

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## **ASSEMBLY, No. 3334**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 22, 2023

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 3334 (1R).

As amended, this bill requires the Division of Medical Assistance and Health Services in the Department of Human Services (DHS), or a managed care organization contracted with the division to provide benefits to Medicaid beneficiaries, to reimburse a local education agency for behavioral health services covered under Medicaid, delivered in-person or via telehealth, and provided to a student who is an eligible Medicaid beneficiary. Services provided under the bill are to be reimbursable by Medicaid regardless of the following: whether the student participates in an Individualized Education program (IEP), 504 Accommodation Plan, Individualized Health Care Plan, or Individualized Family Service Plan (IFSP); or whether the covered services are provided at no charge to the student. Furthermore, all services are required to be provided by a licensed medical practitioner approved as a Medicaid provider or a local education agency approved as a Medicaid provider. Under the bill, a “local education agency” means a public authority legally constituted by the State as an administrative agency to provide control of and direction for kindergarten through grade 12 public educational institutions.

Under the amended bill, any local education agency claiming Medicaid reimbursement is required to take all reasonable measures to ascertain and pursue any claims for reimbursement against legally liable third parties. If there is no response to a claim submitted by a local educational agency to a legally liable third party within 45 days, the local educational agency may bill Medicaid; however the local educational agency is required to retain a copy of the claim submitted to the legally liable third party for a period of three years.

The amended bill directs a local education agency to utilize Medicaid reimbursement payments issued under the bill to provide behavioral health services for students and their families.

The amended bill clarifies that the provisions of the bill are not to be construed to: 1) prohibit a Medicaid beneficiary from receiving behavioral health services covered under Medicaid from a Medicaid provider who is not a local education agency, as long as the services comply with all State and federal laws and regulations; and 2) require Medicaid reimbursement for behavioral health services covered under Medicaid provided to a Medicaid beneficiary by a local education agency in tandem with duplicative behavioral health services from another approved Medicaid provider located in the community to the same beneficiary, to the extent that State or federal law or regulation prohibit the provision of such duplicative services.

The division, in conjunction with the DOE and the Department of the Treasury, is required to assist a local education agency in implementing a plan to submit Medicaid claims for covered behavioral health services and obtain Medicaid reimbursements under the bill. To the extent possible, this system is to overlap with the claims and reimbursement procedures associated with the Special Education Medicaid Initiative, as a means to streamline all school-based Medicaid claims. A local education agency may enter into an agreement with one or more other local education agencies in the State for the purposes of contracting with a third party entity to process and submit Medicaid claims for covered behavioral health services provided under this section.

Finally, the amended bill directs the Commissioner of Human Services to apply for any State plan amendments or waivers as may be necessary to implement the provisions of this bill and to secure federal financial participation for State Medicaid expenditures under the federal Medicaid program.

As amended and reported by the committee, this bill is identical to Senate Bill No. 2416 (1R).

#### COMMITTEE AMENDMENTS:

The committee amended the bill to make a technical amendments to conform the terms used throughout the bill.

#### FISCAL IMPACT:

The Office of Legislative Services estimates that this federal revenue maximization initiative will increase annual State revenue by \$16.9 million to \$23.6 million and annual school district revenue by \$9.1 million to \$12.7 million.

The revenue growth represents additional federal Medicaid reimbursements under the Special Education Medicaid Initiative, New Jersey's school-based Medicaid program. The revenues will be generated from the State's newly authorized ability to claim as Medicaid expenses certain behavioral health services that school districts are already providing to Medicaid-eligible students without

currently receiving a Medicaid reimbursement. The bill does not require school districts to provide any new services.

As the universe of claimable Medicaid expenses expands, the State and school districts may incur additional annual expenditures to file and administer the additional claims.