

ASSEMBLY HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3599

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 9, 2022

The Assembly Human Services Committee reports favorably and with committee amendments Assembly Bill No. 3599.

As amended by the committee, this bill requires the Department of Human Services to establish a two-year Regional Community Behavioral Health Pilot Program.

Within 180 days after the bill's effective date, the DHS is to issue a request for proposals (RFP) and select one or more managed care organization or organizations to administer the pilot program in the northern, central, and southern regions of the State.

The managed care organization or organizations selected to administer the pilot program will be required to:

1) review Medicaid claims data, and work with primary care practitioners in the managed care network, to identify patients in the network who have severe behavioral health disorders. Such patients will be deemed to be eligible to participate in the pilot program;

2) contract with three community behavioral health providers, one in each of the northern, central, and southern regions of the State, and require each participating provider to promptly perform a behavioral health needs assessment for each eligible patient in the pilot program who resides in the provider's region of operations. The needs assessment is to be performed using a standardized tool or methodology and is to be used by the provider to identify each eligible patient's behavioral health and social service needs, including, but not limited to, the need for medication-assisted treatment and other substance use disorder treatment, the need for mental health treatment, including voluntary or involuntary commitment, and the need for food, housing, financial, or other social assistance;

3) work with each participating provider, as well as with primary care providers, substance use disorder treatment providers, and social service providers in the State, to ensure that eligible patients in the provider's region of operations have access to an intensive, coordinated support system to help them navigate the State's behavioral health care service system and to identify and access, in a timely manner, necessary and appropriate behavioral health care services in the State and region. The coordinated support system

utilized in each region will be required to incorporate: a) the use, by participating providers, of warm hand-offs, rapid referrals, supportive contacts, and other efficient and supportive care transition methods; b) the hiring, by participating providers, of service navigation specialists and advisors to guide eligible patients through the behavioral health care system and to direct, monitor, and keep a record of, the services received by each eligible patient; and c) the use, by participating providers or the administering managed care organization or organizations, of any other means or methods deemed appropriate or necessary to facilitate behavioral health care coordination or care transitions in the State.

In selecting one or more managed care organizations to administer the pilot program, the DHS will be required to give priority to those managed care organizations that have the ability to link to, and exchange relevant information and data through, a Statewide Health Information Exchange (HIE) or other health information platform. The DHS will further be required to encourage the administering managed care organization or organizations to engage in the active and ongoing use of the HIE or other platform, as may be necessary to efficiently and effectively administer the pilot program. A portion of the funding that is provided to the administering organization for the purposes of the pilot program may be used to finance the costs associated with use of the HIE or other platform.

The bill provides for the pilot program to be funded through the Medicaid program using a value-based payment system. The value-based payment system is to be modeled on, and consistent with, the population-based payment methodology that is described under Category 4 of the alternative payment methodologies (APM) framework developed by the Health Care Payment Learning and Action Network. Specifically, the value-based payment system is to provide for a quarterly advanced bundled payment to be provided to the administering managed care organization or organizations for the purposes of financing the total cost of behavioral health care that is provided, by participating providers and other appropriate service providers, to eligible patients in the State, including, but not limited to, the costs associated with needs assessments performed and support and navigation services provided pursuant to the bill and the costs associated with the managed care organization's linkage to, use of, and exchange of information and data through, a Statewide HIE or other health information platform. The quarterly bundled payment rate is to be established by the Commissioner of Human Services, based on the commissioner's evaluation of the following factors:

- 1) the number of eligible patients who are expected to be served by the pilot program;
- 2) the average anticipated per-patient cost of care for eligible patients;

3) the anticipated costs to participating providers of hiring and training staff to provide eligible patients with assistance and support in service navigation;

4) the anticipated costs associated with ensuring the linkage to, and exchange of relevant health information through, the HIE or other Statewide health information platform; and

5) any other factors that may affect the cost of care for eligible patients.

The quarterly bundled payment is to be limited to the bundled rate established by the commissioner under the bill, and may not be increased, regardless of whether the actual costs of care received by patients in the pilot program exceed the bundled payment rate provided under the bill. If the administering managed care organization or organizations, in cooperation with participating providers in each region, are able to reduce the per-patient costs of care for patients engaged in the pilot program through the effective use of care coordination methodologies, including, but not limited to, the use of the service navigation and support systems described under the bill, the administering managed care organization or organizations may retain, and will not be required to repay, any bundled payment funds that remain unexpended thereby. The managed care organization or organizations will be required to share any such savings with the providers participating in the pilot program at a rate that is proportional to the rate of per-patient cost reduction savings that was achieved by each such provider. If the actual per-patient costs of care for patients engaged in the pilot program exceed the advanced bundled payment rate established by the commissioner under bill, the administering managed care organization or organizations will be required to ensure that all eligible patients continue to receive appropriate services and care from participating providers and other appropriate providers without being subject to an increase in out-of-pocket costs. Any financial loss suffered by the managed care organization or organizations as a result of an increase in the per-patient cost of care for patients in the pilot program is to be shared by the managed care organization or organizations with the participating providers at a rate that is proportional to the rate of per-patient cost increase attributed to each provider.

The bill requires the DHS, within 90 days after the two-year pilot program is terminated, to prepare and submit a written report of its findings and recommendations to the Governor and Legislature.

The Commissioner of Human Services will be required to apply for any State plan amendments or waivers as may be necessary to implement the bill's provisions and secure federal financial participation for State Medicaid expenditures under the federal Medicaid program.

COMMITTEE AMENDMENTS:

The committee amendments make various technical changes involving grammar and syntax.