the recommendations and suggested remediation efforts.

##### **b) Recovery Program Participant Comments**

[Type Here]

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20. Details of any other items of note that have occurred in the past quarter:

a) IM Response

N/A

b) Recovery Program Participant Comments

[Type Here]

21. Details of any actions taken to remediate waste, fraud, and/or abuse noted in past quarters:

a) IM Response

N/A

b) Recovery Program Participant Comments

[Type Here]

**C. Miscellaneous**

22. List of hours (by employee) and expenses incurred to perform quarterly integrity monitoring review:

a) IM Response

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1. Joseph DeLuca – 9.50h
2. Steven Pasichow – 5.25h
3. Kevin Mullins – 60.25h
4. Michael Dundas – 16.00h
5. Salvatore Ubaldini – 108.25h
6. Matthew Gavin – 3.25h
7. Maribeth Vander Weele – 19.55h
8. Deb Wells – 3.50h
9. Kristen Mokofisi – 21.05h
10. Gwendolyn Boston – 69.00h
11. Artecia Foster – 68.70h
12. Linda Ressler – 125.30h
13. Kathleen Budrean – 6.45h

b) Recovery Program Participant Comments

[Type Here]

23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

a) IM Response

N/A

b) Recovery Program Participant Comments

[Type Here]

Name of Integrity Monitor:  
Name of Report Preparer:

**Vander Weele Group**  
Kevin Mullins





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Signature:  
Date:

Sign Here  
7/15/2022