

ASSEMBLY, No. 2486

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED OCTOBER 5, 1998

Sponsored by:

Assemblywoman CHARLOTTE VANDERVALK

District 39 (Bergen)

Assemblyman NICHOLAS R. FELICE

District 40 (Bergen and Passaic)

SYNOPSIS

Permits HMO enrollees residing in certain retirement communities with nursing homes to continue to receive care at that nursing facility under certain circumstances.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain health maintenance organization enrollees
2 and supplementing P.L.1973, c.337 (C.26:2J-1 et seq.).

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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. A certificate of authority to establish and operate a health
8 maintenance organization in this State shall not be issued or continued
9 by the Commissioner of Health and Senior Services on or after the
10 effective date of this act unless the health maintenance organization
11 offers health care services in conformance with the provisions of
12 subsection b. of this section.

13 b. If an enrollee is a resident of a continuing care retirement
14 community or a retirement community which operates a skilled nursing
15 facility on the premises of the community, regardless of whether the
16 health maintenance organization is under contract with the skilled
17 nursing facility at the continuing care retirement community or
18 retirement community, the enrollee's primary care physician shall refer
19 the enrollee to the community's Medicare-certified skilled nursing unit,
20 rather than to a skilled nursing facility separate from the community of
21 origin, if:

22 (1) the continuing care retirement community or retirement
23 community with a skilled nursing facility has the capacity to provide
24 the services the enrollee needs;

25 (2) the primary care physician, in consultation with the enrollee or
26 a representative of the enrollee's family, determines that the referral is
27 in the best interest of the enrollee;

28 (3) the continuing care retirement community or retirement
29 community with a skilled nursing facility agrees to be reimbursed at
30 the same contract rate negotiated by the health maintenance
31 organization with similar providers for the same services and supplies
32 in the same geographic area; and

33 (4) the continuing care retirement community or retirement
34 community with a skilled nursing facility meets all applicable licensing
35 and certification requirements of the State in which it is located.

36 c. For the purposes of this act, "continuing care retirement
37 community" means a continuing care facility operating under a
38 certificate of authority issued by the Department of Community Affairs
39 pursuant to P.L.1986, c.103 (C.52:27D-330 et seq.), and "retirement
40 community" means a retirement community which is registered with
41 the Department of Community Affairs pursuant to P.L.1977, c.419
42 (C.45:22A-21 et seq.).

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44 2. This act shall take effect immediately.

STATEMENT

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This bill provides that if a health maintenance organization (HMO) enrollee is a resident of a continuing care retirement community or a retirement community which operates a skilled nursing facility on the premises of the community, regardless of whether the health maintenance organization is under contract with the skilled nursing facility at the continuing care retirement community or retirement community, the enrollee's primary care physician shall refer the enrollee to the community's Medicare-certified skilled nursing unit, rather than to a skilled nursing facility separate from the community of origin, if:

(1) the continuing care retirement community or retirement community with a skilled nursing facility has the capacity to provide the services the enrollee needs;

(2) the primary care physician, in consultation with the enrollee or a representative of the enrollee's family, determines that the referral is in the best interest of the enrollee;

(3) the continuing care retirement community or retirement community with a skilled nursing facility agrees to be reimbursed at the same contract rate negotiated by the health maintenance organization with similar providers for the same services and supplies in the same geographic area; and

(4) the continuing care retirement community or retirement community with a skilled nursing facility meets all applicable licensing and certification requirements of the State in which it is located.

The provisions of this bill will insure that residents of continuing care retirement communities and other retirement communities that operate skilled nursing facilities on the premises of the community, who are Medicare enrollees in HMOs, will be able to return to the facility in their own community after a period of hospitalization, rather than be required by the HMO to go to a nursing facility outside of their retirement community.

Increasingly, residents of retirement communities who are Medicare HMO enrollees are finding that the skilled nursing facility at their retirement community is not a participating provider with their HMO and, therefore, to receive coverage for their nursing home care the enrollees are required to leave their community and enter a nursing home at another location, although the nursing home in their community can provide the needed care.