

ASSEMBLY, No. 1012

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

SYNOPSIS

Establishes bundled payments pilot program in Medicaid.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** establishing a Medicaid bundled payments pilot program.

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3 **BE IT ENACTED** *by the Senate and General Assembly of the State*
4 *of New Jersey:*

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6 1. The Division of Medical Assistance and Health Services in
7 the Department of Human Services shall establish a bundled
8 payment pilot program designed to serve individuals with complex
9 health conditions, including behavioral health conditions. The
10 program shall be designed based on one or more of the four models
11 of care set forth in the Bundled Payments for Care Improvement
12 Initiative for the federal Centers for Medicare & Medicaid Services.

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14 2. In cases under the bundled payments pilot program requiring
15 coordination of different health care providers, the division shall
16 designate a case counselor for the patient. The case counselor shall
17 have expertise in health care coordination, the cultural and
18 linguistic competence appropriate to the patient, and other
19 qualifications as determined by the division.

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21 3. The pilot program shall seek to integrate the treatment of a
22 patient's physical and behavioral health conditions as part of the
23 bundled payment and any care coordination services.

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25 4. The pilot program shall address geographic accessibility of
26 services to ensure that patients can reasonably access all necessary
27 and appropriate services, providers, and facilities included in the
28 episode of care.

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30 5. The Commissioner of Human Services shall apply for such
31 State plan amendments or waivers as may be necessary to
32 implement the provisions of this act and to secure federal financial
33 participation for State Medicaid expenditures under the federal
34 Medicaid program.

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36 6. The division shall report to the Governor, and to the
37 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),
38 on the pilot program two years after the initiation of the program
39 and make any recommendations the division deems appropriate to
40 revise, restrict, or expand the program.

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42 7. This act shall take effect immediately.

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45 STATEMENT

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47 This bill establishes a bundled payments pilot program in the
48 Medicaid program, operated by the Division of Medical Assistance

1 and Health Services in the Department of Human Services. The
2 program would be designed to serve individuals with complex
3 health conditions, including behavioral health conditions. The
4 program would be designed based on the four models of care set
5 forth in the Bundled Payments for Care Improvement Initiative for
6 the federal Centers for Medicare & Medicaid Services. These
7 models of care are:

- 8 • Model 1: a retrospective bundled payment for an episode of care
9 focused on an acute care inpatient hospitalization, which
10 includes a discount from the usual fee-for-service hospital
11 inpatient payments;
- 12 • Model 2: a retrospective bundled payment for an episode of care
13 where actual expenditures are reconciled against a target price.
14 The episode of care in Model 2 includes an inpatient stay in an
15 acute care hospital and post-acute care, including related
16 services provided during the episode, which ends 30, 60, or 90
17 days after discharge from the hospital.
- 18 • Model 3: similar to Model 2, except that an episode of care is
19 triggered at the initiation of post-acute care services with a
20 participating skilled nursing facility, inpatient rehabilitation
21 facility, long-term care hospital, or home health agency.
- 22 • Model 4: a single, prospectively determined bundled payment to
23 a hospital to include all services provided during the inpatient
24 stay by the hospital, physicians, and other health care
25 professionals.

26 In cases requiring coordination of different health care providers,
27 the division would designate a case counselor for the patient, who
28 would have expertise in health care coordination, the cultural and
29 linguistic competence appropriate to the patient, and other
30 qualifications as determined by the division.

31 The pilot program would seek to integrate the treatment of a
32 patient's physical and behavioral health conditions as part of the
33 bundled payment and any care coordination services.

34 The pilot program would address geographic accessibility of
35 services to ensure that patients can reasonably access all necessary
36 and appropriate services, providers, and facilities included in the
37 episode of care.

38 The division would be required to report to the Governor and the
39 Legislature on the pilot program two years after the initiation of the
40 program, and make any recommendations it deems appropriate to
41 revise, restrict, or expand the program.