

# ASSEMBLY, No. 1034

## STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblywoman JOANN DOWNEY**

**District 11 (Monmouth)**

**Co-Sponsored by:**

**Assemblyman Dancer**

**SYNOPSIS**

Requires rate review study of provider reimbursement rates provided by Medicaid and Children's System of Care for pediatric and adult psychiatry services.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning pediatric and adult psychiatry reimbursement  
2 rates.

3

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

6

7 1. a. The Commissioner of Human Services, in collaboration  
8 with the Commissioner of Children and Families, shall implement,  
9 or contract with a third party to implement, a rate review study of  
10 the provider reimbursement rates provided by Medicaid and the  
11 Children's System of Care for pediatric and adult psychiatry  
12 services. The purpose of this study shall be to conduct an analysis  
13 of the access, service, quality, and utilization of pediatric and adult  
14 psychiatry services provided within these programs.

15 The rate review study, at a minimum, shall:

16 (1) evaluate current reimbursement practices within Medicaid  
17 and the Children's System of Care utilizing cost data from existing  
18 providers;

19 (2) compare provider reimbursement rates paid by Medicaid and  
20 the Children's System of Care with those rates paid by other payers,  
21 such as Medicare and private insurance, for identical services;

22 (3) analyze the availability and access to pediatric and adult  
23 psychiatry services within Medicaid and the Children's System of  
24 Care in each geographic region of the State;

25 (4) Assess whether existing reimbursement rates are sufficient  
26 to allow for provider retention, access to care, and appropriate  
27 payment for high-quality services within Medicaid and the  
28 Children's System of Care;

29 (5) establish a means to receive and incorporate provider and  
30 stakeholder input; and

31 (6) suggest a rate setting methodology for pediatric and adult  
32 psychiatry services within Medicaid and the Children's System of  
33 Care in response to the findings of the study.

34 b. The Commissioners of Human Services and Children and  
35 Families may require the submission of cost reports, provider  
36 surveys, and other materials and data in order to complete the rate  
37 review study as required pursuant to this section.

38 c. The Commissioner of Human Services, in collaboration with  
39 the Commissioner of Children and Families, shall report the  
40 findings and conclusions of the rate review study, as well as any  
41 recommendation for legislation, to the Legislature within 1 year of  
42 the effective date of this act.

43 d. As used in this section:

44 "Children's System of Care" means the Division of Children's  
45 System of Care in the Department of Children and Families.

46 "Medicaid" means the program established pursuant to P.L.1968,  
47 c.413 (C.30:4D-1 et seq.).

1       2. This act shall take effect immediately and shall expire upon  
 2 the submission of the report by the Commissioner of Human  
 3 Services pursuant to subsection c. of section 1 of this act.

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6                       STATEMENT

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8       This bill requires the Commissioner of Human Services, in  
 9 collaboration with the Commissioner of Children and Families, to  
 10 implement, or contract with a third party to implement, a rate  
 11 review study of the provider reimbursement rates provided by  
 12 Medicaid and the Children's System of Care for pediatric and adult  
 13 psychiatry services. As used in the bill, "Children's System of  
 14 Care" means the Division of Children's System of Care in the  
 15 Department of Children and Families; and "Medicaid" means the  
 16 program established pursuant to P.L.1968, c.413 (C.30:4D-1 et  
 17 seq.). The purpose of this study is to conduct an analysis of the  
 18 access, service, quality, and utilization of pediatric and adult  
 19 psychiatry services provided within these programs.

20       The rate review study, at a minimum, is require to:

21       (1) evaluate current reimbursement practices within Medicaid  
 22 and the Children’s System of Care utilizing cost data from existing  
 23 providers;

24       (2) compare provider reimbursement rates paid by Medicaid and  
 25 the Children’s System of Care with those rates paid by other payers,  
 26 such as Medicare and private insurance, for identical services;

27       (3) analyze the availability and access to pediatric and adult  
 28 psychiatry services within Medicaid and the Children’s System of  
 29 Care in each geographic region of the State;

30       (4) assess whether existing reimbursement rates are sufficient to  
 31 allow for provider retention, access to care, and appropriate  
 32 payment for high-quality services within Medicaid and the  
 33 Children’s System of Care;

34       (5) establish a means to receive and incorporate provider and  
 35 stakeholder input; and

36       (6) suggest a rate setting methodology for pediatric and adult  
 37 psychiatry services within Medicaid and the Children’s System of  
 38 Care in response to the findings of the study.

39       The Commissioners of Human Services and Children and  
 40 Families may require the submission of cost reports, provider  
 41 surveys, and other materials and data in order to complete the rate  
 42 review study as required pursuant to this section. Furthermore, the  
 43 Commissioner of Human Services, in collaboration with the  
 44 Commissioner of Children and Families, is directed to report the  
 45 findings and conclusions of the rate review study, as well as any  
 46 recommendation for legislation, to the Legislature within 1 year of  
 47 the effective date of this act, at which point the provisions of the  
 48 bill will expire.