ASSEMBLY, No. 5159

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED DECEMBER 16, 2020

Sponsored by:
Assemblyman DANIEL R. BENSON
District 14 (Mercer and Middlesex)
Assemblyman WILLIAM F. MOEN, JR.
District 5 (Camden and Gloucester)
Assemblywoman VALERIE VAINIERI HUTTLE
District 37 (Bergen)

SYNOPSIS

Requires DHS to conduct study of residential and outpatient substance use disorder treatment availability provided under Medicaid, and to temporarily suspend Medicaid prior and continuing authorization requirements for short-term residential substance use disorder treatment.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 1/4/2021)

AN ACT concerning residential and outpatient substance use disorder treatment.

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

1. a. Within six months of the effective date of this act, the Commissioner of Human Services shall contract with a third party entity to conduct a study of the impact of State Medicaid policies on the adequacy of the number and type of residential and outpatient substance use disorder treatment resources, unmet treatment demand, and the quality of patient outcomes at such treatment facilities. For the purposes of this section, "residential and outpatient substance use disorder treatment" includes the following services: residential detoxification, short-term residential substance use disorder treatment; long-term residential substance use disorder treatment; partial hospitalization substance use disorder treatment programs; and intensive outpatient substance use disorder treatment.

b. The study, at a minimum, shall:

(1) compare national averages and federal recommendations for patient length of stay at residential and outpatient substance use disorder treatment facilities with State data;

(2) assess whether existing State Medicaid policies regarding patient length of stay at residential and outpatient substance use disorder treatment facilities sufficiently allows for: providers to implement treatment plans; patients to make sufficient and measureable progress toward treatment goals; and the achievement of measurably successful treatment outcomes. This analysis shall include but not be limited to a study of the impact of the suspension of prior and continuing authorization requirements, pursuant to Medicaid Alert 2020-04, as a result of the coronavirus disease 2019 (COVID-19) public health emergency, on substance use disorder treatment services and patient outcomes;

(3) establish a means to receive input from providers that deliver residential and outpatient treatment to recipients of Medicaid, in addition to other stakeholders including people in recovery; and

(4) estimate the annual costs, disaggregated by level of care, of permanently eliminating the prior and continuing stay authorization requirements for all levels of residential and outpatient substance use disorder treatment. The annual cost estimate for each level of care shall indicate the amount attributed to those patients who voluntarily enter treatment and to those patients who are court ordered to enter treatment.

c. The contracted third party entity shall have the authority to require providers to submit cost reports, provider surveys, and other materials and data in order to complete the study pursuant to this section.

d. The Commissioner of Human Services shall report the findings and conclusions of the study, as submitted to the commissioner by the contracted third party entity, as well as any recommendations for legislation to improve the quality of care and patient outcomes provided at, and the number and type of, residential and outpatient substance use disorder treatment providers in the State, to the Legislature within six months of contracting with a third party entity to conduct the study. The report shall also include any policy changes the commissioner intends to implement, without the need for legislative action, subsequent to the findings of the study.

e. As used in this section:

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

2. a. Commencing upon the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) and expiring one year following the conclusion of the public health emergency declared pursuant to P.L.2005, c.222 (C.26:13-1 et seq.) in response to coronavirus disease 2019, the Department of Human Services shall suspend the requirements for prior and continuing stay authorization of short-term residential substance use disorder treatment under the Medicaid program, established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.).

b. The commissioner shall apply for such State plan amendments or waivers as may be necessary to implement the provisions of this section and to secure federal financial participation for State Medicaid expenditures under the federal Medicaid program.

3. This act shall take effect immediately. Section 1 shall expire upon the submission of the study's finding to the Legislature pursuant to subsection d. of that section. Section 2 shall expire one year following the conclusion of the public health emergency declared pursuant to P.L.2005, c.222 (C.26:13-1 et seq.) in response to coronavirus disease 2019.

STATEMENT

This bill directs the Commissioner of Human Services, within six months of the effective date of the bill, to contract with a third party entity to conduct a study of the impact of State Medicaid policies on the adequacy of the number and type of residential and outpatient substance use disorder treatment resources, unmet treatment demand, and the quality of patient outcomes at such treatment facilities. For the purposes of this bill, "residential and outpatient substance use disorder treatment" includes the following

services: residential detoxification, short-term residential substance use disorder treatment; long-term residential substance use disorder treatment; partial hospitalization substance use disorder treatment programs; and intensive outpatient substance use disorder treatment.

The study, at a minimum, shall:

1) compare national averages and federal recommendations for patient length of stay at residential and outpatient substance use disorder treatment facilities with State data;

2) assess whether existing State Medicaid policies regarding patient length of stay at residential and outpatient substance use disorder treatment facilities sufficiently allows for: providers to implement treatment plans; patients to make sufficient and measurable progress toward treatment goals; and the achievement of measurably successful treatment outcomes. This analysis is required to include but not be limited to a study of the impact of the suspension of prior and continuing stay authorization requirements, pursuant to Medicaid Alert 2020-04, as a result of the coronavirus disease 2019 (COVID-19) public health emergency, on substance use disorder treatment services and patient outcomes;

3) establish a means to receive and incorporate input from providers that deliver residential and outpatient treatment to recipients of Medicaid, in addition to other stakeholders including people in recovery; and

4) estimate the annual costs, disaggregated by level of care, of permanently eliminating the prior and continuing stay authorization requirements for all levels of residential and outpatient substance use disorder treatment. The annual cost estimate for each level of care shall indicate the amount attributed to those patients who voluntarily enter treatment and to those patients who are court ordered to enter treatment.

The bill authorizes the contracted third party entity to require providers to submit cost reports, provider surveys, and other materials and data in order to complete the study.

The commissioner is directed to report the findings and conclusions of the study, as submitted by the contracted third party entity, as well as any recommendations for legislation to improve the quality of care and patient outcomes provided at, and the number and type of, residential and outpatient substance use disorder treatment providers in the State, to the Legislature within six months of contracting with a third party entity to conduct the study. The report is to also include any policy changes the commissioner intends to implement, without the need for legislative action, subsequent to the findings of the study.

Finally, the bill requires the Department of Human Services, commencing upon the effective date of the bill and expiring one year following the conclusion of the public health emergency declared in response to COVID-19, to suspend the requirements for

prior and continuing stay authorization of short-term residential substance use disorder treatment under the Medicaid program. In doing so, the bill would continue the suspension of prior authorization requirements, pursuant to Medicaid Alert 2020-04, as a result of the coronavirus disease 2019 public health emergency, for this type of facility. The bill directs the commissioner to apply for such State plan amendments or waivers as may be necessary to implement these provisions and to secure federal financial participation for State Medicaid expenditures under the federal Medicaid program.