

ASSEMBLY, No. 2849

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

SYNOPSIS

Establishes pilot program for incentive-based value payment system for nursing homes.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning a pilot program for incentive-based value
2 payments for nursing homes and supplementing Title 30 of the
3 Revised Statutes.

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

7
8 1. a. The Division of Medical Assistance and Health Services
9 in the Department of Human Services shall establish a pilot
10 program to adopt a new, incentive-based value payment system for
11 nursing homes providing services to Medicaid and NJ FamilyCare
12 recipients. The incentive-based value payment system shall reward
13 participating nursing homes for achieving improved performance
14 outcomes in at least four core measurements of quality
15 improvement and cost savings. The division shall implement the
16 incentive-based value payment system established under the pilot
17 program no later than January 1, 2021.

18 b. The Commissioner of Human Services, in consultation with
19 Nursing Home Value Payment System Advisory Board established
20 pursuant to section 2 of this act, shall adopt regulations pursuant to
21 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
22 seq.), establishing:

23 (1) eligibility requirements for participation in the pilot
24 program;

25 (2) core measurements to be considered when determining
26 quality improvement and cost savings, including, but not limited to:
27 preventable hospital admissions and readmissions; medication
28 reconciliation; adverse events; discharge planning during
29 hospitalization; and collaboration with primary care and other
30 health care providers;

31 (3) performance targets for improvements in the core
32 measurements;

33 (4) a formula for determining the baseline data against which
34 the core measurements shall be compared when determining the
35 level of improvement and cost savings achieved by a participating
36 nursing home;

37 (5) the amount of the incentive payments, which may include
38 payment amounts scaled to the level of improvement achieved in
39 each core measurement; and

40 (6) a schedule for making incentive payments, including one
41 payment no later than 60 days after the start of the pilot program to
42 assist participating nursing homes with implementation and
43 reporting costs, the option of a second payment during the course of
44 the pilot program, and a final payment to be made upon completion
45 of the pilot program.

- 1 c. A nursing home participating in the pilot program shall:
- 2 (1) for each resident, designate a single health care professional
- 3 who is responsible for establishing a plan of care for that resident
- 4 and for coordinating person-centered services throughout the
- 5 continuum of care;
- 6 (2) develop protocols for immediate follow up after discharge
- 7 from a hospital, including a comprehensive risk assessment;
- 8 (3) establish protocols to facilitate collaboration with hospitals
- 9 and other health care providers to coordinate resident care
- 10 throughout the continuum of services;
- 11 (4) establish protocols and procedures to reconcile resident
- 12 medications; and
- 13 (5) establish standards, requirements, and programs to educate
- 14 residents and their families regarding individualized plans of care
- 15 and goals to address the unique needs of each resident.
- 16 d. No later than one year after the effective date of this act, the
- 17 Department of Human Services shall report to the Legislature,
- 18 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), on the
- 19 projected costs and benefits of the incentive-based value payment
- 20 system established under the pilot program. In determining the
- 21 costs and benefits of the new system, the department shall cooperate
- 22 with and consider input from nursing homes and provider
- 23 associations.
- 24 Commencing two years after the effective date of this act, and
- 25 annually thereafter for the duration of the pilot program, the
- 26 Department of Human Services shall report to the Legislature
- 27 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) on the
- 28 status of the pilot program, including the number of participating
- 29 nursing homes, the costs of implementation, the cost savings
- 30 realized, the department's recommendations with regard to
- 31 expanding the incentive-based value payment system Statewide,
- 32 and any other information as may be necessary to evaluate the
- 33 results of the pilot program.
- 34
- 35 2. a. There is established in the Department of Human
- 36 Services the Nursing Home Value Payment System Advisory
- 37 Board, which shall make recommendations to the Commissioner of
- 38 Human Services concerning the regulations which are to be adopted
- 39 pursuant to subsection b. of section 1 of this act.
- 40 b. The board shall comprise five public members, to be
- 41 appointed one each by the Governor, the Senate President, the
- 42 Minority Leader of the Senate, the Speaker of the General
- 43 Assembly, and the Minority Leader of the General Assembly. The
- 44 public members shall have experience with, possess a background
- 45 in, or demonstrate a specialized knowledge of, the legal, policy, or
- 46 social aspects of the nursing home industry and the provision of
- 47 nursing home services to Medicaid and NJ FamilyCare recipients.

1 c. The board shall organize as soon as practicable following the
2 appointment of its members, and the members shall select a
3 chairperson from among themselves. The chairperson shall appoint
4 a secretary who need not be a member of the board. The board
5 shall meet at such times as the chairperson shall designate.

6 d. Members of the board shall serve without compensation, but
7 may be reimbursed for necessary expenses incurred in the
8 performance of their duties within the limits of funds appropriated
9 or otherwise made available to the commission for its purposes.

10 e. The Department of Human Services shall provide staff
11 services and other necessary support to the board.

12 f. The board shall expire upon the adoption of regulations
13 pursuant to subsection b. of section 1 of this act.
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15 3. The Commissioner of Human Services shall apply for such
16 State plan amendments or waivers as may be necessary to
17 implement the provisions of this act and to secure federal financial
18 participation for State Medicaid expenditures under the federal
19 Medicaid program.
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21 4. This act shall take effect immediately.
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24 STATEMENT
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26 This bill requires the Division of Medical Assistance and Health
27 Services in the Department of Human Services to establish a pilot
28 program to adopt a new, incentive-based value payment system for
29 nursing homes providing services to Medicaid and NJ FamilyCare
30 recipients. The incentive-based value payment system, which is
31 required to commence no later than January 1, 2021, will reward
32 participating nursing homes for achieving improved performance
33 outcomes in at least four core measurements of quality
34 improvement and cost savings, including, but not limited to:
35 preventable hospital admissions and readmissions; medication
36 reconciliation; adverse events; discharge planning during
37 hospitalization; and collaboration with primary care and other
38 health care providers. The goal of the system will be to reduce the
39 costs associated with long-term care by improving the coordination
40 of long-term health care services.

41 The Commissioner of Human Services will establish, in
42 consultation with the Nursing Home Value Payment System
43 Advisory Board established under the bill, regulations concerning
44 the eligibility requirements for participation in the pilot program,
45 the core measurements and performance targets for the system, a
46 formula for establishing baseline data for comparison, the amount
47 of the incentive payments, and a schedule for making payments.
48 The advisory board will comprise five public members, to be

1 appointed one each by the Governor, the Senate President, the
2 Minority Leader of the Senate, the Speaker of the General
3 Assembly, and the Minority Leader of the General Assembly. The
4 public members are to have experience with, possess a background
5 in, or demonstrate a specialized knowledge of, the legal, policy, or
6 social aspects of the nursing home industry and the provision of
7 nursing home services to Medicaid and NJ FamilyCare recipients.
8 The advisory board will expire upon the adoption of regulations by
9 the commissioner.

10 Nursing homes participating in the pilot program will be required
11 to designate a single health care professional for each resident to
12 establish a plan of care and coordinate person-centered services for
13 the resident, develop protocols for immediate follow up after
14 discharge from a hospital, develop protocols for medication
15 reconciliation, establish protocols to facilitate collaboration with
16 hospitals and other health care providers, and establish standards,
17 requirements, and programs to educate residents and their families
18 regarding individualized plans of care and goals to address the
19 unique needs of each resident.

20 The Department of Human Services will be required to submit an
21 initial report to the Legislature on the projected costs and benefits
22 of the incentive-based value payment system and to thereafter
23 submit annual reports on the status of the program, including the
24 number of participating nursing homes, the costs of implementation,
25 the cost savings realized, the department's recommendations with
26 regard to expanding the incentive-based value payment system
27 Statewide, and any other information as may be necessary to
28 evaluate the results of the pilot program.