A CRISIS OF ACCOUNTABILITY

UNITEDWEHEAL
AFSCME BEHAVIORAL HEALTH:
LIFTING VOICES, IMPROVING CARE.

NEW JERSEY'S BEHAVIORAL HEALTH PROVIDERS ARE REWARDING THEMSELVES AND SHORTCHANGING FRONT-LINE WORKERS AND CONSUMERS

DECEMBER 2020

United We Heal is a movement of the American Federation of State, County and Municipal Employees (AFSCME)

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EXECUTIVE SUMMARY

No matter where they provide care – in behavioral health facilities, residential treatment centers, or outpatient clinics – behavioral health professionals wake up every day committed to improving the lives of people who are affected by mental illness and substance use disorders. While their titles and their place in the continuity of care may vary, workers like Licensed Professional Counselors, Certified Alcohol and Drug Counselors, Residential Counselors, Direct Care Staff, Social Workers and Case Managers, are all an essential part of providing behavioral health care for the individuals, groups, and families they've supported, assessed, and diagnosed. These workers are the heart of behavioral health in New Jersey.

Right now, hundreds of millions of dollars in federal and state coronavirus relief funds are pouring into New Jersey's behavioral health system. During the worst pandemic in a century, these funds are needed to ensure the continuity and quality of behavioral health services and to protect and retain the front-line workers who provide those services to half a million people.[1] New Jersey's behavioral health providers have long been vocal about the need for relief funding and have consistently pushed for more money to recruit and retain the workers providing mental health services and substance use treatment on the front lines.

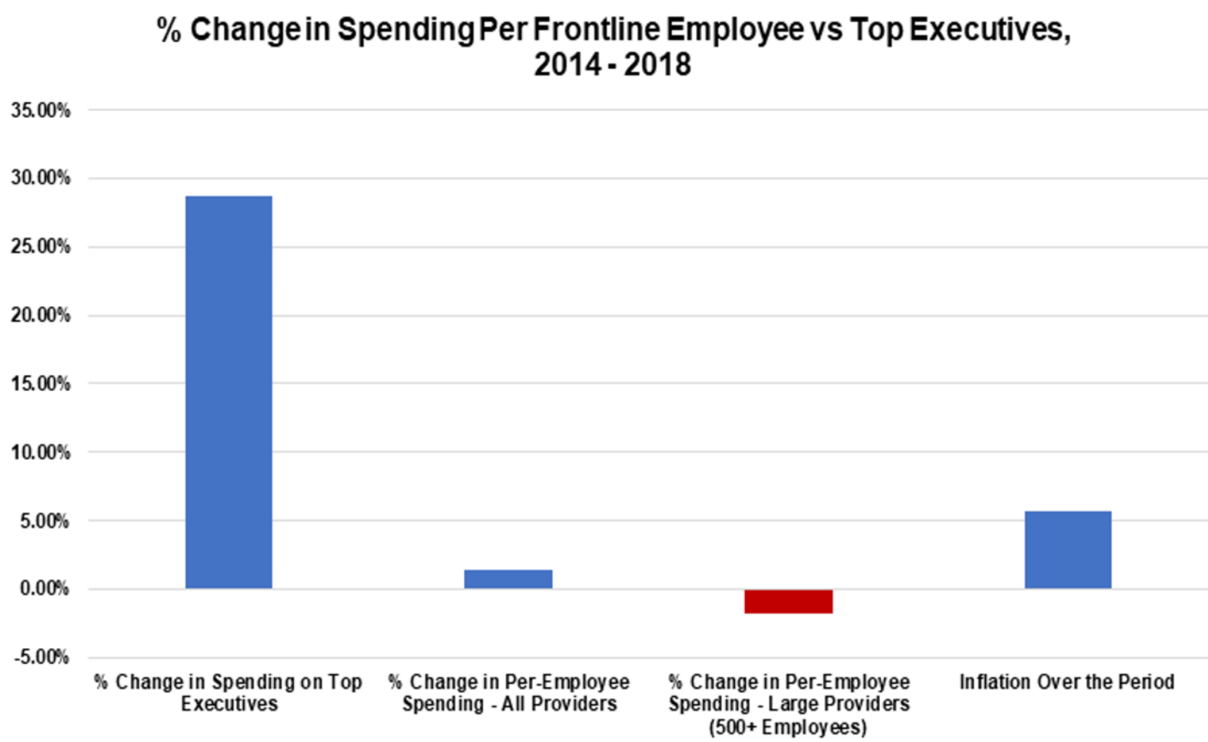
Indeed, the behavioral health provider association has admitted publicly that "community behavioral health care providers are facing a workforce crisis" due to pay so low and conditions so poor that many front-line workers "have left and many continue to leave for positions in retail, fast food or other industries where the pay is comparable, the work is less difficult, and the stress is minimal."[2] They also acknowledge how the inability to retain experienced staff does not just disrupt the continuity of care, it degrades the quality of care when consumers are able to receive treatment.

However, the experience of recent years demonstrates that this a problem of the providers' own making. AFSCME's United We Heal has studied the finances of 30 leading providers in New Jersey. We found that, between 2014 and 2018, New Jersey's providers have thrived as a group, but have left their employees and consumers behind.

Furthermore, a review of state audits and inspection reports, legal documents, and interviews with front-line workers reveals a system where billing is maximized while corners are cut on consumer care. As the state continues to invest in mental health services and substance use treatment, it must improve its oversight of providers to ensure that these funds get through to consumers and the front-line workforce.

KEY FINDINGS

- **Provider agency finances have dramatically improved.** Between 2014 and 2018, 87% of the leading providers had improved yearly financial performance. The overwhelming majority had lower debt and more assets and savings. In 2018, the providers had a collective $37 million operating surplus and an operating margin of 4%.
- **The CEOs are rewarding themselves.** Between 2014 and 2018, spending on top executive compensation for New Jersey's leading providers increased 28.7%, with the median executive pay being $223,581 per year and more than 20% of executives making over $300,000 per year. Even the handful of struggling providers raised executive pay.
- **Front-line behavioral health workers are devalued by providers.** Despite the improved financial performance of their employers, the people responsible for providing services – from residential and substance abuse counselors to social workers and nurses – are not seeing an increased investment in their work. In fact, employees are falling behind.



- Per-employee spending on salaries and wages for program service staff (that is, most front-line staff) increased by a mere 0.7% total over the five years between 2014 and 2018, while inflation was 5.7% over the same period.
- For employers with 500 employees or more, per-employee spending on salaries actually decreased by 2.5%. These large providers collectively employed 72% of the over 19,000 individuals employed by the 30 organizations in 2018.
- When other employee benefits were included, total per-employee spending increased by just 1.4%. Once again, the per-employee spending by the largest providers decreased by 1.81%.*
- Far from investing in their workers, many providers have cheated them out of wages and benefits. One-third of New Jersey's 30 leading behavioral health providers have been cited for wage and hour violations, worth hundreds of thousands of dollars, since 2010.
- Workers have raised concerns to their employers about the quality of consumer care, including unsafe staffing ratios, Medicaid fraud, neglect, abuse, dilapidated conditions, and the lack of adequate background checks. And they claim they've faced harsh retaliation for speaking up.

- **Providers bill the state for services that they never deliver to consumers.** Despite a 2019 audit exposing such practices, providers continued to bill for services without ensuring consumers receive them, like required counseling sessions for individuals receiving Medication-Assisted Treatment (MAT).

Our findings underscore the urgency of state action to stabilize the workforce and to hold providers accountable for the hundreds of millions of dollars in public funding and coronavirus relief they have received so far. We recommend that state lawmakers:

- **Require New Jersey's behavioral health providers to disclose how they spend public money.**
- **Invest in training and career ladders to retain staff and build workforce capacity.**
- **Work with the Department of Children and Families, the Department of Health and the Department of Human Services to ensure providers are meeting their legal and contractual commitments to high quality care.**

*While factoring in spending on benefits makes spending on front-line staff seem like less of a decline in real terms, it's important to note that the cost of benefits are not entirely within the providers' control.

- **Enhance public funding for the high-road providers that respect their employees and offer a higher quality of care in healthy and safe settings.**

- **Ensure that behavioral health workers are represented on the decision-making bodies and advisory councils that oversee mental health and substance use disorder treatment in New Jersey.**

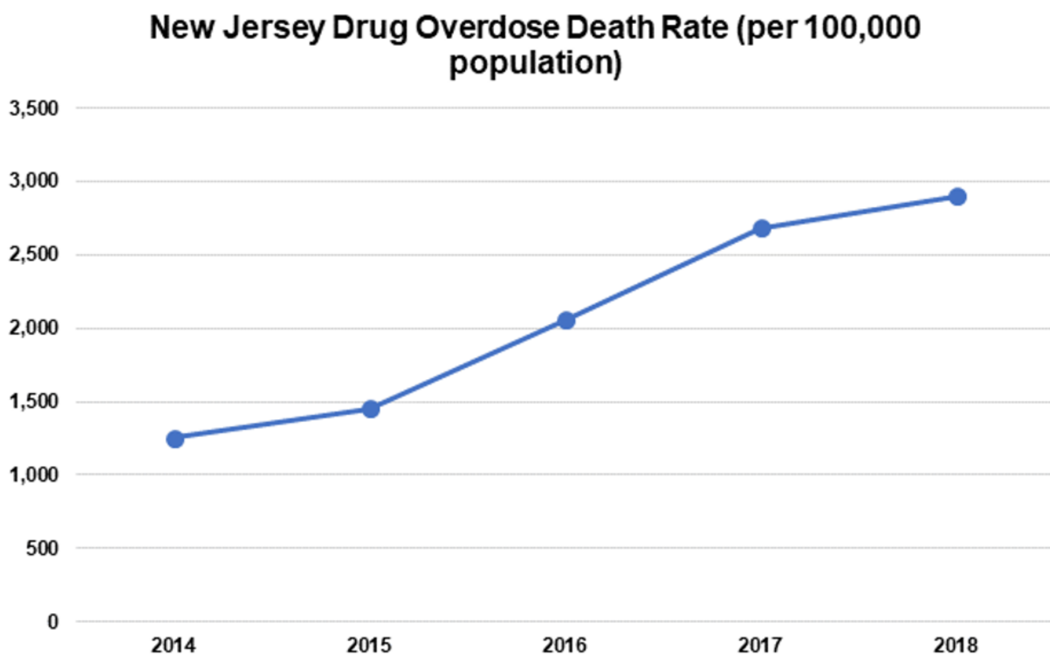
A PLEA AND AN INTERVENTION: IMPROVED FINANCES AT PROVIDER AGENCIES, 2014 – 2018

Before the COVID-19 pandemic, New Jersey's behavioral health system was already experiencing a crisis – with unmet need for services, substantial turnover, and hurdles to recruitment that hurt access, quality, and continuity of care:

- **Over 300,000 adults in New Jersey experienced unmet needs for mental health services,** according to 2018 estimates from the Kaiser Family Foundation.[3]

- **That same year, two out of every five people who needed and wanted treatment for substance use disorders did not receive that treatment,** according to a study by New Jersey's Department of Human Services.[4]

- **Drug overdose deaths rose for five straight years before briefly leveling off in 2019,** according to *The Asbury Park Press*, the New Jersey Attorney General's Office, and estimates from the Kaiser Family Foundation.[5]



- According to the New Jersey Association of Mental Health and Addiction Agencies (NJAMHAA), the industry association representing the state's behavioral health providers:
    - **"Recruitment and retention in the community have always been extremely difficult, but the current climate has put staff turnover and vacancies at critical levels."[6]**
    - **"turnover rates at these organizations are at an all-time high."[7]**
    - **"The inability to recruit and retain quality staff contributes greatly to a lack of continuity of care, often disrupting progress that has been made by adults, children and their families and resulting in the loss of gains made."[8]**

Governor Chris Christie and, more recently, Governor Phil Murphy have both made changes in the system of providing human services in New Jersey, at least partially in response to national developments. In the past decade, some of the big changes have included the expansion of mental health parity under the federal Affordable Care Act; the state's response to the deepening opioid crisis; and the New Jersey Department of Human Services' changes to its payment systems for mental health services and substance use treatment.

This last change, implemented gradually over the past few years, was intended to boost provider reimbursements, and leverage additional federal matching funds through the Medicaid program.[9] However, the provider agencies responded to the changes with increased concern for their financial health,[10] with NJAMHAA even warning of "the elimination of provider agencies due to either bankruptcy or mergers."[11]

PROVIDERS IN THE STUDY

The 30 providers analyzed in this study were selected by surveying the state-only compensation for mental health and substance abuse services across the Department of Human Services (DHS) (Division of Mental Health and Addiction Services/DMHAS) and the Department of Children and Families (DCF), using available reimbursement data from FY 2019 (DHS) and FY 2020 (DCF).

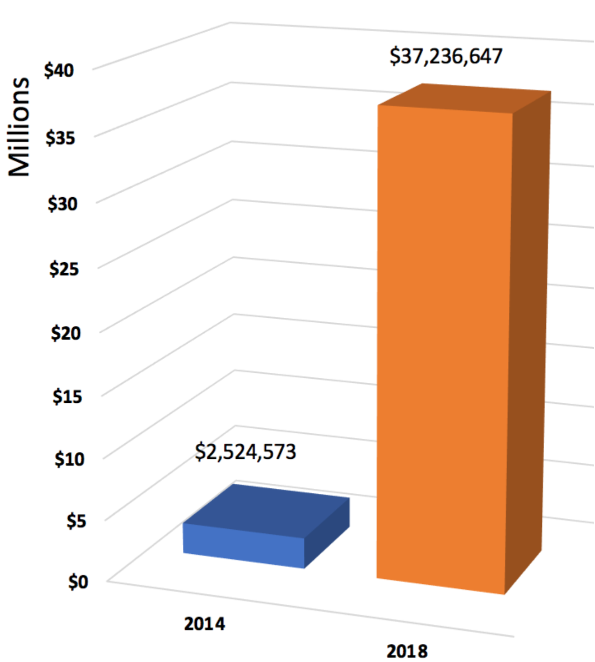
These 30 leading providers collectively employed 19,239 individuals in 2018 and comprised 63% of DMHAS' state-only fee-for-service reimbursements in FY 2019.

Contrary to such grave predictions, however, the financial condition of the state's behavioral health providers has vastly improved in recent years.

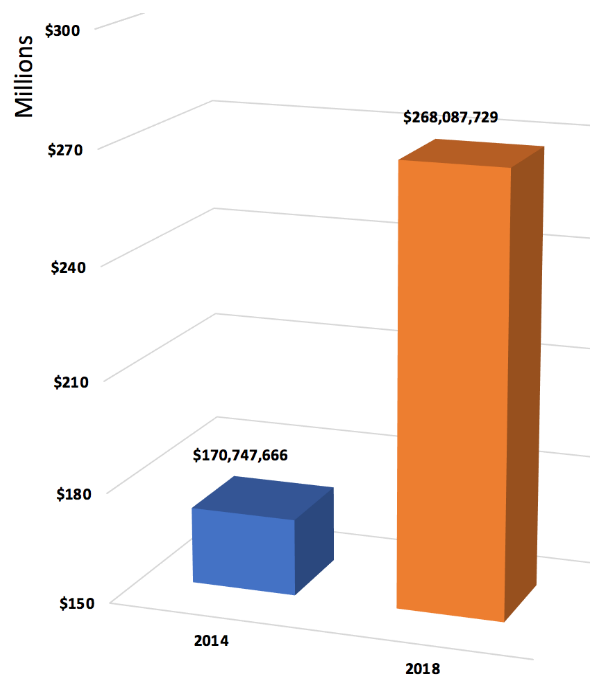
AFSCME's United We Heal analyzed the finances of 30 leading non-profit behavioral health provider agencies. These agencies collectively employed approximately 19,000 individuals and had revenues ranging from $4 million to over $103 million in 2018. The combined revenue of the group was over $800 million.

In fiscal year 2014,[12] these agencies essentially broke even, with an operating margin of 0.4% among them. Five years later, however, the aggregate financial performance of these agencies had improved to a healthy median operating margin of 4%.

AGGREGATED OPERATING SURPLUSES 2014 V. 2018 – NEW JERSEY'S 30 LEADING BEHAVIORAL HEALTH PROVIDERS



AGGREGATED FUND BALANCES 2014 V. 2018 – NEW JERSEY'S 30 LEADING BEHAVIORAL HEALTH PROVIDERS



Their debt was down to more manageable levels for the typical provider with the debt/equity ratio dropping from 0.74 to 0.61. Some 70% of providers saw an improvement in this metric, and of those who took on relatively more debt, all but four already had positive debt/equity ratios below 1, meaning that they could comfortably borrow more money anyway.

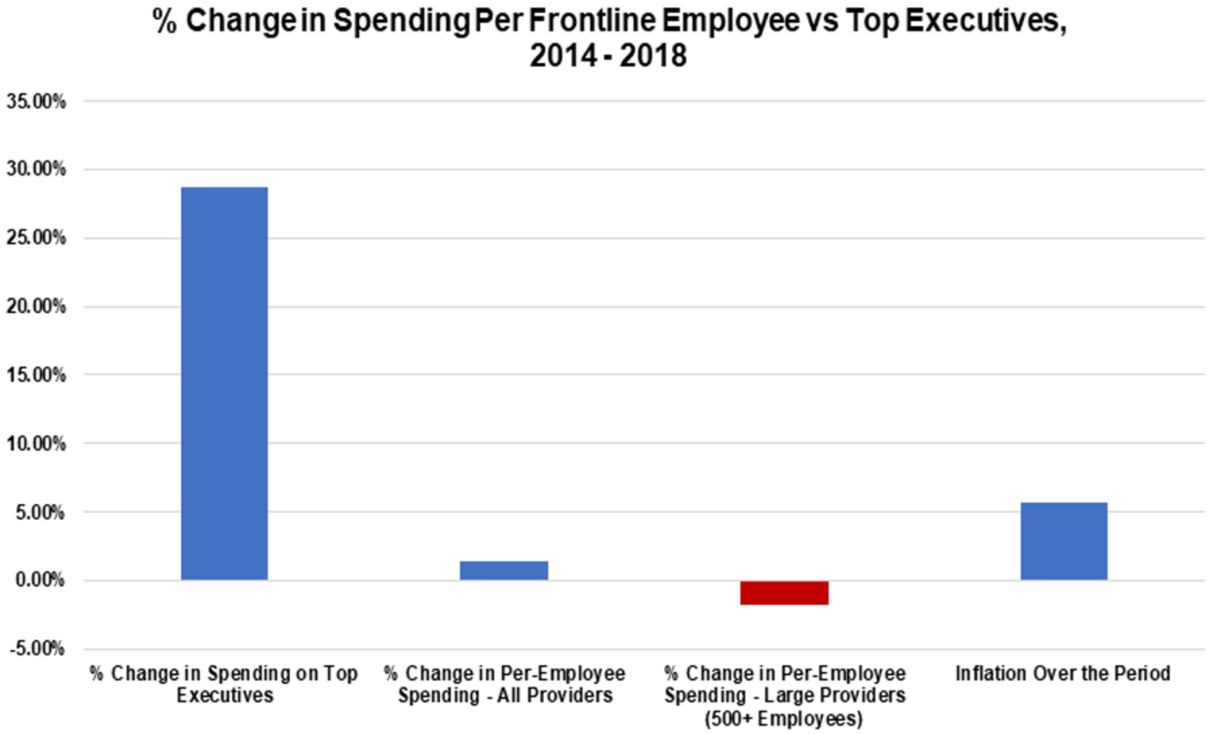
As a group, these provider agencies experienced improved financial performance before the pandemic. What's more – this trend held true for the nine providers for whom state only, fee-for-service reimbursements made up 20% or more of their total revenue. That is to say, the providers that were most likely to be impacted by the changes in the state's reimbursement model were doing better in 2018 than in 2014, fitting comfortably within the trends identified in this study.

The financial strength of New Jersey's behavioral health providers benefited at least one group of people: the chief executives of New Jersey's provider agencies.

DOING WELL BY DOING GOOD? PROVIDER EXECUTIVES CASH IN

In 2018, the median compensation for a chief executive of one of New Jersey's 30 leading behavioral health providers was $223,581, compared to $188,765 in 2014. (Executive compensation includes salary, bonuses, and deferred compensation.) Spending on top executive compensation increased by 28.7% and the average increase among these providers was 18% over that period.

Only two of these 30 providers compensated their top executive less than they did in 2014. Both of these executives were new, having been in the position fewer than five years.



Here are some examples of how providers rewarded their executives:

- **Youth Consultation Service cut per-employee spending on program service (front-line workers) salaries and other benefits by 17%. How much of a pay cut did their CEO take? None. YCS' top executive compensation increased by 6%.**
- **SERV Behavioral Health increased executive compensation by 77% between 2014 and 2019. Between 2018 and 2019 alone, the CEO's compensation went up 39% to $423,000 per year.**
- **Legacy Treatment Services increased executive pay by 66%, rising from $233,914 in 2014 to $387,421 in 2018.**
- **Mount Carmel Guild Behavioral Healthcare was one of the few providers without an operating surplus in 2018. It cut per-employee spending on program service salaries and other benefits by 2% in 2018 compared to 2014 – but increased executive pay by 33% in the same period.**

LAGGING INVESTMENT IN STAFF

While the executives of the state's provider agencies have been doing well, their own association points out that "community behavioral healthcare providers are facing a workforce crisis" due to pay so low and conditions so poor that many front-line workers "have left and many continue to leave for positions in retail, fast food or other industries where the pay is comparable, the work is less difficult, and the stress is minimal."[13]

One employee has worked at SERV for more than 20 years as a Residential Counselor. She has dedicated her life to working with the critically mentally ill – but after twenty years she still makes less than $15.50 an hour and has to work three jobs.

This is a perennial problem – and the agencies never fail to bring it up every year during state budget season when they ask for higher reimbursements. Yet it is a problem of their own making. Despite rising operating surpluses and improved fiscal health overall, our analysis of the providers' workforce spending shows that better safeguards are needed to ensure that taxpayer money gets through to front-line staff.

According to their tax filings, these 30 leading provider agencies collectively employed 19,239 individuals in 2018, up from 15,979 in 2014. Also, in 2018, they paid $405.5 million in salaries and wages for staff who carried out program services, i.e., most front-line staff; this was up from $334.4 million in 2014. Per-employee spending on salaries and wages for staff increased by 0.7% between 2014 and 2018. But, for employers with 500 employees or more, it actually declined 2.5%. During this same period, inflation was 5.7%[14] – an indication that *most workers in the community-based behavioral health system in New Jersey are not even keeping up with the cost of living.*

When 'other employee benefits' such as insurance, health and welfare programs were included, per-employee spending increased by just 1.4%. For employers with 500 employees or more, per-employee spending declined by 1.8%. This spending pales in comparison to the 28.7% increase in chief executive compensation spending during the same period. (See Table A for provider-specific details.)

Below are some examples of how front-line staff fared in 2018-2019 compared to 2014.

- **SERV Centers of New Jersey's operating margin increased 29 percentage points and their fund balances soared 527%. During the same period, per-employee spending on program service salaries and other benefits decreased by 1%, while executive pay soared by 77%.**
- **Turning Point improved its operating margin by 9 percentage points and had a 75% increase in its fund balance in 2018 compared to 2014. It boosted executive pay by 45% but cut per-employee spending on front-line staff by 4% compared to 2014.**
- **The Center for Family Services cut per-employee spending on front-line staff by 26% while increasing executive compensation by 43% to $307,000.**

In some cases, instead of investing in their workers, providers cheated them out of their wages.

- **According to New Jersey's Division of Wage & Hour Compliance, no fewer than a third of New Jersey's leading behavioral health providers have committed wage and hour violations – worth hundreds of thousands of dollars – since 2010.**

- Oaks Integrated Care – a behavioral health provider that has received millions of dollars in reimbursements from the state – has been ordered to pay out nearly $400,000 to its employees for Wage and Hour violations.
- New Jersey's behavioral health providers have a bad track record of enticing potential hires with promises of leave benefits, only to deny their use because of understaffing when workers ask for time off. At least six of New Jersey's leading behavioral health providers have been ordered to reimburse workers for unpaid vacation, sick or holiday leave and hours worked through lunch breaks.
- In one case, the Division of Wage and Hour Compliance ordered Preferred Behavioral Health Group to pay unpaid wages and overtime to one of their Residential Counselors who had worked for four days straight, without relief, during Hurricane Sandy.

When workers attempt to come together to make improvements to their practice and profession, other leading providers, like SERV Centers of New Jersey, have hired highly paid "union avoidance consultants" to stymie workers' attempts to raise standards in the industry.

A review of legal cases reveals a disturbing pattern of alleged provider retaliation against the workforce simply for raising concerns about potential fraud, regulatory violations, and quality of care lapses to their supervisors. In 15 cases over the past five years, behavioral health workers have alleged retaliation, up to and including retaliatory firings, simply for doing their due diligence to raise concerns internally. This behavior does not reflect a provider culture that respects its workforce or is concerned with raising standards to recruit and retain dedicated personnel.

"In 2019, my coworkers and I filed for union representation at SERV. Immediately, SERV pulled out all the stops to block our effort. They even found a limitless budget not for patient care or to address our concerns, but for hiring an expensive union-busting law firm, Jackson Lewis. Even after we won our election in November of that year, they just went to work trying to overturn the election results. We ultimately won, and the election result was upheld six months later, but during the height of the COVID-19 first wave we were left without a voice for our patients and ourselves."

- SERV Residential Counselor

CUTTING CORNERS ON CARE

Staff turnover and vacancies have done more than disrupt the continuity of care. The providers' lack of accountability – and their mismanagement of the workforce – has also corroded the quality of care provided.

In 2019, New Jersey's State Auditor released an audit of the Division of Mental Health and Addiction Services (DMHAS).[15] The auditor concluded that:

- **Providers were not delivering the services that consumers desperately need and that the state was paying them to provide.**
    - When the State Auditor's Office surveyed hundreds of claims for bundled Methadone Outpatient Treatment (i.e., a combination of medication and therapy), they found that 65% of the claims lacked the required counseling services.[15] Counseling is an essential part of making Medication-Assisted Treatment more effective, because counseling addresses the entire consumer, not just their challenges with substance use.
    - After investigating the Division's contracts for Mobile Medication Units, which are supposed to provide MAT in communities with limited access to substance use treatment, the auditor determined that there were years when none of the contractors met their required levels of service.[17] That means that even when they weren't providing services for New Jersey's most neglected communities, contractors were still getting paid.
- **Providers were not conducting background checks, neglecting the safety of consumers and staff.**
    - 40% of the employee files reviewed by the auditor lacked evidence of compliance with background check requirements, and
    - 23% lacked any evidence of a background check at all.[18]
- **Providers had committed practices so egregious that three agencies were immediately referred to the Division of Criminal Justice for potential prosecution.**[19]

Inspection reports from the state suggest that many of the problems identified by the Auditor's office have not been rectified since the report was released. In 2019 and 2020, inspection reports produced by the Department of Health's Quality Assurance Specialists found that leading behavioral health providers continued to deprive consumers of services that they were being paid by the state to provide.

- **Providers were not providing a sufficient number of counseling sessions for consumers.**
- **Providers *still* were not adequately conducting background checks on their staff.**
- **In fact, some agencies were providing consumers with Medication-Assisted Treatment or opioid maintenance treatment without a license.**

Regulators and lawmakers are not the only ones speaking up about the corroded quality of care in New Jersey's behavioral health system. Behavioral health workers have blown the whistle about unsafe staffing ratios, potential Medicaid fraud, neglect, abuse, dilapidated conditions and the lack of adequate background checks – often risking their careers and livelihoods to do so.

- In her lawsuit against Center for Family Services, a former nurse alleged abysmal conditions at the provider's group homes. The nurse said that, "the group homes' bathrooms were never cleaned; the walls were soiled with dried bodily fluids and water; food was regularly left out and not discarded in the trash, leading to the presence of flies and other insects in the home; and old cooking pans were left uncleaned and corroded with baked-on food. In short, the group homes were neither maintained nor kept in a sanitary condition." In an earlier survey response to the Council on Accreditation, the nurse wrote, "the bathrooms are filthy. The walls have dried fluid marks, the fixtures are all dirty. There is no way a woman staff can reasonably use any toilet. A woman must stand. There is no clean bathroom just for staff."

"the bathrooms are filthy. The walls have dried fluid marks, the fixtures are all dirty."

- In another case, when an employee raised concerns about potential Medicaid fraud, the CEO of one of New Jersey's leading providers allegedly told her that she "should not be concerned about the fraudulent claims because it was unlikely that they would ever be detected." When the employee continued to raise concerns – about billing for "face-to face" meetings that hadn't occurred and about unlawfully rounding up units of billable time – the CEO allegedly told her "she should focus on increasing the amount of Medicaid billings and not worry about 'accuracy.'"

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Behavioral health workers also report being instructed to care for consumers without the proper supervision, training, or qualifications.

- In one case, an Admissions Assistant claimed her employer told her to conduct clinical assessments, despite having no clinical or medical training that would qualify her to assess consumers. When she did conduct clinical assessments, despite her objections, the Admissions Assistant allegedly faced retaliation for not exaggerating her assessments. She claimed she was told to overstate the severity of cases to "justify larger bills to private insurance companies and federal and state medical insurance programs (Medicare, Medicaid, etc.)."
- In another case, a CADC (Certified Alcohol and Drug Counselor) intern blew the whistle about unsafe staffing ratios and alleged that she was not receiving clinical supervision – a requirement for CADC interns.

COVID-19 AND BEYOND

The existing crisis in behavioral health has only been exacerbated by COVID-19.[20] Since the start of the pandemic, key behavioral health indicators have shown a turn for the worse in the Garden State.

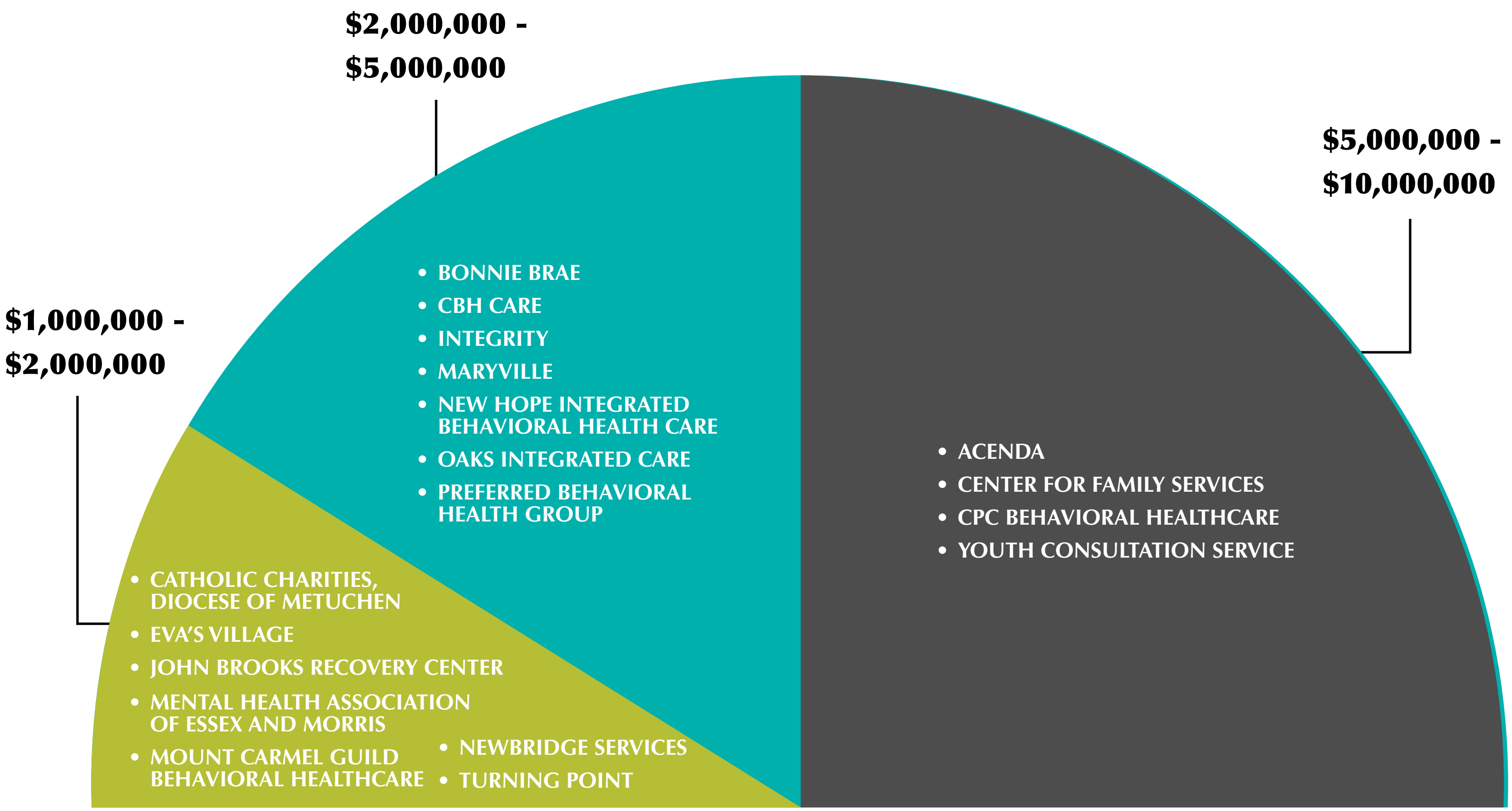
- **Overdose deaths were up 17% in the first half of 2020,** according to The New York Times.[21]
- **COVID-19 could cause a 20% increase in the need for behavioral health services in New Jersey,** according to the Murphy Administration.[22]
- **Mental health crisis beds are at capacity in many hospitals and there is unprecedented demand for suicide prevention hotlines.**

To respond to the pandemic, federal lawmakers made funds available for small businesses, essential health care providers and mental health and substance abuse agencies.[(23)] According to the most recent data made available by the Small Business Administration, New Jersey's behavioral health providers received at least $147 million in Paycheck Protection Program (PPP) loans.* The state's leading behavioral health providers took advantage of all of those sources of funding, raking in over $70 million dollars in PPP loans, Health & Human Services (HHS) provider payments, and COVID-19 relief grants from HHS' Substance Abuse and Mental Health Services Administration (SAMHSA) (see Table B, in the appendix of this paper.)

*This conservative estimate aggregates loans received by providers tagged with behavioral health NAICS codes in the Small Business Administration's most recent data.

The following among the leading 30 providers received at least $1,000,000 in PPP or other funds:

2020 CARES ACT FUNDING TO LEADING PROVIDERS, $1,000,000-$10,000,000



In October, New Jersey lawmakers approved another $75 million for personal protective equipment (PPE) and other financial support for mental health and substance abuse providers for FY 2021.[24] These funds are necessary, but the experiences of front-line behavioral health workers in New Jersey, and our financial analysis of the Garden State's leading provider agencies, demonstrates that the state needs to do more to ensure that public dollars get through to their intended recipients: workers and consumers.

PRESCRIPTIONS FOR LAWMAKERS

To avoid a disaster for New Jersey's behavioral health system and its consumers, lawmakers have pledged hundreds of millions of dollars for the state's mental health and substance abuse service providers.

But how will public officials ensure that behavioral health providers fulfill their obligations to the public, their employees and the consumers in their care? How can lawmakers trust New Jersey's leading behavioral health providers with money earmarked for worker and consumer safety when these providers have not been reliable stewards of the public's money in years past?

United We Heal believes that New Jersey's elected leaders should take the following steps:

- **Hold providers accountable for how they spend public money. Require providers to disclose:**
    - Allocation of CARES Act funds.
    - How they spent the $75 million allocated for FY 2021.
    - How much money they have spent on union avoidance lawyers and consultants.
    - Payroll data, including wages, salaries, benefits, and rates of turnover.
- **Invest in training and career ladders to retain staff and build workforce capacity.**
    - More professional development and promotional opportunities are needed for Direct Care Staff, who often have decades of experience but are not recognized or rewarded for their skills, expertise and insight.
- **Work with the Department of Children and Families, the Department of Health and the Department of Human Services to make sure that providers are fulfilling their legal and contractual commitments to high quality care.**
    - Enforce existing staffing requirements for mental health and substance use treatment facilities and reevaluate whether they are still capable of ensuring high quality care and healthy caseloads when enforced.

    - Collect data on staffing and payroll to identify which providers maintain healthy caseloads and safe staffing.
    - Using existing performance measures, publish provider performance reports to empower consumers and hold providers accountable to quality standards.
    - Use the full range of enforcement remedies against providers who violate their licensure regulations or statutory requirements.
- **Ensure that behavioral health providers are encouraged and supported with enhanced public funding when they:**
    - Prioritize the health and safety of consumers and staff.
    - Demonstrate accountability to a higher quality of care.
    - Respect and invest in the workforce.
- **Ensure that behavioral health workers are represented on the decision-making bodies and advisory councils that oversee mental health and substance use disorder treatment in New Jersey.**

While these recommendations are just a start, and more needs to be done to strengthen New Jersey's behavioral health system, leaving it up to the providers themselves to improve standards is not working. New Jersey's mental health and substance use treatment agencies have had years to improve the quality of care and stabilize the workforce, and the results speak for themselves. The providers have given lavish raises to their CEOs and other top executives, but their investment in the workforce has declined in real terms. The providers have grown their operating surpluses but have cut corners on consumer care along the way. Consumers, behavioral health workers and the public all have an interest in provider accountability, investment in the workforce and enhanced funding for high-road providers. But to bring about these changes, an intervention is required.

TABLE A: EXECUTIVE COMPENSATION AND PROGRAM SERVICE SALARIES AND OTHER BENEFITS AT LEADING PROVIDER AGENCIES, 2014 – 2018

Provider	Headquarters	2014 Executive Compensation	2018/2019 Executive Compensation	Change in Chief Executive Compensation	Change in per-employee program service salaries and other benefits, 2014-2018/2019
Family Intervention Services	East Orange	$198,991	$735,544	270%	5%
SERV Centers of New Jersey, Inc	Ewing	$238,141	$422,416	77%	-1%
Legacy Treatment Services	Hainesport	$233,890	$387,421	66%	2%
Preferred Behavioral Health Group	Lakewood	$118,300	$174,897	48%	18%
Turning Point	Paterson	$168,000	$243,548	45%	-4%
Center for Family Services	Camden	$214,415	$307,064	43%	-26%
Acenda	Glassboro	$248,892	$347,367	40%	13%
Mount Carmel Guild Behavioral Healthcare	Newark	$185,000	$245,565	33%	-2%
New Hope Integrated Behavioral Health Care	Marlboro	$200,689	$261,759	30%	17%

Provider	Headquarters	2014 Executive Compensation	2018/2019 Executive Compensation	Change in Chief Executive Compensation	Change in per-employee program service salaries and other benefits, 2014-2018/2019
Mental Health Association of Essex And Morris	Montclair	$208,245	$262,096	26%	7%
Easter Seals New Jersey	East Brunswick	$359,322	$449,504	25%	5%
Catholic Charities, Diocese of Trenton	Trenton	$156,543	$190,821	22%	-12%
Ocean Mental Health Services	Bayville	$176,215	$212,670	21%	2%
Integrity	Newark	$186,297	$223,249	20%	6%
Hendricks House Group	Vineland	$121,644	$144,970	19%	18%
John Brooks Recovery Center	Pleasantville	$191,233	$226,700	19%	20%
Community Hope	Parsippany	$141,853	$163,021	15%	30%
Eva's Village	Paterson	$141,466	$155,452	10%	39%
Rescue Mission of Trenton	Trenton	$159,956	$169,941	6%	-6%

Provider	Headquarters	2014 Executive Compensation	2018/2019 Executive Compensation	Change in Chief Executive Compensation	Change in per-employee program service salaries and other benefits, 2014-2018/2019
Catholic Charities, Diocese of Metuchen	Perth Amboy	$193,118	$204,746	6%	13%
CBH Care	Hackensack	$174,106	$183,953	6%	-13%
Youth Consultation Service	Newark	$268,512	$283,396	6%	-17%
Bridgeway Rehabilitation Services	Elizabeth	$183,194	$192,688	5%	8%
Oaks Integrated Care	Mount Holly	$393,583	$412,510	5%	1%
Maryville	Turnersville	$221,422	$230,236	4%	21%
CURA	Newark	$135,000	$140,192	4%	9%
NewBridge Services	Pequannock	$136,307	$139,537	2%	-16%
Mental Health Clinic of Passaic	Clifton	$108,497	$110,678	2%	-28%
Bonnie Brae	Liberty Corner	$234,325	$223,912	-4%	-1%
CPC Behavioral Healthcare	Eatontown	$256,037	$218,160	-15%	18%

TABLE B: 2020 CARES ACT FUNDS DISTRIBUTED TO LEADING PROVIDERS[25]

Provider	PPP	HHS Provider Relief Fund
Acenda	$5,770,000	$859
Bonnie Brae	$2,930,000	-
Bridgeway Rehabilitation Services	$500,000	$280,120
Catholic Charities, Diocese of Metuchen	$1,500,000	$5,869
Catholic Charities, Diocese of Trenton	-	$771,097
Center for Family Services	$9,050,000	$8,488.00
CBH Care	$3,300,000	$10,426.00
CPC Behavioral Healthcare	$5,410,000	$300,000
CURA	$774,567	-
Eva's Village	$1,690,000	$149,808
Hendricks House Group	$356,000	-
Integrity	$2,340,000	$331,408
John Brooks Recovery Center	$1,360,000	$178,532
Legacy Treatment Services	-	$611,618
Maryville	$1,730,000	$278,420

Provider	PPP	HHS Provider Relief Fund
Mental Health Association of Essex And Morris	$1,810,000	$116,179
Mental Health Clinic of Passaic	$899,352	$6,448
Mount Carmel Guild Behavioral Healthcare*	$1,170,000	$197,630
New Hope Integrated Behavioral Health Care	$2,180,000	-
NewBridge Services	$1,300,000	$74,263
Oaks Integrated Care**	-	$972,998
Ocean Mental Health Services	$3,310,000	$15,671
Preferred Behavioral Health Group	$3,620,000	$25,800
Rescue Mission of Trenton	$819,700	$71,711
SERV Centers of New Jersey, Inc	-	$769,211
Turning Point	$1,240,000	$77,545
Youth Consultation Service	$8,340,000	-
Total	**$61,399,619**	**$5,254,101**

*Mount Carmel Guild Behavioral Healthcare is a part of Catholic Charities of the Archdiocese of Newark, which also received millions of dollars from the CARES Act.

**Oaks Integrated Care also received a SAMHSA COVID relief grant for $4,000,000.

METHODOLOGY

As a general matter, non-profit providers are the focus of this study for two reasons.

First, the preponderance of the non-profit ownership structure in mental health and substance abuse services makes non-profit providers representative of the industry at large. Non-profit providers are also representative of the industry in New Jersey. According to the Substance Abuse and Mental Health Services Administration's (SAMHSA) most recent data about New Jersey, about 75.4% of all facilities providing mental health treatment and the largest plurality of facilities providing substance abuse treatment (48.1%) are private non-profits.[26]

Second, the Form 990, required of almost all non-profits, provides consistent, comparable, and qualitatively better information than is accessible for private, for-profit providers. This is especially true for firms owned by private equity, a growing presence in behavioral health.[27]

Almost all non-profits that are recognized, tax-exempt institutions file an annual "Form 990" with the Internal Revenue Service (IRS), although which 990 an organization files (e.g., 990, 990-EZ) depends on the size of their annual receipts.[28] This report used the provider agencies' most recently available Form 990s to analyze their finances, employment figures, trends in executive compensation, and trends in spending on front-line staff.

NOTES

1. "The community-based behavioral health system of care is the safety net for New Jersey's most vulnerable residents – those with mental health and/or substance use disorders. More than 500,000 children and adults depend on the services this system delivers every year," according to the New Jersey Association of Mental Health and Addiction Agencies (NJAMHAA), 2020. Invest in a Healthy New Jersey. [Online] Available at: http://www.njamha.org/links/newswire/2020advocacy.pdf [Accessed 9/29/20], p. 2.

2. New Jersey Association of Mental Health and Addiction Agencies, 2020. Invest in a Healthy New Jersey. [Online] Available at: http://www.njamha.org/links/newswire/2020advocacy.pdf [Accessed 10/9/20], p. 5.

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7. NJAMHAA (2020), p. 5.

8. NJAMHAA (2019), p. 7.

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10. NJAMHAA (2020), p. 4.

11. NJAMHAA, non-dated. "NJAMHAA Position Paper on the Transition to a Fee-for-Service System" [Online] Available at: http://www.njamha.org/links/FFS%20PositionPaperTransition.pdf [Accessed 10/16/20].

12. By 2014, we refer mostly to the fiscal year ended June 30, 2014, since most provider agencies follow a July-June fiscal year, with a handful of exceptions. See the methodology section for details.

13. NJAMHAA (2020), p. 5.

14. Taken from the inflation calculator on the website of the US Department of Labor, Bureau of Labor Statistics, comparing June 2014 and June 2018, i.e., the end of the 2014 and 2018 fiscal years for most of the provider agencies under consideration. Bureau of Labor Statistics, 2020. Inflation Calculator. [Online] Available at: https://www.bls.gov/data/inflation_calculator.htm [Accessed 10/16/20].

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25. Sums reflect publicly available data on federal disbursements of coronavirus relief funds as of 12/8/20.

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