

HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

Psychiatric Adult Acute Partial Hospital and Partial Hospital Services

Proposed Readoption: N.J.A.C. 10:52A

Authorized By: Jennifer Velez, Commissioner, Department of Human Services.

Authority: N.J.S.A. 30:4D-1 et seq. and 30:4J-8 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Agency Control Number: 13-P-09.

Proposal Number: PRN 2014-031.

Submit comments by May 5, 2014, to:

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The agency proposal follows:

Summary

Pursuant to N.J.S.A. 52:14B-5.1.b, N.J.A.C. 10:52A, Psychiatric Adult Acute Partial Hospital and Partial Hospital Services, will expire on February 5, 2014. Since this notice of proposed readoption has been filed with the Office of Administrative Law prior to February 5, 2014, the expiration date of this chapter is extended 180 days to August 4, 2014, pursuant to N.J.S.A. 52:14B-5.1.c(2).

The Department of Human Services (Department) has reviewed these rules and finds that they are necessary, reasonable, adequate, efficient, understandable, and responsive to the purposes for which they were originally promulgated. The rules set forth requirements for the provision of psychiatric adult acute partial hospital and partial hospital services to New Jersey Medicaid and NJ FamilyCare beneficiaries. The Department proposes to readopt N.J.A.C. 10:52A.

The chapter proposed for readoption contains five subchapters described as follows:

Subchapter 1, General Provisions, contains the following rules. N.J.A.C. 10:52A-1.1, Scope and purpose, which states the scope and purpose of the rules contained in the chapter. These rules establish the Division of Medical Assistance and Health Services' (Division) requirements for acute partial hospital (APH) and partial hospitalization (PH) psychiatric services for adults; and N.J.A.C. 10:52A-1.2, Definitions, which sets forth definitions used in the chapter, to ensure clarity of the rules and facilitate compliance.

Subchapter 2, Enrolling as a Provider, contains the following rules. N.J.A.C. 10:52A-2.1, Authority to provide services, which requires providers of APH and PH services to be enrolled as Medicaid/NJ FamilyCare providers and to comply with all applicable Division rules; and N.J.A.C. 10:52A-2.2, Reporting change of address or ownership, which requires providers to reapply to the Division's Office of Reimbursement Services prior to operating if there are any changes in ownership or site location.

Subchapter 3, Beneficiary Eligibility Requirements, contains the following rules. N.J.A.C. 10:52A-3.1, Eligibility for APH services, which describes the specific criteria for admission into APH services including specific mental health diagnoses, age criteria, and referral sources; N.J.A.C. 10:52A-3.2, Eligibility for PH services, which describes the specific criteria for admission into PH services including specific mental health diagnoses, age criteria, and referral sources; and N.J.A.C. 10:52A-3.3, Ineligibility for APH and PH services, which specifies those factors that would result in an individual being determined ineligible to receive APH or PH services.

Subchapter 4, Program Requirements, contains the following rules. N.J.A.C. 10:52A-4.1, Program distinctions, which describes the differences between APH and PH programs; N.J.A.C. 10:52A-4.2, Conditions which shall be met for APH and PH services, which provides the conditions for all APH and PH services to beneficiaries; N.J.A.C. 10:52A-4.3, Reimbursable and non-reimbursable APH and PH services, which provides specific lists of services that are eligible and those that are specifically not eligible for reimbursement under

either an APH or a PH program of services; N.J.A.C. 10:52A-4.4, Length and hours of service, which specifies the length of service provided for a beneficiary in an APH or PH program; N.J.A.C. 10:52A-4.5, Prior authorization for APH services, which establishes prior authorization requirements for beneficiaries; N.J.A.C. 10:52A-4.6, Staffing, which requires that both the APH and PH programs be staffed with personnel who are licensed (when required), appropriately credentialed, culturally competent, and trained to provide the APH and PH services described in N.J.A.C. 10:52A; N.J.A.C. 10:52A-4.7, Intake evaluation, which provides the required elements and purpose of the intake evaluation for both APH and PH services; N.J.A.C. 10:52A-4.8, Initial service plan, which provides standards for the development and revision of the service plan for APH and PH services for each beneficiary; N.J.A.C. 10:52A-4.9, Comprehensive written assessment, which requires that every APH and PH beneficiary receive a comprehensive written assessment, and describes the required elements and timeframes for the development of the assessment; N.J.A.C. 10:52A-4.10, Individualized Recovery Plan, which requires the assigned interdisciplinary treatment team to develop an Individualized Recovery Plan (plan) for each beneficiary participating in the APH or PH programs and describes the required elements and timeframes associated with the plan; N.J.A.C. 10:52A-4.11, Documentation requirements for APH and PH, which lists the types of documentation required for each individual beneficiary in the program; N.J.A.C. 10:52A-4.12, Discharge planning for APH and PH, which specifies the development, contents, and implementation of the discharge plan

for each beneficiary; N.J.A.C. 10:52A-4.13, Quality assurance and outcome review, which addresses the Quality Assurance Plan requirements imposed on both APH and PH programs; N.J.A.C. 10:52A-4.14, Off-site services, which provides standards for the provision of off-site interventions; N.J.A.C. 10:52A-4.15, Quality assurance reviews, which specifies procedures for quality assurance reviews of all hospital-based mental health programs; and N.J.A.C. 10:52A-4.16, Termination of program, which imposes requirements on providers when they discontinue APH and PH programs.

Subchapter 5, Beneficiary Rights and Responsibilities, delineates the beneficiaries' rights and responsibilities at N.J.A.C. 10:52A-5.1.

The Department has determined that the comment period for this notice of proposal will be at least 60 days; therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, this notice is excepted from the rulemaking calendar requirement.

Social Impact

In State Fiscal Year 2013, 29 enrolled programs provided APH and PH psychiatric services for adults to approximately 2,130 Medicaid/NJ FamilyCare beneficiaries.

The readopted rules will have a positive social impact on beneficiaries, providers, and the State. Continuation of these rules will ensure that medically necessary and appropriate APH and PH psychiatric services for adults are provided to Medicaid/NJ FamilyCare beneficiaries; that the providers will continue to receive reimbursement for the provision of these services; and the

State will continue to enforce requirements contained in the chapter and receive matching Federal funds for the provision of services to eligible beneficiaries.

Economic Impact

During State Fiscal Year 2013, the Department spent approximately \$14,654,500 (Federal and State share combined) to provide APH and PH psychiatric services for adults to approximately 2,130 adult Medicaid/NJ FamilyCare beneficiaries.

The rules proposed for readoption are not expected to have an economic impact on Department expenditures for the provision of services to eligible Medicaid/NJ FamilyCare beneficiaries because the reimbursement amounts are not being changed in this notice of rules proposed for readoption and no increase in service utilization is expected.

The rules proposed for readoption are expected to have a positive economic impact on providers because they will ensure that providers will continue to be reimbursed for the provision of services.

There will be no economic impact on the beneficiaries because Medicaid/NJ FamilyCare beneficiaries are not required to pay for services, except previously established cost-sharing and co-payments that are part of specified NJ FamilyCare plans.

Federal Standards Statement

42 U.S.C. § 1396d(a) requires a state Title XIX program to provide inpatient and outpatient hospital services to most eligibility groups. Inpatient and outpatient hospital services are optional services for the medically needy population; however, New Jersey has elected to provide these services to medically needy beneficiaries. Federal regulations at 42 CFR 440.2, 440.10, and 440.20, provide definitions of inpatient hospital services and outpatient hospital services.

Title XXI of the Social Security Act allows states to establish a children's health insurance program for targeted low-income children. New Jersey elected this option through implementation of the NJ FamilyCare Children's Program. 42 U.S.C. § 1397cc, provides broad coverage guidelines for the program. Section 2110 of the Act, 42 U.S.C. § 1397jj, defines hospital services for the children's health insurance program.

The Department has reviewed the applicable Federal statute and regulations and the rules proposed for readoption do not exceed Federal standards. Therefore, a Federal standards analysis is not required.

Jobs Impact

Since the rules proposed for readoption concern the provision of APH and PH psychiatric services for adults to Medicaid and NJ FamilyCare beneficiaries, the Department does not anticipate that the rules proposed for readoption will result in the creation or loss of jobs in the State of New Jersey.

Agriculture Industry Impact

Since the rules proposed for re-adoption concern the provision of APH and PH psychiatric services for adults to Medicaid and NJ FamilyCare beneficiaries, the Department anticipates that the rules proposed for re-adoption will have no impact on the agriculture industry in the State of New Jersey.

Regulatory Flexibility Analysis

A regulatory flexibility analysis is not necessary because the affected hospitals are not considered small businesses under the terms of the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., as they employ more than 100 full-time employees.

Housing Affordability Impact Analysis

Since the rules proposed for re-adoption concern the provision of APH and PH psychiatric services for adults to Medicaid and NJ FamilyCare beneficiaries, the Department anticipates that the rules will have no impact on affordable housing nor will the rules have an impact on the average costs associated with housing.

Smart Growth Development Impact Analysis

Since the rules proposed for readoption concern the provision of APH and PH psychiatric services for adults to Medicaid and NJ FamilyCare beneficiaries, the Department anticipates that the rules will have no impact on housing production in Planning Areas 1 and 2, or within designated centers, under the State Development and Redevelopment Plan, and will have no impact on smart growth.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 10:52A.