

SENATE, No. 3447

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 11, 2021

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator ANTHONY M. BUCCO

District 25 (Morris and Somerset)

SYNOPSIS

Requires DHS to establish two-year Regional Community Behavioral Health Pilot Program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/22/2021)

1 **AN ACT** concerning the improved coordination of community-based
2 behavioral health and support services and supplementing Title
3 30 of the Revised Statutes.

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

7
8 1. As used in this act:

9 “Behavioral health” or “behavioral health care” means
10 procedures or services rendered by a health care or mental health
11 care provider for the treatment of mental illness, mental health or
12 emotional disorders, or substance use disorders.

13 “Care transition” means the transfer or transition of a patient
14 from one health care or behavioral health care provider to another.

15 “Commissioner” means the Commissioner of Human Services.

16 “Department” means the Department of Human Services.

17 “Eligible patient” means a patient with a severe mental illness or
18 substance use disorder who is identified pursuant to paragraph (1)
19 of subsection c. of section 2 of this act as being eligible to
20 participate in the pilot program.

21 “Health information platform” means a Health Information
22 Exchange (HIE) or other electronic platform that is used to run
23 population-level analytics or exchange health information among
24 various organizations.

25 “Managed care organization” means a Medicaid managed care
26 organization, as that term is defined pursuant to 42 U.S.C.
27 s.1396b(m)(1)(A).

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

30 “Participating provider” means a Certified Community
31 Behavioral Health Clinic (CCBHC) or other community behavioral
32 health provider that is contracted pursuant to paragraph (2) of
33 subsection c. of section 2 of this act to participate in the pilot
34 program.

35 “Pilot program” means the Regional Community Behavioral
36 Health Pilot Program established pursuant to this act.

37 “Rapid referral” means the taking of appropriate steps by a
38 participating provider, as soon as is practicable and not more than
39 48 hours after an eligible patient undergoes a needs assessment, as
40 may be necessary to facilitate: the patient’s referral or transfer to,
41 prompt access to an appointment with, and timely receipt of
42 services from, another appropriate health care or behavioral health
43 care services provider; the patient’s prompt and voluntary
44 admission to an inpatient psychiatric facility; or the patient’s
45 prompt evaluation by a screening service or mental health screener
46 to determine whether involuntary commitment to treatment is
47 warranted pursuant to P.L.1987, c.116 (C.30:4-27.1 et seq.).

1 “Supportive contacts” means brief communications with a
2 patient that occur during care transitions or when a patient misses
3 an outpatient appointment or unexpectedly drops out of outpatient
4 treatment, and which show support for the patient and are designed
5 to promote a patient’s feeling of connection to treatment and
6 willingness to collaboratively participate in treatment. “Supportive
7 contacts” may include the sending of postcards, letters, email
8 messages, and text messages, the making of phone calls, or the
9 undertaking of home visits either by the participating provider that
10 is providing care to the patient or by an outside organization, such
11 as a local crisis center, with which the participating provider has a
12 contract or other agreement.

13 “Warm hand-off” means a safe care transition that connects a
14 patient directly with a new health care or mental health care
15 provider or interim contact, such as a crisis center worker or peer
16 specialist, before the patient’s first appointment with the new
17 provider, or that connects a patient directly with a screening service
18 or mental health screener for the purposes of determining whether
19 involuntary commitment to treatment is warranted pursuant to
20 P.L.1987, c.116 (C.30:4-27.1 et seq.).

21
22 2. a. The Department of Human Services shall establish a two-
23 year Regional Community Behavioral Health Pilot Program in
24 accordance with the provisions of this act.

25 b. Within 180 days after the effective date of this act, the
26 department shall issue a request for proposals (RFP) and select one
27 or more managed care organizations to administer the pilot program
28 in each of the northern, central, and southern regions of the State.

29 c. The managed care organization or organizations selected to
30 administer the pilot program shall:

31 (1) access and review Medicaid claims data, and work with
32 primary care practitioners within the managed care network, to
33 identify patients in the network who have a severe mental illness or
34 substance use disorder. The patients identified pursuant to this
35 paragraph shall be eligible to participate in the pilot program;

36 (2) enter into contracts with three community behavioral health
37 providers, one in each of the northern, central, and southern regions
38 of the State, and require each participating provider to promptly
39 perform a behavioral health needs assessment for each eligible
40 patient, identified under paragraph (1) of this section, who resides
41 in the provider’s region of operations. The needs assessment shall
42 be performed using a standardized tool or methodology and shall be
43 used by the provider to identify each eligible patient’s behavioral
44 health and social service needs, including, but not limited to, the
45 need for medication-assisted treatment and other substance use
46 disorder treatment, the need for mental health treatment, including
47 voluntary or involuntary commitment, and the need for food,
48 housing, financial, or other social assistance; and

1 (3) work with each participating provider, as well as with
2 primary care providers, substance use disorder treatment providers,
3 and social service providers in the State, to ensure that eligible
4 patients in the participating provider's region of operations have
5 access an intensive, coordinated support system to help them
6 navigate the State's behavioral health care service system and
7 timely identify and access necessary and appropriate behavioral
8 health care services in the State and region. The coordinated
9 support system utilized in each region shall incorporate: (a) the
10 use, by participating providers, of warm hand-offs, rapid referrals,
11 supportive contacts, and other efficient and supportive care
12 transition methods; (b) the hiring, by participating providers, of
13 service navigation specialists and advisors to guide eligible patients
14 through the behavioral health care system and to direct, monitor,
15 and keep a record of, the services received by each eligible patient;
16 and (c) the use, by participating providers or the administering
17 managed care organization or organizations, of any other means or
18 methods deemed appropriate or necessary to facilitate behavioral
19 health care coordination or care transitions for eligible patients in
20 the State.

21 d. The department shall:

22 (1) in selecting one or more managed care organizations to
23 administer the pilot program, give priority to those managed care
24 organizations that have the ability to link to, and exchange relevant
25 information and data through, a Statewide health information
26 platform; and

27 (2) following the selection of an administering managed care
28 organization or organizations, encourage the administering
29 managed care organization or organizations to engage in the active
30 and ongoing use of a Statewide health information platform and
31 relevant information contained therein, as may be necessary to
32 efficiently and effectively administer the pilot program. A portion
33 of the funds provided to the administering managed care
34 organization or organizations, pursuant to section 3 of this act, may
35 be used thereby, as deemed appropriate, to finance the costs
36 associated with the use of the Statewide health information platform
37 pursuant to this paragraph.

38

39 3. a. The pilot program established pursuant to this act shall be
40 funded through the Medicaid program using a value-based payment
41 system. The value-based payment system shall be modeled on, and
42 be consistent with, the population-based payment methodology that
43 is described under Category 4 of the alternative payment
44 methodologies (APM) framework developed by the Health Care
45 Payment Learning and Action Network. Specifically, the value-
46 based payment system shall provide for a quarterly advanced
47 bundled payment to be provided to the administering managed care
48 organization or organizations for the purposes of financing the total

1 cost of behavioral health care that is provided, by participating
2 providers and other appropriate service providers, to eligible
3 patients in the State, including, but not limited to, the costs
4 associated with needs assessments performed pursuant to paragraph
5 (2) of subsection c. of section 2 of this act and the costs associated
6 with the provision of support and navigation services pursuant to
7 paragraph (3) of subsection c. of section 2 of this act. The quarterly
8 bundled payment rate shall be established by the Commissioner of
9 Human Services, based on the commissioner's evaluation of the
10 following factors:

11 (1) the number of eligible patients, identified pursuant to
12 paragraph (1) of subsection c. of section 2 of this act, who are
13 expected to be served by the pilot program;

14 (2) the average anticipated per-patient cost of care for eligible
15 patients;

16 (3) the anticipated costs to participating providers of hiring and
17 training staff to provide support and navigation services pursuant to
18 paragraph (3) of subsection c. of section 2 of this act;

19 (4) the anticipated costs associated with ensuring the linkage to,
20 and exchange of relevant health information through, a Statewide
21 health information platform; and

22 (5) any other factors that may affect the cost of care for eligible
23 patients.

24 b. The quarterly bundled payment provided under this section
25 shall be limited to the bundled rate established by the commissioner
26 under subsection a. of this section, and shall not be subject to
27 increase, regardless of whether the actual costs of care received by
28 patients in the pilot program exceed the bundled payment rate
29 provided hereunder. If the administering managed care
30 organization or organizations, in cooperation with participating
31 providers in each region, are able to reduce the per-patient costs of
32 care for patients engaged in the pilot program through the effective
33 use of care coordination methodologies, including, but not limited
34 to, the use of the service navigation and support systems described
35 under paragraph (3) of subsection c. of section 2 of this act, the
36 administering managed care organization or organizations may
37 retain, and shall not be required to repay, any bundled payment
38 funds that remain unexpended thereby. Any such savings achieved
39 shall be shared by the managed care organization or organizations
40 with the participating providers at a rate that is proportional to the
41 rate of per-patient cost reduction savings achieved by each such
42 provider. If the actual per-patient costs of care for patients engaged
43 in the pilot program exceed the advanced bundled payment rate
44 established by the commissioner under this section, the
45 administering managed care organization or organizations shall
46 ensure that all eligible patients continue to receive appropriate
47 services and care from participating providers and other appropriate
48 providers without being subject to an increase in out-of-pocket

1 costs. Any financial loss suffered by the administering managed
2 care organization or organizations as a result of an increase in the
3 per-patient cost of care for patients in the pilot program shall be
4 shared by the managed care organization or organizations with the
5 participating providers at a rate that is proportional to the rate of
6 per-patient cost increase attributed to each provider.

7
8 4. a. Within 90 days after the two-year pilot program is
9 terminated, the department shall prepare and submit a written report
10 of its findings and recommendations to the Governor and, pursuant
11 to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature.

12 b. At a minimum, the report shall:

13 (1) identify the managed care organization or organizations that
14 were selected to administer the pilot program;

15 (2) identify the community behavioral health providers who
16 were contracted by the administering managed care organization or
17 organizations pursuant to paragraph (2) of subsection c. of section 2
18 of this act;

19 (3) identify the total number and percentage of patients in the
20 managed care network, and the number and percentage of patients
21 in each of the northern, central, and southern regions of the State,
22 who were identified as having severe mental illness or substance
23 use disorders pursuant to paragraph (1) of subsection c. of section 2
24 of this act;

25 (4) identify the number and percentage of patients identified in
26 paragraph (3) of this subsection who were provided with rapid
27 referrals and warm hand-offs to other appropriate service providers,
28 or who received supportive contacts, following an individual needs
29 assessment conducted pursuant to paragraph (2) of subsection c. of
30 section 2 of this act;

31 (5) include recommendations as to whether and how the pilot
32 program should be continued on a permanent basis; and

33 (6) include recommendations for executive, legislative, and
34 other actions that can be undertaken by the State to better ensure
35 and improve: (a) the effectiveness and coordinated provision of
36 behavioral health care to patients with severe mental illness or
37 substance use disorders; (b) the capacity of health care and
38 behavioral health care providers and managed care organizations to
39 both promptly identify patients who require coordinated behavioral
40 health care services and assist those patients in navigating the
41 State's behavioral health service system; and (c) the effectiveness
42 and supportive nature of the State's behavioral health care referral
43 and care transition processes.

44
45 5. The Commissioner of Human Services shall apply for such
46 State plan amendments or waivers as may be necessary to
47 implement the provisions of this act and secure federal financial

1 participation for State Medicaid expenditures under the federal
2 Medicaid program.

3

4 6. The Commissioner of Human Services shall adopt rules and
5 regulations, pursuant to the “Administrative Procedure Act,”
6 P.L.1968, c.410 (C.52:14B-1 et seq.), as may be necessary to
7 implement the provisions of this act.

8

9 7. This act shall take effect immediately.

10

11

12

STATEMENT

13

14 This bill would require the Department of Human Services to
15 establish a two-year Regional Community Behavioral Health Pilot
16 Program.

17 Within 180 days after the bill’s effective date, the DHS is to to
18 issue a request for proposals (RFP) and select one or more managed
19 care organization or organizations to administer the pilot program
20 in the northern, central, and southern regions of the State.

21 The managed care organization or organizations selected to
22 administer the pilot program will be required to:

23 1) review Medicaid claims data, and work with primary care
24 practitioners in the managed care network, to identify patients in the
25 network who have severe mental illness or substance use disorders.
26 Such patients will be deemed to be eligible to participate in the pilot
27 program;

28 2) contract with three community behavioral health providers,
29 one in each of the northern, central, and southern regions of the
30 State, and require each participating provider to promptly perform a
31 behavioral health needs assessment for each eligible patient in the
32 pilot program who resides in the provider’s region of operations.
33 The needs assessment is to be performed using a standardized tool
34 or methodology and is to be used by the provider to identify each
35 eligible patient’s behavioral health and social service needs,
36 including, but not limited to, the need for medication-assisted
37 treatment and other substance use disorder treatment, the need for
38 mental health treatment, including voluntary or involuntary
39 commitment, and the need for food, housing, financial, or other
40 social assistance;

41 3) work with each participating provider, as well as with
42 primary care providers, substance use disorder treatment providers,
43 and social service providers in the State, to ensure that eligible
44 patients in the provider’s region of operations have access to an
45 intensive, coordinated support system to help them navigate the
46 State’s behavioral health care service system and timely identify
47 and access necessary and appropriate behavioral health care
48 services in the State and region. The coordinated support system

1 utilized in each region will be required to incorporate: a) the use,
2 by participating providers, of warm hand-offs, rapid referrals,
3 supportive contacts, and other efficient and supportive care
4 transition methods; b) the hiring, by participating providers, of
5 service navigation specialists and advisors to guide eligible patients
6 through the behavioral health care system and to direct, monitor,
7 and keep a record of, the services received by each eligible patient;
8 and c) the use, by participating providers or the administering
9 managed care organization or organizations, of any other means or
10 methods deemed appropriate or necessary to facilitate behavioral
11 health care coordination or care transitions in the State.

12 In selecting one or more managed care organizations to
13 administer the pilot program, the DHS will be required to give
14 priority to those managed care organizations that have the ability to
15 link to, and exchange relevant information and data through, a
16 Statewide Health Information Exchange (HIE) or other health
17 information platform. The DHS will further be required to
18 encourage the administering managed care organization or
19 organizations to engage in the active and ongoing use of the HIE or
20 other platform, as may be necessary to efficiently and effectively
21 administer the pilot program. A portion of the funding that is
22 provided to the administering organization for the purposes of the
23 pilot program may be used to finance the costs associated with use
24 of the HIE or other platform.

25 The bill provides for the pilot program to be funded through the
26 Medicaid program using a value-based payment system. The value-
27 based payment system is to be modeled on, and consistent with, the
28 population-based payment methodology that is described under
29 Category 4 of the alternative payment methodologies (APM)
30 framework developed by the Health Care Payment Learning and
31 Action Network. Specifically, the value-based payment system is
32 to provide for a quarterly advanced bundled payment to be provided
33 to the administering managed care organization or organizations for
34 the purposes of financing the total cost of behavioral health care
35 that is provided, by participating providers and other appropriate
36 service providers, to eligible patients in the State, including, but not
37 limited to, the costs associated with needs assessments performed
38 and support and navigation services provided pursuant to the bill
39 and the costs associated with the managed care organization's
40 linkage to, use of, and exchange of information and data through, a
41 Statewide HIE or other health information platform. The quarterly
42 bundled payment rate is to be established by the Commissioner of
43 Human Services, based on the commissioner's evaluation of the
44 following factors:

45 1) the number of eligible patients who are expected to be
46 served by the pilot program;

47 2) the average anticipated per-patient cost of care for eligible
48 patients;

1 3) the anticipated costs to participating providers of hiring and
2 training staff to provide eligible patients with assistance and support
3 in service navigation;

4 4) the anticipated costs associated with ensuring the linkage to,
5 and exchange of relevant health information through, the HIE or
6 other Statewide health information platform; and

7 5) any other factors that may affect the cost of care for eligible
8 patients.

9 The quarterly bundled payment is to be limited to the bundled
10 rate established by the commissioner under the bill, and may not be
11 increased, regardless of whether the actual costs of care received by
12 patients in the pilot program exceed the bundled payment rate
13 provided under the bill. If the administering managed care
14 organization or organizations, in cooperation with participating
15 providers in each region, are able to reduce the per-patient costs of
16 care for patients engaged in the pilot program through the effective
17 use of care coordination methodologies, including, but not limited
18 to, the use of the service navigation and support systems described
19 under the bill, the administering managed care organization or
20 organizations may retain, and will not be required to repay, any
21 bundled payment funds that remain unexpended thereby. The
22 managed care organization or organizations will be required to
23 share any such savings with the providers participating in the pilot
24 program at a rate that is proportional to the rate of per-patient cost
25 reduction savings that was achieved by each such provider. If the
26 actual per-patient costs of care for patients engaged in the pilot
27 program exceed the advanced bundled payment rate established by
28 the commissioner under bill, the administering managed care
29 organization or organizations will be required to ensure that all
30 eligible patients continue to receive appropriate services and care
31 from participating providers and other appropriate providers
32 without being subject to an increase in out-of-pocket costs. Any
33 financial loss suffered by the managed care organization or
34 organizations as a result of an increase in the per-patient cost of
35 care for patients in the pilot program is to be shared by the managed
36 care organization or organizations with the participating providers
37 at a rate that is proportional to the rate of per-patient cost increase
38 attributed to each provider.

39 The bill requires the DHS, within 90 days after the two-year pilot
40 program is terminated, to prepare and submit a written report of its
41 findings and recommendations to the Governor and Legislature.

42 The Commissioner of Human Services will be required to apply
43 for any State plan amendments or waivers as may be necessary to
44 implement the bill's provisions and secure federal financial
45 participation for State Medicaid expenditures under the federal
46 Medicaid program.