



The State's Role in Children's Mental Health

New Jersey's youth mental health system is supported by a network of state agencies, each with distinct statutory responsibilities related to program administration, regulation, financing, and service oversight. State agency priorities and budgets are set under the direction of the Governor's Office, which also oversees interagency coordination. Together, these agencies shape the policies and pathways through which children access mental health care.

Key agencies include: the Department of Children and Families (DCF), which coordinates the Children's System of Care; the Department of Education (DOE), which oversees school-based services including special education; the Department of Banking and Insurance (DOBI), which regulates insurance coverage and network adequacy; the Department of Health (DOH), which licenses and regulates health care facilities including pediatric psychiatric beds, administers the Early Intervention Program, and houses the Office of Youth Online Mental Health Safety and Awareness; the Department of Human Services (DHS), which administers Medicaid through the Division of Medical Assistance

and Health Services (DMAHS), oversees the systems into which older youth transition, and houses the Division of Mental Health and Addiction Services; and the Attorney General's Office, which oversees legal and law enforcement functions, including juvenile justice, child safety, the Division of Consumer Affairs, and provider licensing.

A detailed overview of each agency and its key divisions and offices, their statutory authority, and their relationship to children's mental health is provided in [Appendix C: State Agency Reference Guide: Children's Mental Health](#).



Health Insurance Coverage and Access to Care

Health insurance coverage is a key determinant of many elements of access to children's mental health services in New Jersey. The type of insurance coverage a child has can determine the provider network, which services are covered, and how these services are paid.

When a child is covered by a commercial insurance plan, the health plan determines what services can be provided through prior authorization and medical necessity criteria. When a child has Medicaid coverage, the State Medicaid agency defines the services that are covered by Medicaid, while the Managed Care Organizations are responsible for utilization management including prior authorization and concurrent review.

For mental health, in Medicaid, currently the State determines the rates paid to providers. In limited circumstances in which a child has both commercial and limited Medicaid coverage through a special program because of an extenuating need, commercial insurance is considered the primary insurance, and Medicaid is the secondary payer used to cover specific services like those

provided through CSOC. This makes insurance one of the most consequential factors in a family's ability to access mental health care.

The figure on page 11 shows how New Jersey children are covered, by insurance type. Each coverage type operates under distinct statutory and regulatory authorities that influence benefit design, oversight, and coordination with publicly funded systems. [Appendix D: New Jersey Youth Insurance Coverage by Type](#) includes additional data related to NJ health insurance coverage for children.

State Agency Reference Guide

NJ State Government Agencies Involved in Children’s Mental Health

- **NJ Governor’s Office:** Sets statewide policy priorities, proposes the state budget shaping department funding, and oversees all agencies and departments providing interagency coordination.
- **Attorney General’s Office:** Oversees legal and law enforcement functions including juvenile justice, child safety, consumer protection, and provider licensing.
 - **Division of Consumer Affairs:** Regulates licensure and professional standards for clinical and mental health providers.
 - **Youth Justice Commission (YJC):** Oversees the state’s youth justice system, providing custody, rehabilitation, and reentry services for justice-involved youth.
- **Department of Banking & Insurance (DOBI):** Regulates health benefits insurers to protect consumers and ensure the stability of insurance markets. Oversees health insurance compliance with coverage requirements, network adequacy, and parity enforcement, affecting reimbursement and service availability in New Jersey regulated insurance markets.
- **Department for Children and Families (DCF):** Leads NJ’s efforts to support the safety, permanency, and well-being of children and families through prevention, protection, and treatment services.
 - **Children’s System of Care (CSOC):** Coordinates and funds mental health, intellectual and developmental disability (I/DD), and substance use services for children and youth ages 0-20.
 - **Department for Child Protection and Permanency (DCPP):** Investigates allegations of child abuse and neglect and provides services to ensure child safety, permanency, and family stability.
- **Department of Education (DOE):** Shapes youth mental health through school-based services, special education, and early identification and intervention efforts.
- **Department of Health (DOH):** Protects and promotes public health by regulating health care facilities (including hospital pediatric psychiatric beds), monitoring population health, and administering public health programs.
 - **Division of Family Health Services (FHS):** Oversees maternal, child, and family health programs that promote early childhood development, prevention, and access to mental health services including Early Intervention Services.
 - **Office of Youth Online Mental Health Safety and Awareness:** Coordinates state efforts to protect children from online harms, such as excessive social media use and algorithmic-driven content.
- **Department of Human Services (DHS):** Administers a broad range of social service programs supporting low-income individuals and adults with mental health or disability-related needs.
 - **Division of Developmental Disabilities (DDD):** Supports adults ages 21+ with intellectual and developmental disabilities. While CSOC provides all services for youth ages 0-21, DDD is responsible for authorizing eligibility applications for older youth ages 18-21.
 - **Division of Medical Assistance & Health Services (DMAHS):** Administers state Medicaid and CHIP programs through NJ FamilyCare, determining eligibility and overseeing health care benefits for enrolled populations.
 - **Division of Mental Health and Addiction Services (DMHAS):** Oversees and funds mental health and substance use disorder community-based services for adults and a limited number of programs that serve both adults and youth (e.g., Coordinated Specialty Care programs for psychosis). At age 21, youth receiving CSOC community-based services may be eligible to transition into DMHAS’ programs.