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Office of Inspector General



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December 2025 | A-02-24-01009

New Jersey Did Not Ensure Providers Complied With Federal and State Requirements at All 20 Adult Day Health Services Facilities Audited

REPORT HIGHLIGHTS



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New Jersey Did Not Ensure Providers Complied With Federal and State Requirements at All 20 Adult Day Health Services Facilities Audited

Why OIG Did This Audit

- Adult day health services (ADHS) facilities provide preventive, diagnostic, therapeutic, and rehabilitative services under medical and nursing supervision to meet the needs of functionally impaired adult participants.
- OIG has conducted health and safety reviews of adult day care facilities in various States. These reviews identified multiple health and safety issues that put program enrollees at risk.
- This audit assessed whether New Jersey ensured that ADHS providers that serve Medicaid managed care enrollees complied with Federal and State requirements.

What OIG Found

- New Jersey did not ensure that ADHS providers that serve Medicaid managed care enrollees complied with Federal and State requirements. All 20 ADHS providers that we reviewed did not comply with 1 or more health and safety and administrative requirements. We found a total of 348 instances of noncompliance with these requirements at the 20 providers.
- New Jersey's inspections of facilities were insufficient to ensure a continuously safe and nonhazardous environment. As a result, enrollees were at risk in numerous instances.

What OIG Recommends

We recommend that New Jersey ensure that providers correct the 348 instances of noncompliance identified in this report; improve its oversight and monitoring of the providers; and work with providers to improve their facilities, staffing, and training. The full recommendations are in the report. In written comments on our draft report, New Jersey did not indicate concurrence or nonconcurrence with our recommendations but detailed steps it has taken and plans to take in response to our recommendations.

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INTRODUCTION

WHY WE DID THIS AUDIT

The Office of Inspector General (OIG) has conducted health and safety reviews of adult day care facilities, foster care homes, and regulated childcare facilities.¹ Those reviews identified multiple health and safety issues that put children and adults at risk. We wanted to determine whether Medicaid managed care enrollees receiving adult day health services (ADHS) in New Jersey were at risk.

OBJECTIVE

Our objective was to determine whether the New Jersey Department of Human Services (State agency) ensured that ADHS providers that serve Medicaid managed care enrollees complied with certain Federal and State requirements.

BACKGROUND

Medicaid Program

The Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the Medicaid program. In New Jersey, the State agency administers its Medicaid program in accordance with a CMS-approved State plan. The State plan establishes which services the Medicaid program will cover.

New Jersey Adult Day Health Services

In New Jersey, ADHS are provided as clinic services under the Medicaid State plan.² Under New Jersey's Medicaid managed care program, contracted managed care organizations (MCOs) are

¹ See Appendix B for a list of related OIG reports.

² New Jersey Medicaid State Plan, Addendum to Attachment 3.1-A and Addendum to Attachment 3.1-B. The majority of ADHS in New Jersey were provided under New Jersey's Medicaid managed care program. A small portion of ADHS were reimbursed under a fee-for-service model. Our audit focused on ADHS facilities that provided services to Medicaid managed care enrollees.

paid monthly fees to ensure that enrollees have access to a comprehensive range of medical services, including ADHS from providers contracted by MCOs.^{3, 4}

ADHS facilities (facilities) provide preventive, diagnostic, therapeutic, and rehabilitative services under medical and nursing supervision to meet the needs of functionally impaired adult participants.⁵ ADHS are provided at a licensed facility and for a minimum of 5 hours per day and 5 days per week.^{6, 7} These medically necessary services enable individuals to continue living in a community setting.

State Survey Agency

The New Jersey Department of Health is the State survey agency responsible for licensing and surveying ADHS facilities based on the standards listed in Title 8 § 43F of the New Jersey Administrative Code (NJAC).⁸ To participate in the New Jersey Medicaid program, ADHS providers must agree that they will meet standards for licensure.⁹ The State agency, in partnership with the Department of Health, must provide oversight of ADHS facilities, including on-site visits, to ensure that facilities follow applicable licensing standards to protect the health and safety of adults receiving services.¹⁰

³ In New Jersey, ADHS are also referred to as adult medical day care services. Medicaid enrollees need to be at least 18 years of age and determined to be clinically eligible for ADHS. Clinical eligibility requirements include requiring assistance in one of the following: at least two activities of daily living (ADL), one or more skilled services provided daily on-site in the facility, rehabilitation services, or supervision in at least three ADLs (Title 10 §§ 164-1.2 and 164-1.5(f) of the New Jersey Administrative Code (NJAC)).

⁴ Articles 4.1 and 4.1.2.A.29 of the State agency's CMS-approved MCO contract.

⁵ NJAC 8:43F-1.2.

⁶ An ADHS facility can be an identifiable part of a nursing facility, a hospital-affiliated facility, a freestanding ambulatory care facility, or such other licensed facility (NJAC 10:164-1.2).

⁷ Participants may utilize a variety of services offered during any part of a day, but less than 12 hours per day (NJAC 8:43F-6.1).

⁸ New Jersey Medicaid State Plan, Addendum to Attachment 3.1-A and Addendum to Attachment 3.1-B.

⁹ New Jersey Adult Day Health Services Provider Agreement.

¹⁰ NJAC 10:164-1.3 and NJAC 8:43F-2.5. State regulations also require that site visits be conducted prior to issuing a license to any ADHS facility (NJAC 8:43F-2.6(a)).

HOW WE CONDUCTED THIS AUDIT

Of the 146 ADHS providers in New Jersey as of December 31, 2023, we selected a nonstatistical sample of 20 for review. We selected these providers based on their geographic location and the number of enrollees they served. To evaluate the State agency's oversight of ADHS facilities, we conducted unannounced site visits at the 20 selected providers from July 24 through August 28, 2024. In addition, we discussed with State officials the State's and its survey agency's procedures for monitoring ADHS facilities.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology. Appendix C contains Federal requirements and specific State requirements related to health and safety and administration at ADHS facilities.

FINDINGS

The State agency did not ensure that ADHS providers that serve Medicaid managed care enrollees complied with Federal and State requirements. All 20 providers that we reviewed did not comply with 1 or more health and safety and administrative requirements. Specifically, the 20 providers had a total of 348 instances of noncompliance with health, safety, and administrative requirements. We found that the State's inspections of facilities were insufficient to ensure a continuously safe and nonhazardous environment. As a result, enrollees were at risk in numerous instances.

Appendix D contains instances of noncompliance at each facility.

TWENTY PROVIDERS DID NOT COMPLY WITH ONE OR MORE HEALTH AND SAFETY REQUIREMENTS

The Department of Health must inspect ADHS providers to ensure compliance with applicable State requirements, including those regarding health and safety.¹¹ The providers must meet the health care needs of program participants, as well as protect their health and safety.¹² For example, providers must provide and maintain a safe and sanitary environment for the

¹¹ NJAC 8:43F-2.5, "Surveys."

¹² NJAC 8:43F-1.1, "Scope and Purpose."

participants.¹³ In addition, providers must comply with emergency plans and procedures requirements and provide safe transportation services to program participants.¹⁴

All 20 ADHS providers that we reviewed did not comply with 1 or more health and safety requirements. Specifically, we found 215 instances of noncompliance with health and safety requirements.¹⁵ The table below details the main health and safety issues we identified at the sampled providers.

Table: Main Issues at Sampled Providers That Did Not Comply With Health and Safety Requirements

Main Issue	Health and Safety Requirements Not Met	Photograph Example No.
Water damage	16 Facilities	1
Exposed electrical wiring and outlets	13 Facilities	2
Throw or scatter rugs ¹⁶	13 Facilities	
Toxic chemicals and flammable materials in unlocked areas accessible to participants	12 Facilities	3
Damaged equipment or furnishing	11 Facilities	4
Expired fire extinguishers	9 Facilities	
Evidence of vermin	7 Facilities	5
Items Clutter and extraneous materials	6 Facilities	6
Unsecured/unlocked medications or needles	6 Facilities	7
Improper food storage	5 Facilities	8

¹³ NJAC 8:43F-16.5, "Provision of Housekeeping, Sanitation, and Safety."

¹⁴ NJAC 8:43F-14.17, "Emergency Plans and Procedures," and NJAC 8:43F-17.1, "Transportation Services."

¹⁵ Applicable rules can be found in Appendix C.

¹⁶ According to NJAC 8:43F-16.7, "Participant Environment," throw rugs or scatter rugs shall not be used in the facility.



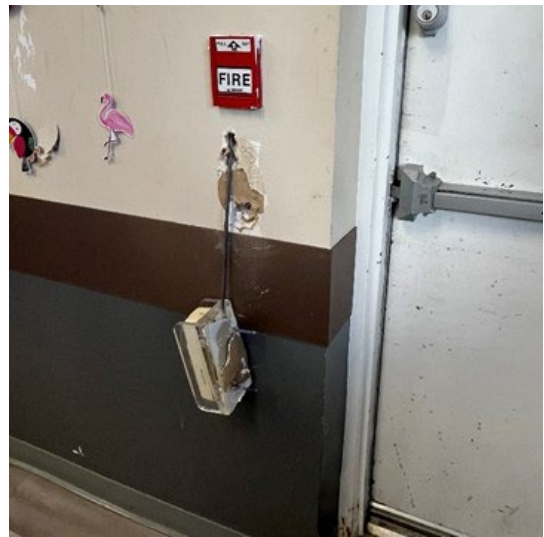
Photograph 1: Water Damage



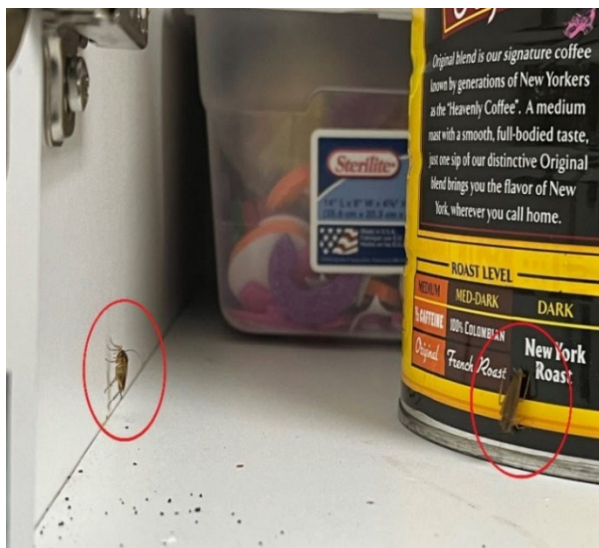
Photograph 2: Exposed Electrical Outlet



Photograph 3: Unlocked Toxic Materials



Photograph 4: Damaged/Broken Equipment



Photograph 5: Vermin



Photograph 6: Clutter and Obstructions



**Photograph 7:
Unlocked/Unsecured
Medications**



**Photograph 8: Improper Food
Storage**

In addition, 13 providers either did not conduct emergency drills at least 4 times a year or have at least 1 drill annually for emergencies other than fire. Seven of these providers did not provide annual training to all of their employees on emergency and evacuation procedures and how to use firefighting equipment.

Further, nine providers did not provide safe transportation services to participants. Specifically, eight providers used vehicles with expired inspection or registration stickers and one provider used a vehicle with exposed electrical wiring.

TWENTY PROVIDERS DID NOT COMPLY WITH ONE OR MORE ADMINISTRATIVE REQUIREMENTS

The Department of Health must inspect ADHS providers to ensure compliance with applicable State requirements, including those regarding administration.¹⁷ Providers must meet participants' needs by having enough appropriately qualified staff.¹⁸ In addition, prior to employment, a provider must make reasonable efforts to ensure that all employees providing direct care to participants in their facility are in good health (e.g., free from tuberculosis) and have not been convicted of a crime relating adversely to the person's ability to provide care to participants.¹⁹

All 20 providers we reviewed did not comply with 1 or more State administrative requirements. We found 133 instances of noncompliance with State administrative requirements,²⁰ including:

- providers' policies and procedures manuals were either incomplete or not periodically reviewed (14 providers);
- providers did not comply with training requirements for staff (14 providers);²¹
- providers did not ensure that staff completed a physical examination within 2 weeks prior to the first day of employment or upon employment (10 providers);²²

¹⁷ NJAC 8:43F-2.5, "Surveys."

¹⁸ NJAC 8:43F-6.2, "General Staffing Requirements," and NJAC 8:43F, subchapters 7 through 13.

¹⁹ NJAC 8:43F-6.3, "Personnel," and NJAC 8:43-16.2(e), "Infection Control Policies and Procedures."

²⁰ Applicable rules can be found in Appendix C.

²¹ For example, some staff did not receive orientation at the time of employment or the required ongoing in-service training.

²² These 10 providers did not provide evidence of any physical examinations performed for certain employees selected for review.

- providers had missing information for participants' emergency contact persons (i.e., name, address, and telephone number) in participant files (9 providers);
- providers did not conduct reference checks for staff prior to employment (7 providers);
- providers did not ensure staff were free of active tuberculosis prior to employment (6 providers);²³
- providers did not have a designated alternate Administrator or a designated alternate Director of Nursing to act in the absence of the Administrator or Director of Nursing (5 providers);
- providers did not maintain documentation of criminal background checks conducted for their Administrators (5 providers);
- providers did not ensure that certain staff (e.g., Activities Director, Social Worker, and Food Service Supervisor) met qualification requirements (5 providers);²⁴
- providers did not appoint a full-time permanent Administrator within 2 months from when the position became vacant (2 providers); and
- 1 provider did not always have its Administrator available on-site during the hours when participant care services were provided.

CAUSES OF NONCOMPLIANCE WITH FEDERAL AND STATE REQUIREMENTS

The State agency did not ensure that ADHS providers fully complied with Federal and State requirements because the State's inspections of facilities were insufficient to ensure a continuously safe and nonhazardous environment. ADHS providers did not always follow the State's licensure standards. The State agency relies on the Department of Health to conduct surveys of each provider and monitor provider compliance; however, these surveys were not timely conducted.

Between January 26, 2015, and April 4, 2024, the Department of Health inspected each of the 20 providers that we reviewed. Fourteen of these inspections were conducted before the end

²³ New Jersey requires that each new employee receive a tuberculin skin test (and chest x-ray, if necessary) and that the facility retain copies of the results of all tuberculin testing of personnel in each employee's personnel file (NJAC 8:43F-16.2).

²⁴ Specifically, three providers did not have the required certification, education or work experience for their activity directors. Another provider had a food service supervisor with an expired certificate. The remaining provider had a social worker who did not have the required certification.

of 2019.²⁵ For seven providers, the State's most recent inspection did not identify any compliance violations. According to State agency and Department of Health officials, the State is generally required to conduct biennial surveys of each ADHS provider; however, during the COVID-19 public health emergency, it was unable to timely conduct surveys because most ADHS facilities were closed. The State later had a backlog of surveys due to lack of resources and was only able to conduct complaint surveys.

The State agency's oversight and monitoring were not sufficient to detect or prevent instances of noncompliance and ensure that providers comply with State requirements. As a result, adults were at risk in numerous instances.

RECOMMENDATIONS

We recommend that the New Jersey Department of Human Services work with the New Jersey Department of Health to:

- ensure providers correct the 348 instances of noncompliance identified in this report;
- improve its oversight and monitoring of all providers, including conducting timely surveys; and
- work with providers to improve their facilities, staffing, and training.

STATE AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, the State agency did not indicate concurrence or nonconcurrence with our recommendations but described actions that New Jersey has taken or plans to take to address our findings and recommendations. Specifically, the State agency indicated that oversight of ADHS providers in New Jersey is a shared responsibility between the State agency and the State survey agency—the Department of Health. The State agency described actions that the Department of Health has taken to address our recommendations, including (1) conducting onsite re-licensure surveys of all 20 ADHS providers that we reviewed to ensure the deficiencies cited in our report were properly addressed and corrected, (2) contracting with a survey agency and hiring additional survey personnel to increase the number and frequency of surveys, and (3) providing training to providers and survey staff.

We commend New Jersey for taking corrective actions, although we have not formally reviewed those actions.

The State agency's comments are included in their entirety as Appendix E.

²⁵ Five of these 14 inspections were conducted in 2015 and 2016.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Of the 146 ADHS providers in New Jersey as of December 31, 2023, we selected a nonstatistical sample of 20 for review. We selected these providers based on their geographic location and the number of enrollees they served. To evaluate the State agency's oversight of facilities, we conducted unannounced site visits at the 20 selected facilities from July 24 through August 28, 2024.²⁶

We did not review the overall internal control structure of the State agency or the Medicaid program. Rather, we reviewed only the internal controls that directly related to our objective.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal laws, State statutes, and regulations for facilities;
- discussed with State officials how the State agency monitors its facilities;
- selected a nonstatistical sample of 20 providers, from the 146 ADHS providers in New Jersey, for review based on geographic location and number of enrollees and for each selected provider
 - conducted an unannounced site visit at the provider's ADHS facility;
 - reviewed the provider's compliance with the State agency's health, safety, and administrative requirements; and
 - reviewed the Department of Health inspection reports; and
- discussed the results of our review with State officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

²⁶ We conducted fieldwork in the New Jersey cities of Manalapan, Maywood, Jersey City, Englewood, Parsippany, Fair Lawn, North Brunswick, Edison, Passaic, Belleville, Perth Amboy, Lyndhurst, Millstone, Asbury Park, North Bergen, Somerset, Hamilton, Camden, Vineland, and Millville.

APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

Report Title	Report Number	Date Issued
<i>Maryland Did Not Comply With Federal Waiver and State Requirements at 20 Adult Day Care Facilities Audited</i>	A-03-24-00201	05/15/2025
<i>Ohio Did Not Comply With Federal Waiver and State Requirements at 18 of the 19 Adult Day Health Care Facilities Audited</i>	A-05-23-00006	4/10/2025
<i>Texas Did Not Fully Comply With Federal Waiver and State Health, Safety, and Administrative Requirements at All 20 Adult Day Activity Health and Service Facilities Audited</i>	A-06-23-05000	03/07/2025
<i>Florida Did Not Comply With Federal Waiver and State Requirements at 18 of 20 Adult Day Care Facilities Reviewed</i>	A-04-23-00135	12/26/2024
<i>Washington State's Oversight Could Better Ensure That Adult Family Homes Comply With Health and Safety and Administrative Requirements</i>	A-09-23-02002	11/13/2024
<i>Georgia Did Not Comply With Federal Waiver And State Requirements At All 20 Adult Day Health Care Facilities Reviewed</i>	A-04-22-00134	3/14/2023
<i>New York's Oversight of Medicaid Managed Care Organizations Did Not Ensure Providers Complied With Health and Safety Requirements at 18 of 20 Adult Day Care Facilities Reviewed</i>	A-02-18-01027	3/26/2020
<i>California Needs To Improve Oversight of Community-Based Adult Services Providers' Compliance With Health and Safety and Administrative Requirements</i>	A-09-18-02002	9/30/2019
<i>Kentucky Did Not Comply With Federal Waiver and State Requirements at 14 of 20 Adult Day Health Care Facilities Reviewed</i>	A-04-18-00123	7/9/2019
<i>Four States Did Not Comply With Federal Waiver and State Requirements in Overseeing Adult Day Care Centers and Foster Care Homes</i>	A-05-19-00005	5/16/2019
<i>Wisconsin Did Not Comply With Federal Waiver and State Requirements at All 20 Adult Day Service Centers Reviewed</i>	A-05-17-00030	10/15/2018
<i>Mississippi Did Not Comply With Federal Waiver and State Requirements at All 20 Adult Day Care Facilities Reviewed</i>	A-04-17-00116	8/20/2018
<i>Illinois Did Not Comply With Federal Waiver and State Requirements at 18 of 20 Adult Day Service Centers Reviewed</i>	A-05-17-00028	7/24/2018
<i>Minnesota Did Not Comply With Federal Waiver and State Requirements for All 20 Adult Day Care Centers Reviewed</i>	A-05-17-00009	5/30/2018
<i>Minnesota Did Not Comply With Federal Waiver and State Requirements for 18 of 20 Family Adult Foster Care Homes Reviewed</i>	A-05-16-00044	10/31/2017

APPENDIX C: FEDERAL AND STATE REQUIREMENTS

FEDERAL REQUIREMENTS

Section 1902 of the Social Security Act (42 U.S.C. § 1396a) mandates that each State must submit a comprehensive Medicaid State plan for approval by the Secretary of Health and Human Services. The State plan outlines how the State will operate its Medicaid program, ensuring that it complies with Federal rules while providing necessary medical services to eligible populations.

Section 1902 further requires that States maintain certain program standards to ensure access to care, prevent fraud and abuse, and safeguard the integrity of the Medicaid program. This includes requirements to establish safeguards, such as eligibility determinations, provider standards, and monitoring mechanisms. States must also implement procedures to reduce waste and fraud in Medicaid services to protect public funds and maintain program efficiency.

Pursuant to 42 CFR § 438.214(d), MCOs may not employ or contract with providers excluded from participation in Federal health care programs under either section 1128 or 1128A of the Social Security Act.

Pursuant to 42 CFR § 438.3(h), all managed care contracts must provide that the State, CMS, and OIG may, at any time, inspect and audit any records or documents of the MCO or its subcontractors, and may, at any time, inspect the premises, physical facilities, and equipment where Medicaid-related activities or work is conducted.

STATE REQUIREMENTS

Pursuant to the State agency's CMS-approved MCO contract, MCOs agree to carry out their obligations under applicable Federal and State laws, regulations, codes, and guidelines, including New Jersey licensing regulations; and the Medicaid, NJ KidCare, and NJ FamilyCare State Plans (Article 7.2 of the MCO contract). In addition, the MCO contract requires MCOs to ensure that their contracted ADHS providers comply with New Jersey licensing regulations (Appendix B.7.2 of the MCO contract). ADHS providers are licensed by the New Jersey Department of Health under the standards listed in NJAC 8:43F.²⁷ To participate in the New Jersey Medicaid program, ADHS providers must agree to meet the standards for licensure.²⁸

²⁷ New Jersey Medicaid State Plan, Addendum to Attachment 3.1-A and Addendum to Attachment 3.1-B.

²⁸ New Jersey Adult Day Health Services Provider Agreement.

New Jersey Administrative Code

Section 8:43F-2.5 Surveys.

- (d) The Department shall conduct an on-going evaluation of the day health services facility by on-site visits. The Department shall inform the facility, in writing, of the results of the on-site evaluation.

Section 8:43F-3.1 Appointment and responsibilities of the Administrator.

- (a) The license holder shall appoint an Administrator who is a full-time employee of the facility. The Administrator, or an alternate who shall be designated in writing to act in the absence of the administrator, shall be available on the premises of the facility during the hours when participant care services are being provided.

Section 8:43F-3.3. Administrative policies and procedures.

- (d) A policy and procedure manual(s) for the organization and operation of the facility shall be developed, implemented, and reviewed at intervals specified in the manual(s). Each review of the manual(s) shall be documented, and the manual(s) shall be available in the facility to representatives of the Department [of Health] at all times. The manual(s) shall include at least the following . . .
 - 2. An organizational chart . . .
 - 5. Specification of the hours and days on which services are provided;
 - 6. Policies and procedures for the maintenance of personnel records for each employee . . .
 - 8. Policies and procedures for complying with applicable statutes and protocols to report abuse or mistreatment of participants, elopement, sexual abuse, specified communicable disease, rabies, poisonings, and unattended or suspicious deaths . . .

Section 8:43F-3.6. Participant care policies and procedures.

- (a) Written policies and procedures for the care of participants shall be established, implemented, and reviewed at intervals specified in the policies and procedures.

Section 8:43F-4.2 Rights of each participant.

- (b) The Administrator shall provide all participants and/or their families with the name, address, and telephone number of the following offices where complaints may be lodged . . .
- (c) The Administrator shall also provide all participants and/or their families with the telephone number of the local (county) agency of the Adult Protective Services Program (APS), for adult participants . . .
- (d) The telephone numbers in (b) and (c) above, shall be conspicuously posted in the facility at every public telephone and on all bulletin boards used for posting public notices.

Section 8:43F-5.4 Development and implementation of plan of care, and discharge.

- (a) A written interdisciplinary plan of care shall be developed . . . within 30 days of the date the participant first attends the program . . .
- (c) There shall be a scheduled review and evaluation in each service involved in the initial assessment . . . Reassessments shall be performed as necessary, based on participant's needs, but at least quarterly for adult participants.

Section 8:43F-6.1. General services provided.

- (b) The facility, at a minimum, shall provide the following services directly in the facility: nursing, dietary, activities, pharmaceutical, and social work.
- (f) The facility shall maintain a daily record of participant attendance for each day during which services are provided . . .

Section 8:43F-6.2. General staffing requirements.

- (a) Adult day health service facilities shall provide at least one full-time, or full-time equivalent, direct care staff member for every nine participant equivalents, calculated on the basis of the daily census. Additional staff shall be provided as needed.

Section 8:43F-6.3. Personnel.

- (a) The facility shall make reasonable efforts to ensure that all staff providing direct care to participants in the facility are in good health, are concerned for the safety and well-being of participants, and have not been convicted of a crime relating adversely to the person's ability to provide care to participants . . .

1. "Reasonable efforts" shall include, but not be limited to, an inquiry on the employment application, reference checks, and/or criminal background checks when necessary for compliance with NJAC 8:43F-2.1(a)8.

- i. Administrators and owners of ADHS facilities shall have clearance from the Criminal Background Investigation in accordance with NJAC 8:43F-2.1(a)8.

- (e) The facility shall develop and implement a staff orientation plan and a staff training and education plan . . .

1. All staff shall receive orientation at the time of employment and ongoing in-service training regarding, at a minimum, emergency plans and procedures, the infection prevention and control services, participant rights, and elder abuse.

Section 8:43F-7.1. Designation of director of nursing services.

- (a) A registered professional nurse shall be designated in writing as the director of nursing services and shall be on duty at all times when participants are present in the facility. A registered professional nurse shall be designated in writing to act in the director's absence.
2. The director of nursing services shall not perform the functions of any other position while functioning as the director of nursing services.

Section 8:43F-8.2. Designation of a medical consultant.

A physician shall be designated to serve as the facility's medical consultant.

Section 8:43F-9.2. Medication administration policies and procedures.

- (a) The facility shall establish a system to accurately identify participants before any medication is administered.

Section 8:43F-10.2 Qualifications of the food service supervisor.

- (a) The food service supervisor shall:
 1. Be a dietitian;
 2. Be a graduate of a dietetic technician or dietetic assistant training program . . . or

3. Be a graduate of a New Jersey State-approved course in food service management and have at least one year of full-time, or full-time equivalent, experience as a food service supervisor in a licensed health care facility.

Section 8:43F-10.5. General requirements for dietary services.

- (c)13. A record shall be maintained in the serving area for each participant, identifying the participant by name, and including diet order, known allergies, and other information, such as meal patterns when on a calculated diet.

Section 8:43F-12.1. Qualifications of social workers.

All social workers shall be licensed or certified by the New Jersey State Board of Social Work Examiners.

Section 8:43F-13.2. Qualifications of activities director.

- (a) The activities director shall:

1. Be certified or eligible for certification as an activity director (ADC) certified by the National Certification Council for Activity Professionals;
2. Be certified or eligible for certification as a certified therapeutic recreation specialist (CTRS) by the National Council for Therapeutic Recreation Certification;
3. Have a baccalaureate degree from a college or university . . . with a major in recreation, creative arts therapy, music therapy, therapeutic recreation art, art education, psychology, sociology, occupational therapy, or other health and/or human services related degree such as gerontology or early education; [or]
4. Have a high school diploma and at least three years of full-time, or full-time equivalent, experience in activities in a licensed health care facility and have successfully completed an activities education program . . . consisting of 90 hours of training.

Section 8:43F-14.3. Functional service areas.

- (a) Each ADHS facility shall provide the following service areas on-site:

1. Administration services;
2. Employees' facilities;

3. Housekeeping services;
4. Social work services;
5. Activities;
6. Nursing services, pharmacy services, medical services; and
7. Dietary services.

(b) Toilet facilities shall be provided to meet the needs of participants, staff and visitors.

Section 8:43F-14.4. Administration areas.

(b) The main entrance of the facility shall have a lobby/reception area. This area shall contain space for waiting, a public telephone, a drinking fountain or bottled water, and space for wheelchair storage.

Section 8:43F-14.6. Housekeeping services area.

A janitor's closet shall be provided, on each floor or immediately accessible, which shall contain a service sink and storage for housekeeping supplies and equipment.

Section 8:43F-14.7. Social work services area.

There shall be an office for the social worker(s) to conduct private interviewing and counseling.

Section 8:43F-14.8. Activities area.

(c) An office or designated area, with a desk, shall be provided for the activity's director.

Section 8:43F-14.9. Nursing service areas.

(b) The following shall be provided for pharmaceutical services:

2. A locked storage cart or locked cabinets; and
3. A separate lockable refrigerator or a locked box within a refrigerator for storage of medications.

Section 8:43F-14.10 Quiet room/area.

- (a) Each adult facility shall provide a quiet room or a separate, quiet area for participants who wish to rest or recline. The quiet room/area shall not be counted as activity or dining space.
 - 1. The facility shall provide at least one item of comfortable furniture, such as a bed, lounge, recliner, or equivalent . . . for every 10 ADHS participant equivalents, calculated on the basis of the licensed capacity.

Section 8:43F-14.11. Dietary service area.

- (a) . . . The following facilities shall be provided to implement the food service selected:
 - 1. A control station for receiving food supplies;
 - 2. Storage facilities for food supply, including cold storage items;
 - 3. Food preparation facilities;
 - 4. Handwashing facility(ies), located in the food preparation area;
 - 5. Ware-washing space;
 - 6. Waste storage facility(ies), which shall be located in a separate room easily accessible to the outside for direct waste pickup or disposal; and
 - 7. Office(s) or desk space(s) for dietitian(s) or the food service manager.

Section 8:43F-14.17. Emergency plans and procedures.

- (a) The facility shall develop written emergency plans, policies, and procedures which shall include plans and procedures to be followed in case of medical emergency, equipment breakdown, fire, or other disaster.
- (b) The facility shall maintain emergency equipment, including at a minimum, oxygen, suction, airway and ambubag.
 - 1. At least one person who is currently certified in cardiac life support shall be immediately available on the premises of the adult day health care facility at all times when participants are present.
- (c) Procedures for emergencies shall specify persons to be notified, process of notification and verification of notification, locations of emergency equipment and

alarm signals, evacuation routes, procedures for evacuating participants, procedures for reentry and recovery, frequency of fire drills, and tasks and responsibilities assigned to all personnel.

- (d) The emergency plans, including a written evacuation diagram specific to the unit that includes evacuation procedure, location of fire exits, alarm boxes, and fire extinguishers, and all emergency procedures shall be conspicuously posted throughout the facility. All employees shall be trained in procedures to be followed in the event of a fire and instructed in the use of fire-fighting equipment and evacuation as part of their initial orientation and at least annually thereafter.
- (f) Drills of emergency plans shall be conducted at least four times a year and documented, including the date, hour, description of the drill, participating staff, and signature of the person in charge. The four drills shall include at least one drill for emergencies due to fire.
- (g) The facility shall conduct at least one drill per year for emergencies due to another type of disaster, such as storm, flood, other natural disaster, bomb threat, or nuclear accident. All staff shall participate in at least one drill annually, and program participants may take part in drills.
- (h) Fire extinguishers shall be examined annually and maintained in accordance with manufacturers' and National Fire Protection Association (NFPA) requirements. Each fire extinguisher shall be labeled to show the date of such inspection and maintenance.

Section 8:43F-15.1. Maintenance of medical records.

- (a) A current, complete medical record shall be maintained for each participant and shall contain documentation of all services provided.
- (c) A record system shall be maintained in which the participant's complete medical record is filed as one unit in one location within the facility.

Section 8:43F-15.2. Assignment of responsibility.

Responsibility for the medical record service shall be assigned to a full-time employee who, if not a medical record practitioner, functions in consultation with a person so qualified.

Section 8:43F-15.3. Contents of medical records.

- (a) The participant's complete medical record shall include, but not be limited to, the following:

1. Participant identification data, including name, date of admission, address, date of birth, race, religion (optional), sex, referral source, payment plan, marital status, and the name, address, and telephone number of the person(s) to be notified in an emergency, and travel directions to the participant's home;
 2. The participant's signed acknowledgment that the participant or the participant's legally authorized representative has been informed of, and given a copy of, participant's rights; and
21. A current photograph of the participant.

Section 8:43F-16.1. Administrator's responsibilities for infection control.

- (a) The Administrator shall ensure the development and implementation of an infection prevention and control program.
- (b) The Administrator shall designate a person who shall be responsible for the direction, provision, and quality of infection prevention and control services.

Section 8:43F-16.2. Infection control policies and procedures.

- (a) The facility shall develop, implement, and review, at least annually, written policies and procedures regarding infection prevention and control.
- (e) Each new employee upon employment shall receive a two-step Mantoux tuberculin skin test with five tuberculin units of purified protein derivative. The only exceptions shall be employees with documented negative two-step Mantoux skin test results (zero to nine millimeters of induration) within the last year, employees with a documented positive Mantoux skin test result (10 or more millimeters of induration), employees who have received appropriate medical treatment for tuberculosis, or when medically contraindicated. Results of the Mantoux tuberculin skin tests administered to new employees shall be acted upon as follows:
 1. If the first step of the Mantoux tuberculin skin test result is less than 10 millimeters of induration, the second step of the two-step Mantoux test shall be administered one to three weeks later; [and]
 2. If the Mantoux test is significant (10 millimeters or more of induration), a chest x-ray shall be performed and, if necessary, followed by chemoprophylaxis or therapy. . .

- (f) The facility shall have written policies and procedures establishing timeframes, requiring annual Mantoux tuberculin skin tests for all employees except those exempted . . . above.
- (h) The facility shall retain copies of the results of all tuberculin testing of personnel in each employee's personnel file.

Section 8:43F-16.3. Employee health history and examinations.

- (a) The facility shall require all new employees to complete a health history and to receive an examination performed by a physician, advanced practice nurse, or physician assistant, within two weeks prior to the first day of employment or upon employment . . . The facility shall establish criteria for determining the content and frequency of physical examinations for employees and shall develop policies which specify the circumstances under which other persons providing direct participant care services shall receive a physical examination.

Section 8:43F-16.5. Provision of housekeeping, sanitation, and safety.

- (a) The facility shall provide and maintain a sanitary and safe environment for participants.
- (b) The facility shall provide housekeeping and pest control services.
- (c) Written objectives, policies, a procedure manual, an organizational plan, and a quality improvement program for housekeeping, sanitation, and safety services shall be developed and implemented.

Section 8:43F-16.6. Housekeeping.

- (a) A written work plan for housekeeping operations shall be established and implemented, with categorization of cleaning assignments as daily, weekly, monthly, or annually within each area of the facility.

Section 8:43F-16.7. Participant environment.

- (a) The following housekeeping, sanitation, and safety conditions shall be met:
 - 1. The facility and its contents shall be free of dirt, debris, and insect and rodent harborages;
 - 3. All rooms shall be ventilated to help prevent condensation, mold growth, and noxious odors;

4. All participant areas shall be free of noxious odors;
5. Throw rugs or scatter rugs shall not be used in the facility;
6. All furnishings shall be clean and in good repair, and mechanical equipment shall be in working order . . . Broken or worn items shall be repaired, replaced, or removed promptly;
7. All equipment shall have unobstructed space provided for operation;
9. Thermometers . . . shall be maintained in refrigerators, freezers, and storerooms used for perishable and other items subject to deterioration;
12. All poisonous and toxic materials shall be identified, labeled, and stored in a locked cabinet or room that is used for no other purpose;
14. Paints, varnishes, lacquers, thinners, and all other flammable materials shall be stored in closed metal cabinets or containers;
15. Unobstructed aisles shall be provided in storage areas;
16. A program shall be maintained to keep rodents, flies, roaches, and other vermin out of the facility;
17. Toilet tissue, soap dispenser, paper towels or air dryers, and waste receptacles shall be provided in each bathroom at all times;
18. All solid or liquid waste that is not regulated medical waste, garbage, and trash shall be collected, stored, and disposed of;
24. The temperature of the hot water used for bathing and handwashing shall not exceed 120 degrees Fahrenheit;
25. Equipment requiring drainage, such as ice machines, shall be drained to a sanitary connection; and
26. The temperature in the facility shall be kept at a minimum of 70 degrees Fahrenheit and a maximum of 85 degrees Fahrenheit when participants are in the facility.

Section 8:43F-17.1. Transportation services.

- (a) The facility shall provide safe transportation services, either directly or through contractual arrangements, to all participants who require transportation between the facility and the participant's home.
- (c) Vehicles shall be maintained in safe operating order.
- (d) The facility shall maintain insurance on the vehicles.
- (e) The facility shall comply with all applicable New Jersey Department of Transportation rules.

Section 8:43F-18.1. Quality improvement program.

- (a) The facility shall establish and implement a written plan for a quality improvement program for participant care. The plan shall specify a timetable and designate a coordinator(s) of the quality improvement program and shall provide for ongoing monitoring of staff and participant care services.

APPENDIX D: INSTANCES OF NONCOMPLIANCE AT EACH FACILITY

	Health and Safety		Administrative			
Provider	Physical Environment	Participant Welfare	Staffing and Policies	Personnel Records	Participant Records	Total
1	4	5	0	0	1	10
2	7	4	6	2	1	20
3	2	4	1	0	1	8
4	0	8	1	3	0	12
5	1	5	5	3	0	14
6	4	11	0	3	2	20
7	5	5	0	2	1	13
8	6	4	2	8	0	20
9	8	10	3	1	0	22
10	2	10	1	4	2	19
11	4	12	12	7	0	35
12	4	7	1	7	0	19
13	5	5	0	3	2	15
14	12	11	3	8	3	37
15	2	11	1	2	1	17
16	2	4	2	3	1	12
17	2	10	1	6	3	22
18	1	4	2	0	2	9
19	3	6	2	4	1	16
20	2	3	1	1	1	8
Total	76	139	44	67	22	348

Note: We provided to the State agency under a separate cover the facilities reviewed and their specific violations.

APPENDIX E: STATE AGENCY COMMENTS



PHILIP D. MURPHY
GOVERNOR

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DEPARTMENT OF HUMAN SERVICES
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SARAH ADELMAN
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TAHESHA L. WAY
LT. GOVERNOR

October 15, 2025

Ms. Jennifer Webb
Regional Inspector General for Audit Services
Department of Health and Human Services
Office of the Inspector General
Office of Audit Services, Region II
Jacob K. Javits Federal Building
26 Federal Plaza, Room 3900
New York, NY 10278

Re: Report Number A-02-24-01009

Dear Ms. Webb:

Thank you for the opportunity to respond to the U.S. Department of Health and Human Services, Office of Inspector General (OIG), draft report A-02-24-01009 *"New Jersey Did Not Ensure Providers Complied with Federal and State Requirements at All 20 Adult Day Health Services Facilities Audited."*

Oversight of Adult Day Health Services (ADHS) providers in New Jersey is a shared responsibility between the Department of Human Services (DHS) and the Department of Health (DOH). The State is committed to protecting the health and safety of program participants and supporting ADHS providers in delivering high-quality care. The findings in the draft report present an opportunity for the State to strengthen oversight, enhance accountability, and reinforce quality improvement efforts.

DOH licenses and surveys ADHS providers under the standards outlined in N.J.A.C. 8:43F. DOH conducts thorough inspections and investigations of complaints against ADHS providers to ensure that they adhere to state regulatory standards. These standards aim to ensure that ADHS providers deliver care and services tailored to individual needs, fostering an environment that enhances quality of life. In accordance with the state-mandated surveillance process, DOH issues citations to ADHS facilities that fail to meet regulatory requirements and ensures that necessary corrections are made to address non-compliance.

Following are the specific actions DOH has taken to address the deficiencies outlined in OIG's draft audit report.

Recommendation #1

Ensure providers correct the 348 instances of noncompliance identified in this report.

Response #1

DOH has confirmed that the noted deficiencies for all 20 ADHS facilities were properly addressed and corrected. Each of the 20 facilities has undergone onsite re-licensure surveys following receipt of the audit findings. All corrective actions required as a result of the re-licensure surveys have been confirmed either through evidence submitted by the facility with a Plan of Correction (POC) or an onsite revisit. Any outstanding re-visits will be scheduled and completed by the end of October 2025.

Recommendation #2

Improve its oversight and monitoring of all providers, including conducting timely surveys.

Response #2

DOH is responsible for conducting investigations of complaints, focused infection control and re-licensure surveys of ADHS facilities to ensure compliance with state-mandated requirements.

DOH recognizes the need to identify facilities that may be at higher risk due to a history of multiple deficiencies, frequent management turnover, complaints increasing, reportable events, outbreaks or other factors.

DOH contracted with a survey agency to increase the number of surveys that can be completed. DOH also received funding in State Fiscal Year 2025 to hire an additional four surveyors to conduct more frequent surveys. DOH will continue to include a thorough walk-through and review of high-risk areas to include medication storage, maintenance and housekeeping conditions, and storage of toxic materials, as well as a comprehensive review of facility policies and personnel files. Continuation of comprehensive survey activities will promote consistency and accountability in assessing environmental and administrative compliance.

Recommendation #3

Work with providers to improve their facilities, staffing and training.

Response #3

DOH is developing a compliance checklist for providers that aligns with focus survey areas such as physical plant requirements, medication storage, kitchen facilities, storage of toxic chemicals,

policies and procedures and personnel files. Development of the checklist, training of survey staff on use, and implementation of the checklist will be completed by the end of November 2025.

DOH will conduct a webinar for ADHS providers to review focus survey areas. Following the webinar, DOH will compile and distribute a Frequently Asked Questions (FAQ) document to address common provider inquiries. The webinar will be conducted by the end of December 2025.

Thank you again for the opportunity to review and respond to OIG's draft audit report. The State is committed to protecting the health and safety of program participants and supporting ADHS providers in delivering high-quality care and welcomes any opportunity to strengthen oversight, enhance accountability, and reinforce quality improvement efforts.

Sincerely,

**Sarah
Adelman**

Digitally signed by Sarah
Adelman
Date: 2025.10.15
10:48:07 -04'00'

Sarah Adelman
Commissioner

c: Jeffrey A. Brown, DOH Acting Commissioner
Kara Morris, DOH Division Director of Health Facilities Survey & Field Operations
Valerie Mielke, DHS Deputy Commissioner
Gregory Woods, DMAHS Assistant Commissioner
Gerard Hughes, DHS Assistant Commissioner
Allan Brophy, DHS Director of the Office of Auditing
Matthew Shaw, DMAHS Chief Operating Officer

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