

ASSEMBLY, No. 1704

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JOHN J. BURZICHELLI
District 3 (Cumberland, Gloucester and Salem)
Assemblywoman YVONNE LOPEZ
District 19 (Middlesex)

Co-Sponsored by:

Assemblymen DePhillips, DiMaio and Peterson

SYNOPSIS

Requires Department of Human Services to review Medicaid reimbursement to nursing homes under Managed Long-Term Services and Supports Program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning Medicaid reimbursement and supplementing
2 Title 30 of the Revised Statutes.

3

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

6

7 1. The Commissioner of Human Services shall conduct a study
8 of the State's Medicaid program reimbursement to nursing homes
9 under the Managed Long-Term Services and Supports Program.
10 The study shall include:

11 a. a study of the current costs of providing long term care
12 services in State nursing homes;

13 b. an analysis of the adequacy of the current Medicaid nursing
14 home reimbursement rates given the current costs of providing long
15 term care services in nursing homes; and

16 c. a recommendation of alternative reimbursement
17 methodologies for Medicaid recipients described in section 2 of this
18 act, including consideration of:

19 (1) a reinstatement of the methodology provided for in
20 N.J.A.C.8:85-3.1 et seq. to establish prospective per diem rates for
21 the provision of nursing home services to residents under the State's
22 Medicaid program;

23 (2) implementation of a case mix adjusted price model for
24 nursing home reimbursement;

25 (3) implementation of a rate floor for nursing home rates
26 negotiated by a managed care organization under contract with the
27 State's Medicaid program;

28 (4) an allowance for regional cost variation in the State; and

29 (5) a provision for inflationary increases in the cost of care by
30 means of periodic cost reporting and rebasing of rates or the
31 implementation of an inflationary rate adjustment based on actual
32 health care cost increases.

33

34 2. Within 180 days following the enactment of this act, the
35 Commissioner of Human Services shall adopt rules and regulations
36 establishing reimbursement methodologies for all long-term care
37 recipients:

38 a. that have been receiving State Medicaid nursing home
39 services since June 30, 2014 and who continue to have eligible
40 services paid for by the State through a fee-for-service
41 reimbursement model;

42 b. that receive Medicaid Managed Long Term Services and
43 Supports from a nursing home that is a participating provider in a
44 Medicaid managed care organization network;

45 c. that receive Medicaid Managed Long Term Services and
46 Supports from a nursing home that is not a participating provider in
47 a Medicaid managed care organization network; and

1 d. that receive State Medicaid nursing home services paid for
2 by the State through a fee-for-service reimbursement model
3 covering any period of Medicaid eligibility prior to a managed care
4 organization enrollment period or a period of time between
5 managed care organization enrollment periods.
6

7 3. a. One year after the effective date of this act, the
8 Commissioner of Human Services shall conduct a review of
9 payment for continuity of care for long term care services during
10 the transition period of long term care service recipients into the
11 Medicaid Managed Long Term Services and Supports program.
12 The Department of Human Services shall cooperate with and
13 consider input from nursing homes to the extent that it is possible.
14 The review shall include evaluation of the efficiency of services and
15 promptness of payment for:

- 16 (1) the period of time pending Medicaid eligibility;
17 (2) the process of authorization of the Medicaid Managed Long
18 Term Services and Supports program;
19 (3) interruptions of Medicaid eligibility or Medicaid Managed
20 Long Term Services and Supports enrollment; and
21 (4) all routine Medicaid Managed Long Term Services and
22 Supports program services.

23 b. Within 180 days following the enactment of this act, the
24 Commissioner of Human Services shall issue a report of findings
25 made pursuant to section 1 of this act and shall adopt changes in
26 policies, procedures, regulations, and contract terms, where
27 permissible under law, to guarantee the maximization of care and
28 payment for Medicaid Managed Long Term Services and Supports
29 recipients.
30

31 4. Pending the establishment of a reimbursement methodology
32 for long term care recipients pursuant to section 2 of this act, the
33 State and Medicaid managed care organizations shall continue to
34 reimburse nursing homes at the rates established pursuant to the
35 annual appropriation act or negotiated between the managed care
36 organization and the nursing home.
37

38 5. The Commissioner of Human Services shall apply for State
39 plan amendments or waivers as may be necessary to implement the
40 provisions of this act and to secure federal financial participation
41 for State Medicaid expenditures under the federal Medicaid
42 program.
43

44 6. Pursuant to the "Administrative Procedure Act," P.L.1968,
45 c.410 (C.52:14B-1 et seq.), the Commissioner of Human Services
46 shall adopt rules and regulations to effectuate the purposes of this
47 act.

1 7. This act shall take effect immediately.

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STATEMENT

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6 This bill requires the Department of Human Services (department)
7 to review the State's Medicaid reimbursement to nursing homes.

8 Under the bill, the Commissioner of Human Services
9 (commissioner) is to conduct a study of the State's Medicaid program
10 reimbursement to nursing homes. The study is to include: 1) a study
11 of the current costs of providing long term care services in State
12 nursing homes; 2) an analysis of the adequacy of the current Medicaid
13 nursing home reimbursement rates given the current costs of providing
14 long term care services in nursing homes; and 3) a recommendation of
15 alternative reimbursement methodologies for certain Medicaid
16 recipients, including consideration of certain reimbursement
17 methodologies as provided for in the bill. Within 180 days following
18 the bill's enactment, the commissioner is to adopt rules and regulations
19 regarding reimbursement methodologies for long-term care recipients.

20 One year after the effective date of this act, the commissioner is to
21 conduct a review of payment for continuity of care for long term care
22 services during the transition period of long term care service
23 recipients into the Medicaid Managed Long Term Services and
24 Supports (MLTSS) program. The department is to cooperate with and
25 consider input from nursing homes to the extent that it is possible. The
26 review is to include evaluation of the efficiency of services and
27 promptness of payment for: 1) the period of time pending Medicaid
28 eligibility; 2) the process of authorization of the MLTSS program; 3)
29 interruptions of Medicaid eligibility or MLTSS enrollment; and 4) all
30 routine MLTSS program services.

31 Within 180 days following the bill's enactment, the commissioner
32 is to issue a report of findings made pursuant to this bill and adopt
33 changes in policies, procedures, regulations, and contract terms, where
34 permissible under law, to guarantee the maximization of care and
35 payment for MLTSS recipients.