

NEW JERSEY OFFICE OF THE INSPECTOR GENERAL**Mary Jane Cooper, Inspector General***For Immediate Release:*
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Inspector General Issues Department of Corrections Inmate Dental Services Report

TRENTON – Inspector General Mary Jane Cooper today released a report detailing the results of the Office of the Inspector General’s (OIG) review of the Department of Corrections’ (DOC) monitoring of the dental portion of its \$168 million inmate health services contract with Correctional Medical Services (CMS). The review exposes DOC’s failure to accurately monitor contractual requirements resulting in the inability to guarantee that DOC was receiving services for which it paid and whether it was paying undue compensation to CMS. Moreover, DOC did not calculate or assess liquidated damages against CMS for its failure to comply with two contractual requirements to provide dental services with specified time frames.

“This review is not an assessment of the quality of dental care provided to the inmates,” Inspector General Cooper said. “DOC has not comprehensively monitored the contractual requirements of the dental segment of CMS’s contract to determine whether required treatments were provided within required time frames to assure that DOC was receiving appropriate and timely dental services for the fees paid to CMS. Moreover, DOC has not assessed liquidated damages against CMS for failure to comply with contract timeliness requirements.”

The Department of the Treasury’s Contract Compliance and Administration Unit (CCAU) had audited the dental services program soon after the inception of the contract in March 2005 and found that DOC did not have sufficient controls in place to monitor contract performance requirements. DOC contested CCAU’s conclusions, and CCAU asked OIG to determine whether its conclusions were valid.

The evidence gathered during OIG’s investigation indicates that the CCAU was correct to conclude that at the time of its own audit, DOC did not have a reliable automated information system to monitor CMS’s compliance with the dental segment timeliness requirements of the contract. OIG also investigated whether the deficiencies found were corrected after CCAU’s audit. As of this investigation, DOC was unable to generate accurate reports comprehensively measuring CMS’s compliance with contract requirements. DOC was aware that CMS failed to comply with timeliness requirements for one of these requirements on numerous occasions and as well as occasionally with the other. However, DOC failed to calculate or assess liquidated damages against CMS for these failures.

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Based on information retrieved from CMS, OIG calculated that CMS could be assessed a minimum of \$850,000 to \$1 million in liquidated damages for 17 months of a one year contract (the only period for which data was available) because of failures to comply with contract timeliness requirements for services that had a dental component, specifically intake and transfer screenings.

Recommendations from OIG's review include:

- DOC should develop an electronic system capable of storing, utilizing and analyzing current and historical data in order to monitor contractual compliance by the medical/dental services provider.
- DOC should withhold \$132,345 from future payments to CMS to make up for improper charges for oral surgeons. DOC should also review dental services invoices to determine whether other improper amounts were charged.
- Under the direction of the Division of Purchase and Property, DOC should determine the amount of liquidated damages to be assessed against CMS for the entire period of the contract and assess liquidated damages.
- DOC should undertake a review of the entire inmate health services contract to assure contract compliance and proper billing.

During the course of OIG's review, several observations were made that require further investigation and analysis. OIG is currently reviewing those matters and the results will be reported separately after OIG's continuing review is completed.

This report is available online at the OIG's web site, www.state.nj.us/oig.

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