

SENATE HEALTH, HUMAN SERVICES AND SENIOR CITIZENS COMMITTEE

STATEMENT TO **SENATE, No. 2561**

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 8, 2020

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 2561.

As amended by the committee, this bill establishes a minimum Medicaid reimbursement rate for a provider of adult medical day care services. As defined under the bill, “provider of adult medical day care services” means an adult day health services facility licensed by the Department of Health, which provides preventive, diagnostic, therapeutic, and rehabilitative services under medical and nursing supervision to meet the needs of functionally impaired adult participants for a period of time that does not exceed 12 hours during any calendar day.

Under the bill, whether the services are provided in the Medicaid fee-for-service (FFS) delivery system or through a managed care delivery system, the per diem reimbursement rate is required to be no less than the established State Medicaid FFS rate. Currently, the FY 2021 annual Appropriations Act (P.L.2020, c.97) sets forth the FFS rate at \$82.00 per day.

The bill also prohibits a managed care organization contracted to provide benefits under the Medicaid program from terminating or modifying an existing provider network contract solely due to a change of provider ownership or ownership structure.

The bill would take effect July 1, 2021 and would apply to services provided on or after the effective date of bill and to any Medicaid managed care contract executed or renewed on or after the effective date of the bill, except that the provisions of the bill prohibiting a Medicaid managed care organization from terminating or modifying an existing provider network contract under certain circumstances would take effect immediately.

COMMITTEE AMENDMENTS:

The committee amendments revise the effective date of the bill from July 1, 2020 to July 1, 2021, and make a technical correction.