

[Second Reprint]

ASSEMBLY, No. 5977

STATE OF NEW JERSEY
218th LEGISLATURE

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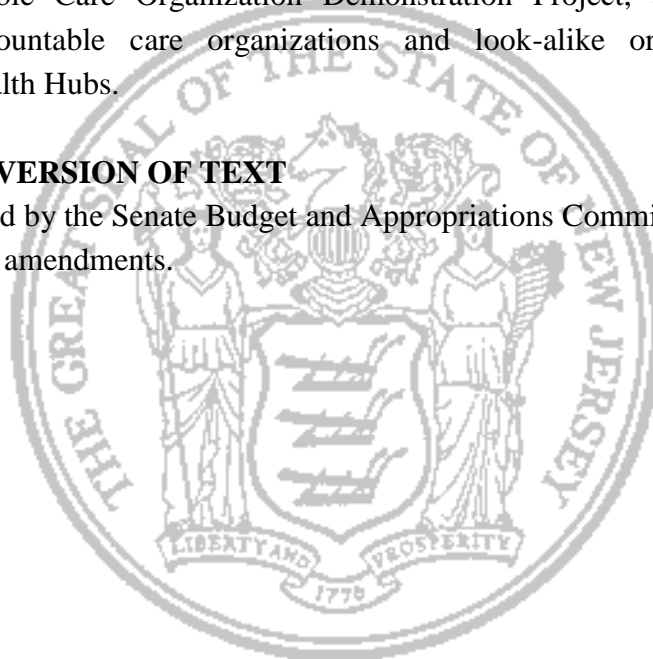
District 7 (Burlington)

SYNOPSIS

Provides for establishment of Regional Health Hub Program as replacement to Accountable Care Organization Demonstration Project, and designates existing accountable care organizations and look-alike organizations as Regional Health Hubs.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on January 6, 2020, with amendments.



(Sponsorship Updated As Of: 1/14/2020)

1 AN ACT concerning the establishment of a Regional Health Hub
2 Program as a replacement to the Accountable Care Organization
3 Demonstration Project, and supplementing Title 30 of the
4 Revised Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. The Legislature finds and declares that:

10 a. Significant State resources are invested in both the health
11 and social service sectors in New Jersey, and the development of
12 improvements in how Medicaid benefits and payment models
13 interact with social services would provide a benefit to all New
14 Jersey residents.

15 b. A more regional approach to care, involving the coordinated
16 provision of person-centered health care in combination with robust
17 connections to social services and community resources, is required
18 at both the patient and organizational levels.

19 c. It is in New Jersey's best interest to establish a regional
20 network of non-profit organizations that partner with Medicaid and
21 State agencies to reduce health disparities and improve health
22 outcomes and the delivery of care for Medicaid recipients in the
23 State. Such non-profit organizations have the capacity to become
24 local innovation engines that use real-time actionable data and
25 diverse stakeholder input to develop and implement innovative
26 models for the delivery of effective, person-centered care.

27 d. It is both reasonable and appropriate for the Department of
28 Human Services to designate and recognize existing accountable
29 care organizations as Regional Health Hubs, and to establish new
30 Regional Health Hubs in appropriate areas of the State, as provided
31 by this act, in order to enable the State to:

32 (1) identify existing and emerging threats to health and
33 wellbeing, and problems with the State's regional health care
34 delivery systems, and identify and determine how to implement
35 solutions to those problems;

36 (2) promote and facilitate cooperation, coordination, innovation,
37 and goal setting by and among relevant stakeholders;

38 (3) evaluate the progress that has been made in achieving
39 identified goals and priorities; and

40 (4) otherwise encourage and enable the overall improvement of
41 the health of New Jersey residents and the delivery of health care
42 throughout the State.

43

44 2. As used in this act:

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHE committee amendments adopted December 5, 2019.

²Senate SBA committee amendments adopted January 6, 2020.

1 “Commissioner” means the Commissioner of Human Services.

2 “Core region” means the geographic area of responsibility for a
3 Regional Health Hub.

4 “Data catchment area” means the zip codes in New Jersey for
5 which a Regional Health Hub receives ¹ **【Medicaid】** NJ
6 FamilyCare¹ claims data.

7 “Department” means the Department of Human Services.

8 “Existing Regional Health Hub” means those four organizations
9 designated as Regional Health Hubs by the FY20 New Jersey State
10 Budget, P.L.2019, c.150 and identified in subsection b. of section 3
11 of this act.

12 “Health information platform” means a Health Information
13 Exchange (HIE) or other electronic platform that is used to run
14 population-level analytics or exchange health information among
15 various organizations.

16 “New Regional Health Hub” means an entity that is designated
17 by the commissioner as a Regional Health Hub after the effective
18 date of, and as provided by, this act.

19 “Prospective service region” or “prospective region” means a
20 geographical area that is designated by the commissioner, pursuant
21 to subsection a. of section 4 of this act, as being in need of a
22 Regional Health Hub.

23 “Regional Health Hub” means any entity that is designated as a
24 Regional Health Hub, as provided by this act, including an existing
25 Regional Health Hub or a new Regional Health Hub.

26

27 3. a. The Department of Human Services shall establish a
28 Regional Health Hub Program, and shall designate ¹ **【and certify】**¹
29 Regional Health Hubs in appropriate areas of the State, as provided
30 by this act. The Regional Health Hub Program shall replace the
31 Medicaid Accountable Care Organization Demonstration Project
32 established pursuant to P.L.2011, c.114 (C.30:4D-8.1 et seq.),
33 which is now subject to expiration by law.

34 b. The following certified accountable care organizations and
35 accountable care look-alike organizations, which are operating in
36 this State as of the effective date of this act, shall be grandfathered
37 into the Regional Health Hub Program, and shall be automatically
38 designated ¹ **【and certified】**¹ as Regional Health Hubs, for the
39 purposes of this act:

- 40 (1) the Healthy Greater Newark ACO;
- 41 (2) the Trenton Health Team;
- 42 (3) the Camden Coalition of Health Care Providers; and
- 43 (4) the Health Coalition of Passaic County.

44 c. (1) The Department of Human Services ¹ **【**, in consultation
45 with the Department of Health,**】**^{1 2}, in consultation with the
46 Department of Health,² shall be authorized to designate ¹ **【and**
47 **certify】**¹ additional non-profit organizations to operate as Regional

1 Health Hubs under the Regional Health Hub Program, pursuant to
2 section 4 of this act, as determined to be appropriate.

3

4 4. a. The commissioner ², in consultation with the
5 Commissioner of Health,² shall designate and delineate the
6 boundaries of regions of the State that are in need of new Regional
7 Health Hubs ¹within six months of the effective date of this act¹.

8 b. The commissioner's designation and delineation of
9 prospective service regions for new Regional Health Hubs shall be
10 based on the following factors:

11 (1) the availability of State and federal funding necessary to
12 support the new Regional Health Hub, and the State's ability to
13 provide necessary funding ¹**[without negatively impacting the**
14 **operation and effectiveness of other Regional Health Hubs in the**
15 **State]**¹ ;

16 (2) the number and density of Medicaid beneficiaries in the
17 region;

18 (3) the existence, in the region, of multiple health and social
19 service systems of care that are in need of convening and
20 coordination; and

21 (4) the volume, in the region, of avoidable inpatient hospital
22 admissions and emergency department visits.

23 c. Based on the analysis of factors identified in subsection b. of
24 this section, the commissioner may designate any county, zip code,
25 or group of zip codes in the State as a prospective service region.
26 The boundaries of any prospective service region designated under
27 this section shall not ¹**[include]** overlap with¹ any portion of a core
28 region served by another Regional Health Hub.

29 d. Once an area has been designated by the commissioner as a
30 prospective service region, the commissioner shall ¹**[solicit and**
31 **review applications from qualified non-profit organizations that**
32 **wish to be designated and certified]** evaluate organizations for
33 designation¹ as the new Regional Health Hub for the prospective
34 service region. The commissioner shall only designate ¹**[and**
35 **certify]**¹ an organization as a new Regional Health Hub if the
36 organization:

37 (1) is a registered New Jersey non-profit organization exempt
38 from federal taxation under 26 U.S.C. s.501(c)3;

39 (2) submits a request identifying the proposed boundaries of the
40 Regional Health Hub's anticipated core region, which boundaries
41 shall include the total area of a prospective service region
42 designated by the commissioner, and shall not include any area that
43 is already included in another Regional Health Hub's core region;
44 ¹**[and]**¹

45 (3) submits a request identifying the proposed boundaries of the
46 Regional Health Hub's anticipated data catchment area ¹; and

1 (4) demonstrates, to the commissioner’s satisfaction, the ability
2 to perform the mandatory functions of a Regional Health Hub, as
3 described in subsection a. of section 6 of this act¹ .

4 e. Within 180 days after an organization is approved to operate
5 as a Regional Health Hub, the organization shall:

6 (1) establish and maintain a headquarters within the boundaries
7 of the core region;

8 (2) establish and convene an advisory committee of persons who
9 reside or work in the core region, which committee shall include
10 community members and representatives from organizations that
11 exemplify the diversity of geography, gender, disability, age, sexual
12 orientation, veterans’ status, and prevalent health conditions in the
13 core region. The following types of persons may be included in an
14 advisory committee established under this paragraph: (a)
15 community members having lived experience with the health care
16 system; (b) Medicaid beneficiaries; (c) representatives from school
17 districts; (d) representatives of local government; (e) representatives
18 of housing organizations; and (f) representatives of the faith-based
19 community; ¹and¹

20 (3) establish and convene a governing board that includes
21 members from a majority of the following groups and entities, to
22 the extent that such groups and entities are present in the core
23 region: (a) hospitals or hospital systems; (b) Federally Qualified
24 Health Centers; (c) private clinicians, including physicians and
25 nurses; (d) community-based organizations such as behavioral
26 health providers and social service agencies; (e) managed care
27 organizations; (f) the advisory committee established pursuant to
28 paragraph (2) of this subsection; and (g) health care consumers ¹**];**
29 and

30 (4) demonstrate, to the commissioner’s satisfaction, the ability
31 to perform the mandatory functions of a Regional Health Hub, as
32 described in subsection a. of section 6 of this act¹ .

33 f. If more than one organization meets the criteria for
34 designation as a Regional Health Hub in a prospective service
35 region, the commissioner, in the commissioner’s discretion, shall
36 designate the organization that the commissioner determines will be
37 best able to meet the needs of, and fulfill the purposes of this act
38 within, the prospective service region.

39 g. Before ¹**[**approving an application to become¹**]** designating¹
40 a Regional Health Hub under this section, the commissioner shall
41 review each of the boundary requests submitted by the ¹**[**applicant¹**]**
42 organization¹ under ¹**[**paragraphs (6) and (7)¹**]** paragraph (2)¹ of
43 subsection d. of this section, and shall either approve the requests,
44 as submitted by the ¹**[**applicant¹**]** organization¹, or require the
45 ¹**[**applicant¹**]** organization¹ to make appropriate modifications to the
46 boundary requests as a precondition to their approval. If a
47 boundary request cannot be modified as necessary to comply with
48 the provisions of this act, the commissioner ¹**[**shall¹**]** may¹ select

1 another ~~‘[applicant] organization’~~¹ to serve as the Regional Health
2 Hub in the proposed service region.

3 h. A designated Regional Health Hub may submit an
4 application to the commissioner, at any time, requesting the
5 expansion of its core region. The commissioner ~~‘[shall] may’~~¹
6 approve the requested expansion if:

7 (1) the boundaries of the expanded core region will not overlap
8 with the core region of another Regional Health Hub;

9 (2) the area would otherwise qualify for designation as a
10 prospective service region under subsection b. of ~~‘this’~~¹ section ~~‘[4~~
11 ~~of this act]’~~¹; and

12 (3) the applicant demonstrates, to the commissioner’s
13 satisfaction, the applicant’s ability to perform, in the requested
14 expansion area, and within one year following submission of the
15 application, the mandatory activities of a Regional Health Hub, as
16 described in subsection a. of section 6 of this act.

17

18 5. a. The commissioner may revoke an organization’s status as
19 a Regional Health Hub if the organization fails to perform the
20 mandatory activities of a Regional Health Hub, as described in
21 subsection a. of section 6 of this act.

22 b. Before revoking an organization’s status as a Regional
23 Health Hub, the commissioner shall notify the organization of the
24 potential revocation and provide a reasonable timeframe for
25 corrective action.

26 c. The commissioner’s revocation of Regional Health Hub
27 status shall be a final agency action for the purposes of the
28 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
29 seq.).

30 d. After revoking an organization’s status as a Regional Health
31 Hub, the commissioner shall immediately determine whether a new
32 Regional Health Hub is needed in the area where status was
33 revoked. If such need is determined to exist, the commissioner
34 shall designate a new Regional Health Hub to serve the area, as
35 provided by subsection d. of section 4 of this act.

36

37 6. a. Each designated Regional Health Hub shall engage in the
38 following mandatory activities:

39 (1) establish, operate, and maintain a health information
40 platform that allows for population-level views and analytics, and
41 patient-level health interventions. Unless annually exempted by the
42 commissioner, each Regional Health Hub’s health information
43 platform shall, to the extent practicable, be interoperable with all
44 other Regional Health Hubs’ platforms, and with any other
45 Statewide health information ~~‘[project] platform’~~¹ designated by the
46 commissioner;

47 (2) convene and obtain relevant input from community
48 stakeholders within the Regional Health Hub’s core region. At a

1 minimum, convening activities shall include quarterly opportunities
2 for the active engagement and interaction of relevant stakeholders,
3 including, but not limited to, managed care organizations, local and
4 State government entities, health care and social service providers,
5 community-based organizations, and local consumers of health
6 care;

7 (3) upon request, provide the department and other State
8 agencies, including the Departments of Health, Children and
9 Families, and Community Affairs, with information and feedback to
10 assist the departments in program design, population analysis,
11 strategic planning, and other appropriate functions; and

12 (4) engage in any other activity that the commissioner deems
13 necessary to achieve the goals of this act.

14 b. Each designated Regional Health Hub shall be authorized to
15 engage in the following activities as necessary either to further the
16 Regional Health Hub's goals or to comport with the provisions of
17 '[a memorandum of understanding executed between] the proposal
18 submitted by' the Regional Health Hub '[and] to' the department
19 pursuant to section 7 of this act:

20 (1) plan and execute population-level and patient-level health
21 interventions;

22 (2) establish, operate, and maintain, or partner with a third-party
23 who will establish, operate, and maintain, a community resource
24 inventory that is capable of referring and tracking the referral of
25 community members to appropriate services;

26 (3) perform a health needs assessment on all or part of the
27 population in the Regional Health Hub's core region;

28 (4) perform quality improvement activities based on population-
29 level data and health needs assessment findings;

30 (5) develop screening protocols that provide for a
31 comprehensive risk assessment to determine a patient's need for
32 follow-up and wrap-around services related to the social
33 determinants of health;

34 (6) facilitate the coordination, within the Regional Health Hub's
35 core region, of health care and ancillary services related to the
36 social determinants of health, including, but not limited to, food
37 assistance services, legal services, and other social services, for
38 high-need populations;

39 (7) provide care management services to the entire population,
40 or to underserved sub-populations, in the Regional Health Hub's
41 core region;

42 (8) submit '[an annual report] reports' to the commissioner
43 describing the health needs in the Regional Health Hub's core
44 region, identifying the Regional Health Hub's near and long-term
45 health goals for the core region, and describing the activities that
46 have been undertaken, and the progress that has been made, over
47 the preceding year, by the Regional Health Hub and relevant

1 stakeholders in the core region to improve the effectiveness or
2 efficiency of the core region's health care system; and

3 (9) engage in any other appropriate activity that the
4 commissioner or Regional Health Hub deems relevant to the
5 attainment of the Regional Health Hub's goals.

6 c. Nothing in this section shall be deemed to limit the activities
7 that a Regional Health Hub may conduct on behalf of other State
8 departments or funders.

9
10 7. a. ¹~~Each~~ Regional Health Hub ¹~~may~~ shall¹ annually
11 ¹~~enter into~~ submit¹ a ¹~~memorandum of understanding with~~
12 proposal to¹ the department, describing the Regional Health Hub's
13 annual goals, and the elective activities that the Regional Health
14 Hub will undertake during the upcoming fiscal year.

15 b. In order to ¹~~facilitate the annual execution of memoranda~~
16 ~~of understanding~~ become effective, each Regional Health Hub's
17 proposal shall be approved by the department ²in consultation with
18 the Department of Health². Approval shall be at the sole discretion
19 of the department ²in consultation with the Department of Health²,
20 and the department may request that the Regional Health Hub
21 modify and resubmit a proposal, in order to receive approval.

22 c. In order to facilitate the development of proposals¹ under
23 this section, the department shall annually provide each Regional
24 Health Hub with a list of the department's goals, projects, or
25 priorities for the upcoming fiscal year.

26 ¹~~c. Any Regional Health Hub wishing to enter into a~~
27 ~~memorandum of understanding with the department shall first~~
28 ~~convene an annual planning meeting of stakeholders within the~~
29 ~~Regional Health Hub's core region in order to identify potential~~
30 ~~goals, projects, and priorities for the core region. The convening of~~
31 ~~a meeting under this subsection may overlap with the Regional~~
32 ~~Health Hub's duties under paragraph (2) of subsection a. of section~~
33 ~~6 of this act.]~~¹

34 d. When ¹~~executing a memorandum of understanding~~
35 finalizing a proposal¹ under this section, the department and
36 relevant Regional Health Hub shall negotiate joint goals, projects,
37 and priorities for the upcoming fiscal year, and agree upon the
38 associated funding that will be needed to accomplish those joint
39 goals, projects, and priorities.

40 e. Each ¹~~memorandum of understanding executed~~ proposal
41 approved¹ pursuant to this section shall include, at a minimum:

42 (1) a description of the joint goals, projects, and priorities
43 agreed upon by the Regional Health Hub and the department for the
44 upcoming fiscal year pursuant to subsection d. of this section;

45 (2) an indication of the amount of funding that will be needed to
46 attain each joint goal, project, and priority identified in the
47 ¹~~memorandum of understanding~~ proposal¹, and an indication of

1 the total amount of funding, overall, that will ¹be¹ needed to
2 execute the ¹["memorandum of understanding"] proposal¹ ;

3 (3) a description of the clear deliverables and performance
4 metrics that will be used to evaluate and measure success in relation
5 to the achievement of the goals, projects, and priorities described in
6 the ¹["memorandum of understanding"] proposal¹; and

7 (4) a description of performance-based payments ¹[,
8 representing at least 10 percent but not more than 25 percent of the
9 total funding needed to execute the memorandum of
10 understanding]¹ , which ¹["payments will"] shall¹ be tied to the
11 achievement of the clear deliverables ¹and performance metrics¹
12 described in paragraph (3) of this subsection. ¹Each year, at least
13 10 percent, but no more than 25 percent of the total funding
14 provided by the department to each Regional Health Hub to
15 undertake the activities described in section 6 of this act shall be
16 contingent upon the Regional Health Hub's achievement of such
17 deliverables and performance metrics. Determination of whether a
18 Regional Health Hub has achieved such deliverables and
19 performance metrics shall be at the sole discretion of the
20 department.¹

21

22 ¹8. a. A Regional Health Hub may be funded in part by the
23 department, in accordance with the provisions of the annual
24 appropriations act. As described in paragraph (4) of subsection e.
25 of section 7 of this act, a portion of such funding shall be contingent
26 on the Regional Health Hub's achievement of deliverables and
27 performance metrics, as specified in the Regional Health Hub's
28 approved proposal each year.

29 b. In addition to funding described in subsection a. of this
30 section, the commissioner shall have the discretion to support a
31 Regional Health Hub's innovation projects that advance Medicaid
32 priorities using other available dollars as appropriate.

33 c. A Regional Health Hub shall not receive funding provided
34 for under this section until the Regional Health Hub has submitted
35 an annual proposal, as described in section 7 of this act.¹

36

37 ¹[8.] ¹9.¹ a. A health information platform operated pursuant
38 to paragraph (1) of subsection a. of section 6 of this act shall
39 contain detailed health data from the Regional Health Hub's core
40 region, including macro-level analytics of broad population trends,
41 and micro-level analytics of both individual health data, and disease
42 trends by category of disease, age group, or other subset.

43 b. ¹["Each hospital in the State shall be required to submit
44 pertinent patient data to the health information platform that is
45 maintained by the Regional Health Hub operating in the same
46 region of the State in which the hospital is located, or, if there is no
47 Regional Health Hub operating in the region, to the health
48 information platform that is maintained by the Regional Health Hub

1 that is closest in geography to the hospital. The data submitted
2 pursuant to this paragraph shall be provided on a real-time basis, to
3 the extent practicable, and in no case, less frequently than daily.

4 c. Each managed care organization operating in the State shall
5 be required to share all relevant health data with each health
6 information platform that is maintained in a region of the State in
7 which the managed care organization provides services to patients.

8 d.] Each Regional Health Hub shall maintain a data sharing use
9 and reciprocal support agreement, and any applicable use case
10 agreement, with any Statewide health information platform
11 designated by the commissioner in order to promote
12 interoperability.

13 c. The department shall, consistent with federal and State law,
14 make available NJ FamilyCare claims data to the Regional Health
15 Hubs, as needed for the Regional Health Hub's population health
16 work or other tasks, and enter into appropriate data sharing
17 agreements for the exchange of such data. The department shall
18 share with each Regional Health Hub the NJ FamilyCare claims
19 data for beneficiaries residing within the Regional Health Hub's
20 data catchment area, as mutually agreed to by the Regional Health
21 Hub and the department. The data catchment area shall include, but
22 need not be limited to, the Regional Health Hub's core region, and
23 may overlap with the data catchment areas for other Regional
24 Health Hubs.

25 d.¹ The Departments of Human Services, Health, Children and
26 Families, and Community Affairs shall be authorized ¹, to the
27 extent permissible by federal and State law or regulation,¹ to share
28 with the health information platforms established, or the Regional
29 Health Hubs designated, pursuant to this act, any available health
30 data that is maintained by the departments.

31
32 ¹[9.] 10.¹ Any State department that implements a pilot
33 program related to health care delivery shall be encouraged to
34 consult with the Regional Health Hubs operating in the regions of
35 the State that will be affected by the pilot program, in order to
36 ensure that all relevant considerations have been accounted for, and
37 that the pilot program is effectively and efficiently implemented
38 with the assistance of all relevant stakeholders.

39
40 ¹[10.] 11.¹ In addition to utilizing any State-appropriated
41 funding that supports Regional Health Hubs, the Commissioner of
42 Human Services shall apply for such State plan amendments or
43 waivers as may be necessary to implement the provisions of this
44 act, and to secure federal financial participation for State Medicaid
45 expenditures under the federal Medicaid program, and shall take
46 such additional steps as may be necessary to secure, on behalf of
47 participating Regional Health Hubs, such waivers, exemptions, or
48 advisory opinions to ensure that such Regional Health Hubs are in

1 compliance with applicable provisions of State and federal law
2 related to fraud and abuse, including, but not limited to, anti-
3 kickback, self-referral, false claim, and civil monetary penalty
4 provisions.

5 ¹~~【11.】~~ 12.¹ The Commissioner of Human Services shall adopt
6 rules and regulations, pursuant to the “Administrative Procedure
7 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), as may be necessary to
8 implement the provisions of this act.

9
10 ¹~~【12.】~~ 13.¹ This act shall take effect immediately ¹; however,
11 funding appropriated for the Regional Health Hub Project in the
12 Fiscal Year 2020 annual appropriations act, P.L.2019, c.150, shall
13 not be subject to the provisions of this act.¹