

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)

1 AN ACT concerning residential and outpatient substance use
2 disorder treatment.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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

20 b. The study, at a minimum, shall:

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

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

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

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

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

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

12 e. As used in this section:

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

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

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

30

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

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39 STATEMENT

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

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

6 The study, at a minimum, shall:

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

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

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

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

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

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

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

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