

SENATE HEALTH, HUMAN SERVICES AND SENIOR CITIZENS COMMITTEE

STATEMENT TO **SENATE, No. 2504**

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 14, 2024

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 2504.

This bill, as amended, requires the Medicaid reimbursement rates for primary care and mental health services to match the reimbursement rates for those services under Medicare. Specifically, commencing July 1, 2024, and annually thereafter, the Medicaid reimbursement rate for primary care and mental health services is required to be no less than 100 percent of the payment rate that applies to such services under part B of the federal Medicare program. Primary care and mental health services include those services furnished by:

(1) a physician with a primary specialty designation of family medicine, general internal medicine, general pediatric medicine, or obstetrics and gynecology;

(2) a health care professional, including but not limited to an advance practice nurse or a physician assistant, who is working in the area of family medicine, general internal medicine, general pediatric medicine, or obstetrics and gynecology; or

(3) a midwife.

Mental health services additionally include those services furnished by a health care provider with one of the following specialty designations: licensed clinical social worker, psychologist, licensed professional counselor, licensed marriage and family therapist, licensed clinical alcohol and drug counselor, or psychiatrist.

The provisions of the bill are not to be construed to require any decrease in the Medicaid reimbursement rate for a primary care or mental health service from the previous fiscal year's reimbursement level for the same service. The requirements of the bill will apply to services reimbursed under both the Medicaid fee-for-service delivery system and the Medicaid managed care delivery system, and to services delivered by an approved Medicaid provider.

The bill directs the Commissioner of Human Services, no later than one year after the effective date of the bill, to submit a report to

the Governor and to the Legislature concerning implementation of the bill, including data regarding changes in access to primary care and mental health services, as well as the quality of care of these services, for Medicaid beneficiaries following any rate increases implemented under the bill. The report is also to include any recommendations for further enhancements to the Medicaid rates for these services to improve provider access and quality of care for Medicaid beneficiaries in underserved areas of the State.

COMMITTEE AMENDMENTS:

The committee amendments provide that the provisions of the bill are to commence on July 1, 2024, rather than July 1, 2023.