

# ASSEMBLY, No. 3296

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

**Sponsored by:**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblyman GORDON M. JOHNSON**

**District 37 (Bergen)**

**Assemblywoman CAROL A. MURPHY**

**District 7 (Burlington)**

**SYNOPSIS**

“Community Mental Health Safety Net Act”; requires DHS to provide cost-based reimbursement on quarterly basis for certain mental health and substance use disorder treatment services through June 2020; makes appropriation.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 2/25/2020)

1   **AN ACT** concerning payment for mental health and substance use  
2       disorder treatment services and making an appropriation.

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

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7       1. A licensed provider of mental health or substance use  
8       disorder treatment services that, on the effective date of this act,  
9       holds a contract with the Division of Mental Health and Addiction  
10      Services or the Division of Medical Assistance and Health Services  
11      in the Department of Human Services that provides cost-based  
12      reimbursement for the provider to provide mental health or  
13      substance use disorder treatment services, and that subsequently  
14      transitions to a fee-for-service reimbursement system, shall be held  
15      harmless for the entirety of State Fiscal Year 2020 for any shortfall  
16      of billable revenues relative to what would have been provided  
17      under the provider's cost-based reimbursement contract. To  
18      effectuate this provision, the Department of Human Services shall  
19      provide quarterly reimbursements to affected providers equal to the  
20      difference between the provider's billable revenues during the  
21      quarter and one quarter of the value of the provider's annual cost-  
22      based reimbursement contract.

23  
24      2. There are appropriated from the General Fund to the  
25      Department of Human Services such amounts as are necessary to  
26      effectuate the provisions of this act, subject to the approval of the  
27      Director of the Division of Budget and Accounting in the  
28      Department of the Treasury.

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30      3. This act shall take effect immediately.

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#### STATEMENT

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35      This bill, designated the "Community Mental Health Safety Net  
36      Act," would hold harmless certain providers of mental health and  
37      substance use disorder treatment services through June 2020 as they  
38      transition from a cost-based reimbursement contract model to a fee-  
39      for-service reimbursement model.

40      As of April 2019, the Department of Human Services had  
41      transitioned 80 percent of its contracted providers of community-  
42      based mental health and substance use disorder treatment services  
43      from a cost-reimbursement model to a fee-for-service model, with  
44      100 percent expected by the end of FY 2020. This bill would  
45      require the department to provide quarterly reimbursements through  
46      the entirety of State Fiscal Year 2020 to providers who hold cost-  
47      based reimbursement contracts on the effective date of the bill equal  
48      to the difference between the provider's billable revenues during the

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1 quarter and one quarter of the value of the provider's annual cost-  
2 based reimbursement contract.

3 Additionally, the bill appropriates from the General Fund to the  
4 Department of Human Services such amounts as are necessary to  
5 effectuate the provisions of this act, subject to the approval of the  
6 Director of the Division of Budget and Accounting in the  
7 Department of the Treasury.