

LEGAL NOTICE

STATE OF NEW JERSEY

DEPARTMENT OF HUMAN SERVICES

MEDICAID NURSING FACILITY REIMBURSEMENT REVISED PUBLIC NOTICE

TAKE NOTICE that, the Department of Human Services, Division of Medical Assistance and Health Services, intends to submit a State Plan Amendment to the Centers for Medicare & Medicaid Services in order to implement a change to the nursing facility rate setting system in order to implement State Fiscal Year (SFY) 2019 budget provisions. This Notice is intended to satisfy the requirements of federal law and regulations, specifically 42 U.S.C. §1396a(a)(13) and 42 CFR §447.205.

Notwithstanding the provisions of chapter 85 of Title 8 of the New Jersey Administrative Code or any other law or regulation to the contrary, and subject to any required federal approval, the amounts hereinabove appropriated within the General Medical Services program classification are subject to the following conditions: (1) Class I (private), Class II (county), and Class III (special care) nursing facilities being paid on a fee-for-service basis, shall be reimbursed at the rate received on June 30, 2017 plus a per diem adjustment that shall be calculated based upon an additional \$10,500,000 in State and \$10,500,000 in federal appropriations. Further, no Class I, II, and III nursing facilities being paid on a fee-for-service basis shall receive any additional per diem rate adjustment, with the exception of the provider tax add-on payments; (2) nursing facilities that are being paid by a Managed Care Organization (MCO) for custodial care through a provider contract that includes a negotiated rate shall receive that negotiated rate; (3) any Class I and Class III nursing facility that is being paid by an MCO for custodial care through a provider contract but has not yet negotiated a rate shall receive the equivalent fee-for-service per diem reimbursement rate as it received as of June 30, 2017 plus a per diem adjustment that shall be calculated based upon an additional \$10,500,000 in State and \$10,500,000 in federal appropriations and any Class II nursing facility that is being paid by an MCO but has not yet negotiated a rate shall receive the equivalent fee-for-service per diem reimbursement rate received on June 30, 2017, had it been a Class I nursing facility plus a per diem adjustment that shall be calculated based upon an additional \$10,500,000 in State and \$10,500,000 in federal appropriations; (4) monies designated pursuant to subsection c. of section 6 of P.L.2003, c.105 (C.26:2H-97) for distribution to nursing facilities, less the portion of those funds to be paid as pass-through payments in accordance with paragraph (1) of subsection d. of section 6 of P.L.2003, c.105 (C.26:2H-97), shall be combined with amounts hereinabove appropriated for the General Medical Services program classification for the purpose of calculating NJ FamilyCare reimbursements for nursing facilities; and (5) for the purposes of this paragraph, a nursing facility's per diem reimbursement rate or negotiated rate shall not include, if the nursing facility is eligible for reimbursement, the difference between the full calculated provider tax add-on and the quality-of-care portion of the provider tax add-on, which difference shall be payable as an allowable cost pursuant to subsection d. of section 6 of P.L.2003, c.105 (C.26:2H-97). Provided further, that on or before September 15, 2018, the Department shall calculate and disseminate to the MCOs the amount of the add-on payable during the year starting October 1, 2018 as an allowable cost, as well as the list of nursing facilities that will receive this add-on,

and the MCOs shall adjust the rates paid to nursing facilities accordingly; the add-ons calculated for FY 2018 shall be applied from July 1, 2018, through September 30, 2018 and the first add-on shall be applied to fee-for-service per diem reimbursement rates effective October 1, 2018. There shall be reallocated from amounts included in the appropriation for Medical Coverage - Community - Based Long-Term Care Recipients, for Managed Long-Term Services and Supports, such sums as are necessary for the additional per-diem adjustment.

This reimbursement is expected to increase New Jersey Medicaid program expenditures for nursing facilities (State and federal) by \$10.5M total (\$5.25M state, \$5.25M federal).

A copy of this Notice is available for public review at all Offices of the Area Agency on Aging that are situated in all twenty-one counties, as well as at the local Medical Assistance Customer Centers, County Welfare Agencies, and the DHS website at <http://www.state.nj.us/humanservices/providers/grants/public/index.html>. Comments or inquiries must be submitted in writing within 30 days of the date of this notice to:

Division Director
Division of Aging Services
PO Box 715
Trenton, New Jersey 08625-0715