

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: **Vander Weele Group**
Quarter Ending: **3/31/2022**
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 Department of the 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 CRF for increased costs in connection with COVID-19 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 the funds were not expended by the expected time, any balance remaining of grant funding were to be remitted to the Treasurer for remittance to the United States Department of the Treasury.

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

\$146,200,000

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 currently in the post-payment phase of the program.

12. Completion Status of Integrity Monitor Engagement:

We are on target to complete the assignment and all deliverables on schedule by July 31, 2022, as stated in the purchase order extension.

B. Monitoring Activities

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

a) IM Response

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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;
- 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 Third Party Administrator (“TPA”) 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 draft Prioritized Recommendations Report.

b) Recovery Program Participant Comments

[Type Here]

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

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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; and,
- 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).

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 deliverables such as the Report of Prioritized Recommendations; and,
- v. Performing other activities.

We are in the process of analyzing documents and plan to continue performing substantive procedures and data analytics to review data and information and to determine the effectiveness of the controls and procedures in place. We will report in further detail on these activities in our next quarterly report submission.

b) Recovery Program Participant Comments

[Type Here]

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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 previously requested and were provided with pertinent grant (i.e., payment) supporting documentation to enhance our auditing activities described above.

We plan to continue performing substantive procedures and data analytics to review data and information and to determine the effectiveness of the controls and procedures in place. We will report in further detail on these activities in our next quarterly report submission.

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 provided. We are continuing our analysis of such documentation and will continue with follow-up inquiries, interviews, and other activities as needed.

We plan to continue performing substantive procedures and data analytics to review payment documentation to determine the effectiveness of the controls and procedures in place. We will report in further detail on these activities in our next quarterly report submission.

b) Recovery Program Participant Comments

[Type Here]

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

a) IM Response

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, we held numerous discussions and meetings with personnel of DPB and affiliated Divisions (i.e., Budget and Compliance Unit and Health Benefits Policy and Planning Unit) to understand DPB's existing fraud prevention procedures. Information gathered from activities described above and information obtained from further inquiries were then memorialized into a Report of Prioritized Recommendations, which is part of the scope of the assignment. The policy is currently in draft form and will be finalized before July 31, 2022. We are currently reviewing DPB's responses to it.

To date, our tasks have not uncovered any evidence of waste, fraud, and/or abuse. We plan to continue performing substantive procedures and data analytics to determine the effectiveness of controls and procedures in place to prevent and detect waste, fraud, and/or abuse. We will report in further detail in our next quarterly report submission.

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 and will continue to update the drafts and other engagement deliverables (i.e., Sampling & Monitoring Procedures and Risk Assessment Review) as we continue and finalize our review.

We plan to address with Management all recommendations and suggested remediation efforts as they arise. We will report in further detail in our next quarterly report submission.

b) Recovery Program Participant Comments

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[Type Here]

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 - 2.00h
2. Steven Pasichow - 2.75h
3. Kevin Mullins - 45.75h
4. Michael Dundas – 61.00h
5. Salvatore Ubaldini - 155.50h
6. Matthew Gavin – 14.50h
7. Maribeth Vander Weele – 7.20h
8. Deb Wells - 3.50h
9. Kristen Mokofisi - 5.25h
10. Gwendolyn Boston - 69.00h
11. Artecia Foster - 68.05h
12. Linda Ressler - 88.75h

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:
Signature:
Date:

Vander Weele Group
Kevin Mullins
Sign Here
4/13/2022

