



Integrating Behavioral Health Coverage for Whole Person Care

Division of Medical Assistance and Health Services

30TH SEPTEMBER 2026

Goals for our conversation today

- 1 Discuss the goals and guiding principles for behavioral health (BH) integration into managed care
- 2 Provide a status update on Phase 1
- 3 Discuss progress on care management and NJSAMS
- 4 Review summary of recent stakeholder engagement
- 5 Discuss upcoming SUD Lab transition and Phase 2 of BH integration

This is about better care.

Thank you for being part of our community and our dialogue.

Housekeeping



Please remain **muted** throughout the presentation



Submit your **questions into the chat through the Q&A function.**
There may be time to answer these at the end

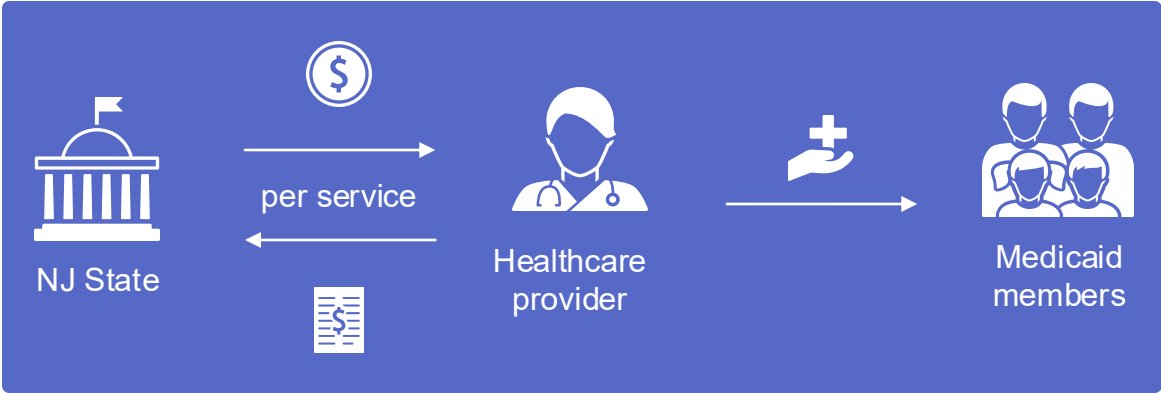


This meeting will be recorded to act as an ongoing resource

Goals and guiding principles for BH integration

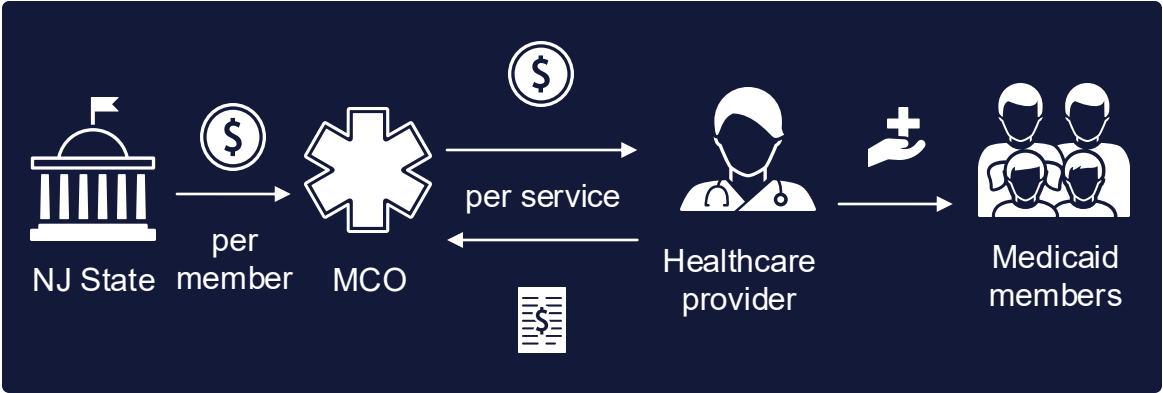
NJ FamilyCare/NJ Medicaid has two models

1 Fee-for-service (FFS)



Traditional model

2 Managed Care

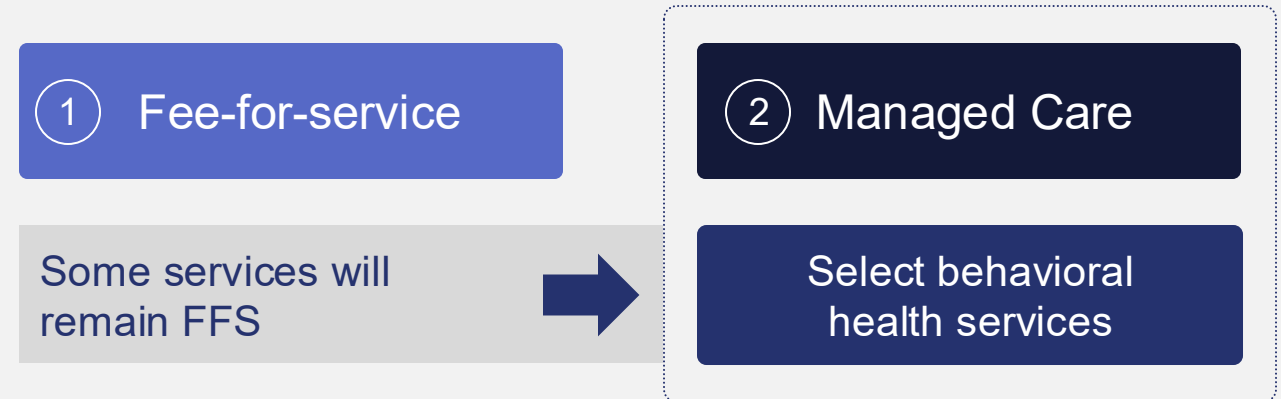


Value based model

FFS is also used for members not enrolled in a managed care organization (MCO) and members with presumptive eligibility

NJ FamilyCare Behavioral Health Integration

Select behavioral health services
have shifted to managed care



Includes mental health (MH) services and substance use disorder (SUD) services

Improves healthcare delivery and coordination by combining physical and behavioral health services under a single plan

This meeting includes representatives from DMAHS and DMHAS, who work together to support behavioral health integration



Goals of Integration



Access for members

Increase access to services with a focus on member-centered care



Whole-person care

Integrate behavioral and physical health for whole person care, with potential to improve healthcare outcomes



Care coordination

Provide appropriate services for members in the right setting, at the right time

Status update on Phase 1 of BH integration

Phase 1 of BH Integration went live January 1, 2025 and is part of a phased approach to integrating BH services into managed care

Jan 1, 2025 Phase 1 Outpatient BH Services (for adults & children) Mental Health (MH) and Substance Use Disorder (SUD) outpatient services	Jul 1, 2026 SUD Laboratory Services Presumptive and definitive tests for substance use	Jan 2027 Phase 2 Residential & Opioid Treatment Programs • SUD short-term residential • SUD medically monitored inpatient withdrawal management • SUD long-term residential • Opioid treatment programs (OTPs)	TBD¹ Phase 3 Additional BH services TBC Scope remains TBC, services under consideration include: Adult mental health rehab,² Opioid Overdose Recovery Programs, Psychiatric Emergency, and more
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1. Scope and timing of Phase 3 to be determined after Phase 1 and 2 go-live based on additional analysis and stakeholder input 2. For core Medicaid only – no change for carved-in populations

The State implemented a Phase 1 transition period to ease the shift

Key priorities for the transition period included...



Promote continuity of care for members served by providers not yet contracted with the MCOs



Provide additional time for MCOs to expand and stabilize provider networks

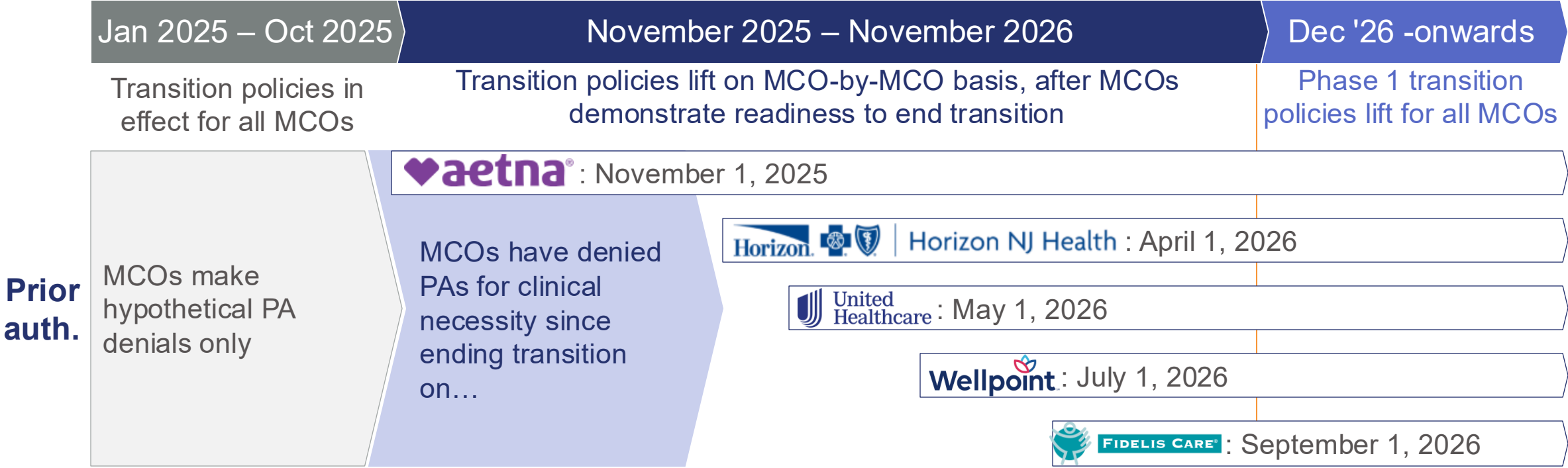


Give providers time to learn and practice how to submit prior authorization requests in line with MCO and State guidelines and ensure timely processing of these requests



Minimize barriers to timely and accurate claims submission and MCO payment to providers

All providers have now finalized their transition period for Phase 1



MCOs may pay out of network providers less than the fee-for-service rate floor 90 days after ending transition, starting February 1st for Aetna, July 1st for Horizon, August 1st for United, October 1st for Wellpoint, and December 1st for Fidelis

We introduced many changes to the MCO contract as a part of Phase 1 to protect members and providers

Examples of changes made, not comprehensive

Provider network / adequacy

Required temporary out-of-network reimbursement as well as "any willing provider" contracting

Prior authorization (PA)

Set up PA flexibilities during the transition period and set min initial authorization durations

Rates

Required MCOs to pay providers at or above FFS rates during transition

Credentialing

Required faster MCO credentialing turnaround, with quarterly reporting

Billing and claims

Set faster BH claims payment policies

MCO staffing

Required hiring of full-time BH Medical Director

Quality strategy

Required new BH annual quality report

Court-ordered services

Required MCOs to cover court-ordered BH services

We continue to monitor the performance of Phase 1 services

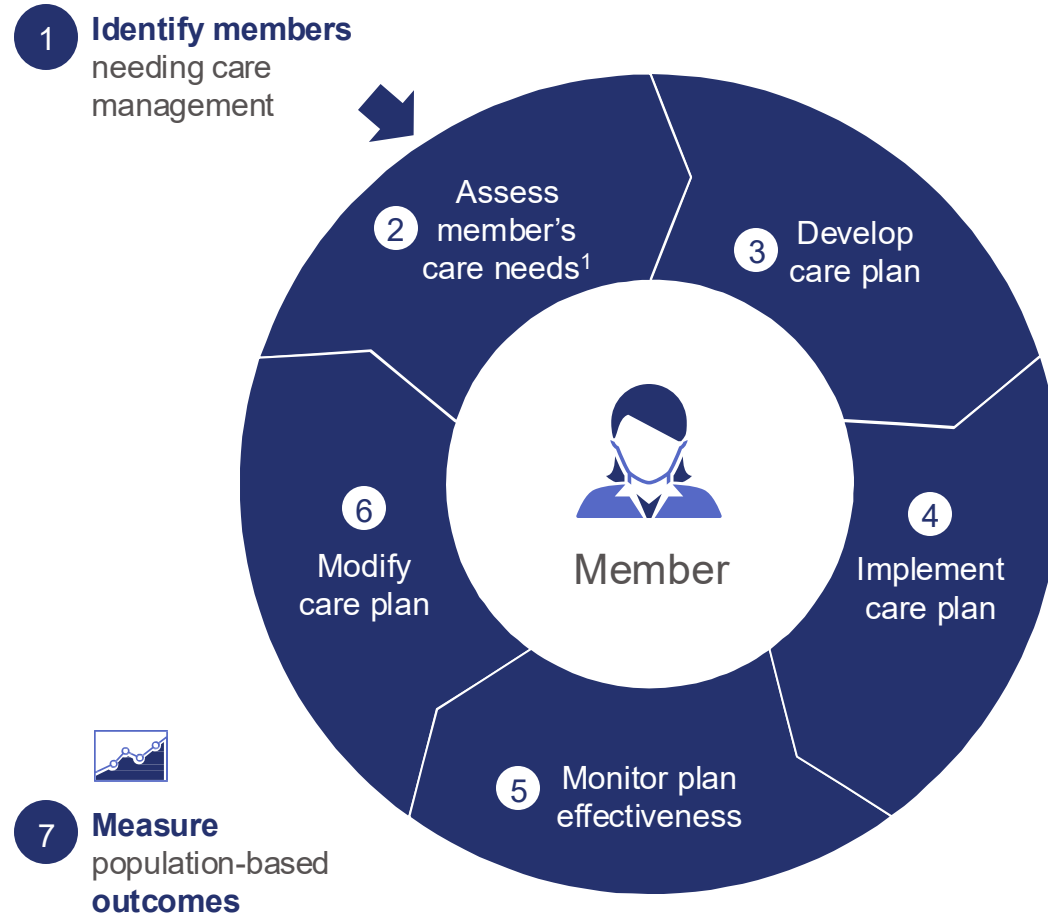
Metrics measured include:

- Denial rates for all Phase 1 services
- % of PAs approved
- Time to approving PAs for both urgent and non-urgent services

This is along with regular reporting on care management data as well

Progress on care management and NJSAMS

What is MCO-led care management?



- 1 Identify members** who have or may have complex needs early and **process referrals** from providers
- 2 Assess members' medical, behavioral, and social needs** to identify risks and guide care planning
- 3 Develop person centered care plans** tailored to each member's unique health goals and circumstances
- 4 Implement care plan and coordinate care** actively linking members to providers, medical services, residential, social, behavioral, and other support services where needed
- 5 Monitor member progress / plan effectiveness**, follow up and document updates, and review progress toward care plan goals
- 6 Modify care plans** upon change in condition and as needed to achieve stated goals and desired health outcomes and address evolving needs
- 7 Measure population health outcomes** by using tools like the Care Management Member Experience Survey

1. Care manager responsible for re-assessing member's needs on ongoing basis

There is no "wrong door" to begin receiving MCO care management services

Some entry points into care management



Members can **request** or **qualify** for care management **at any time**



Providers can **refer members** to care management; MCO referral information in the BH Integration provider guidance packet



MCOs will **automatically outreach members** who request, qualify, or are referred to care management



To **ask about MCO care management**, MCO contact info for member services can be found on the **back of their health plan/MCO card**

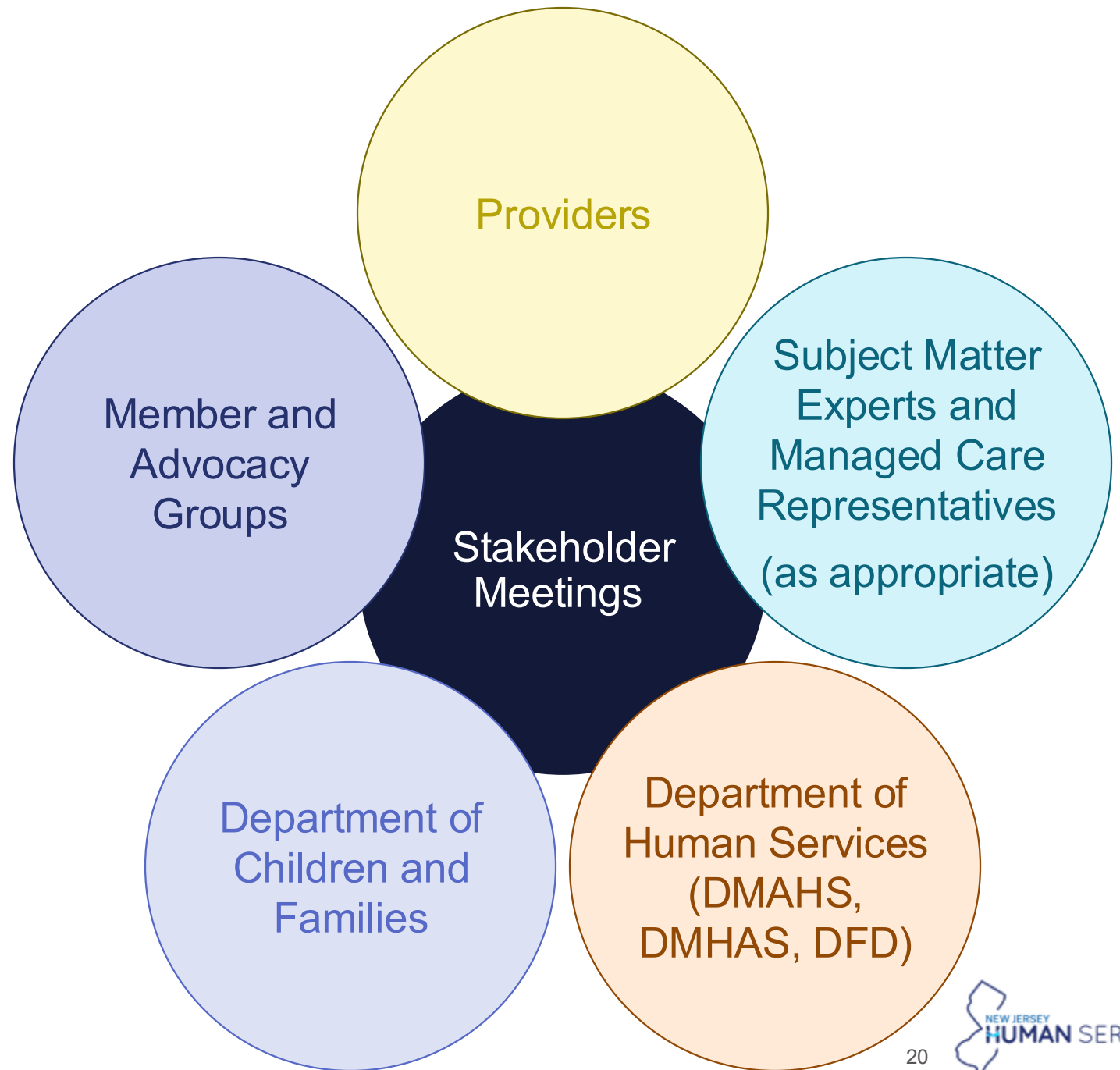
**Phase 1 also
updated NJSAMS
to enable
providers to
submit
authorizations
within one unified
portal**

Previously, providers submitted SUD authorizations requests to MCOs via NJSAMS, but outcomes (e.g., approval, denial) were communicated outside the system

- Beginning May 12, providers can **view the outcome of their PA request within NJSAMS**, providing a unified interface for most PA needs
- This update **impacts only Phase 1 SUD services** that may require MCO authorization (e.g., Partial Care, Intensive Outpatient, Ambulatory Withdrawal Management, OON providers for Outpatient Counseling & Psychotherapy)
- **Phase 2 SUD services** will become a part of NJSAMS starting in **January 2027**, alongside the Phase 2 go-live

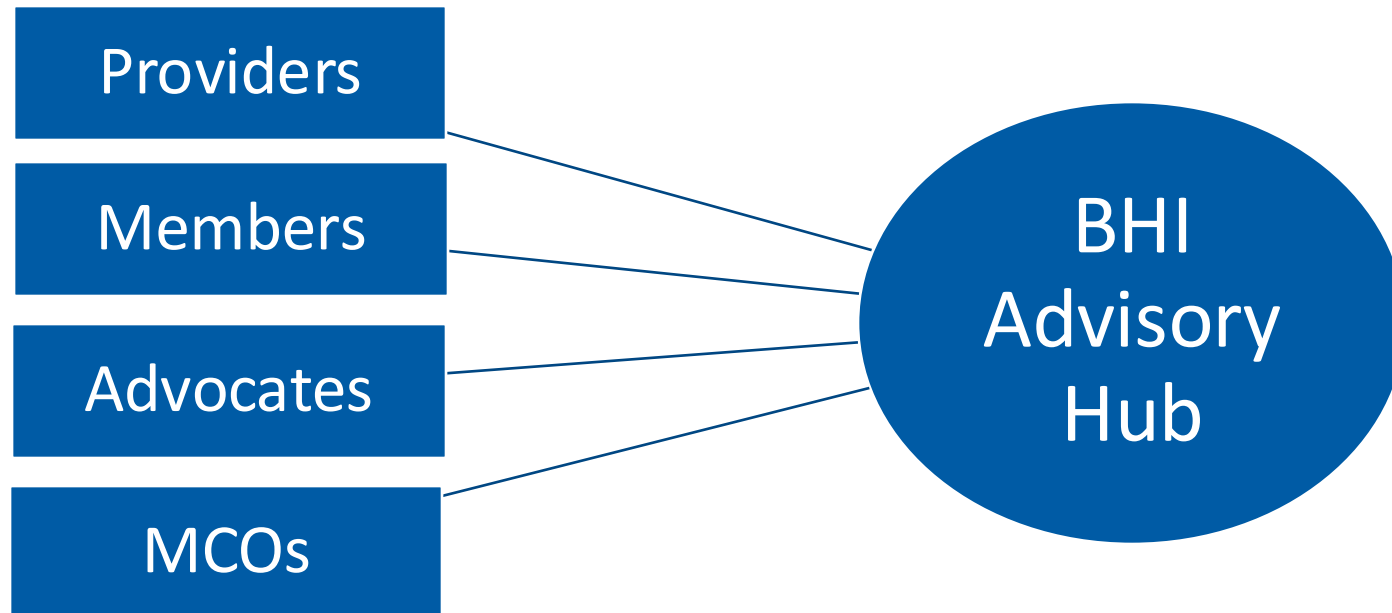
Summary of stakeholder engagement

**We see the
community as
our partners**



The Behavioral Health Integration (BHI) Advisory Hub supports our engagement

Multi-year workgroup during planning and implementation of all phases of the integration of behavioral health services into managed care



Summary of DMAHS/Regional Health Hubs' survey & live member engagement

Background on member engagement with Regional Health Hubs

- DMAHS, CHCS, and Regional Health Hubs co-designed **survey, focus group, and interview materials** to **assess member behavioral health integration knowledge and needs**
- May-August 2025: 204 NJ FamilyCare members completed surveys, 58 in focus groups, and 12 interviewed
- Most members reported accessing behavioral health services in last year

High-level summary of key themes

- **Members trust in behavioral health providers:** primary care providers are key info sources, but communication gaps remain on behavioral health needs and options
- **Access and care coordination remain barriers**, with mixed experience on digital tools
- **Members know how to reach their MCO**, but not what MCO care management offers
- For future communications, **members prefer trusted referrals, print materials, and mail over email/text**

We also surveyed providers as part of the 2025 NJ FamilyCare Behavioral Health provider satisfaction survey

Survey detail

- **Survey:** Captured provider feedback on experiences with MCOs and DMAHS (July 23–Dec 31, 2025; n=133) to inform program improvements and provider engagement
- **Structure:** MCO-specific ratings across all domains on a 5-point satisfaction scale, plus open-ended comments



Selection of takeaways from survey results

MCO provider relations

Most neutral and positive - generally more strongly positive vs strongly negative responses, but room to improve

Customer service

Ratings were mixed across the board – but probably the greatest area of improvement required for MCOs

MCO utilization management

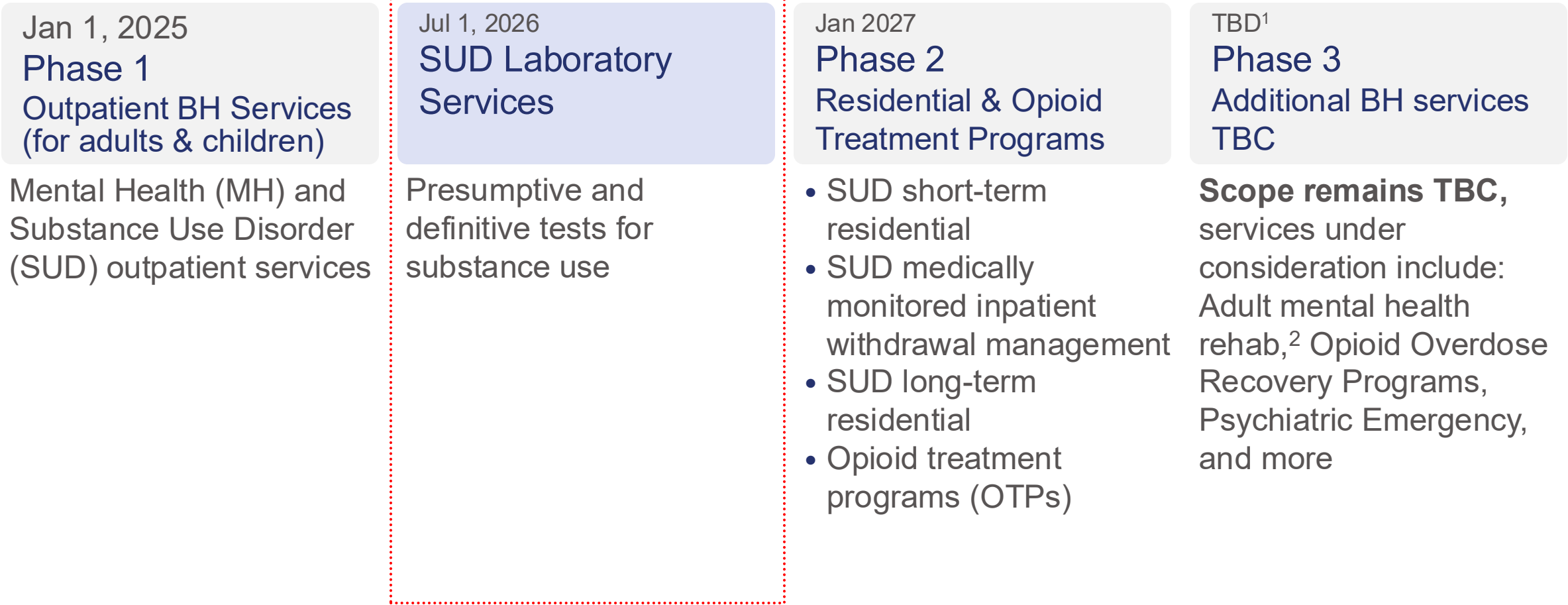
Over 40% providers had positive (4-5) experiences, 25-35% had negative (1-2 rating) experiences indicating more work with MCOs needed

Cultural competency training

Highest-rated category overall, with most MCOs showing largely positive (4-5) results and relatively small negative shares

Upcoming SUD Lab transition and Phase 2

SUD Labs were integrated into managed care on July 1st



1. Scope and timing of Phase 3 to be determined after Phase 1 and 2 go-live based on additional analysis and stakeholder input 2. For core Medicaid only – no change for carved-in populations

DMAHS integrated all SUD lab services under managed care, as of July 1, 2026

On July 1, DMAHS integrated substance use disorder (SUD) laboratory services performed through NJFamilyCare under management of the Medicaid MCOs

The State's goals for integration are to ensure:

- 1) High-quality SUD laboratory services continue to be delivered for NJFamilyCare members
- 2) SUD laboratory services are appropriately utilized without fraud, waste, and abuse (FWA)

MCOs are **not** required to contract all willing qualified providers of SUD laboratory services as part of this integration.

DMAHS will provide regular updates throughout this integration; **please email DMAHS.SUDLabIntegration@dhs.nj.gov to receive communications**

We have defined minimum service level requirements for MCO lab networks



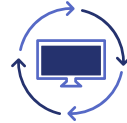
Timeliness

90% of in-network tests must be processed within **24 hours** (presumptive tests) or **48 hours** (definitive tests)



Specimen pickup

All in-network labs must **provide daily specimen pick-up on-site** at ordering providers (unless less frequently requested)



System integration

At least one lab per network must support **ordering tests & receiving results directly in ordering providers' EHR system**



Customer service

Each in-network lab must provide a **direct point of contact** with technical oversight over testing for providers to raise inquiries & receive responses within 24 hours



Test panels

MCOs must create plan to **connect ordering providers to tests for novel drugs & expand panels** if tests are requested multiple times

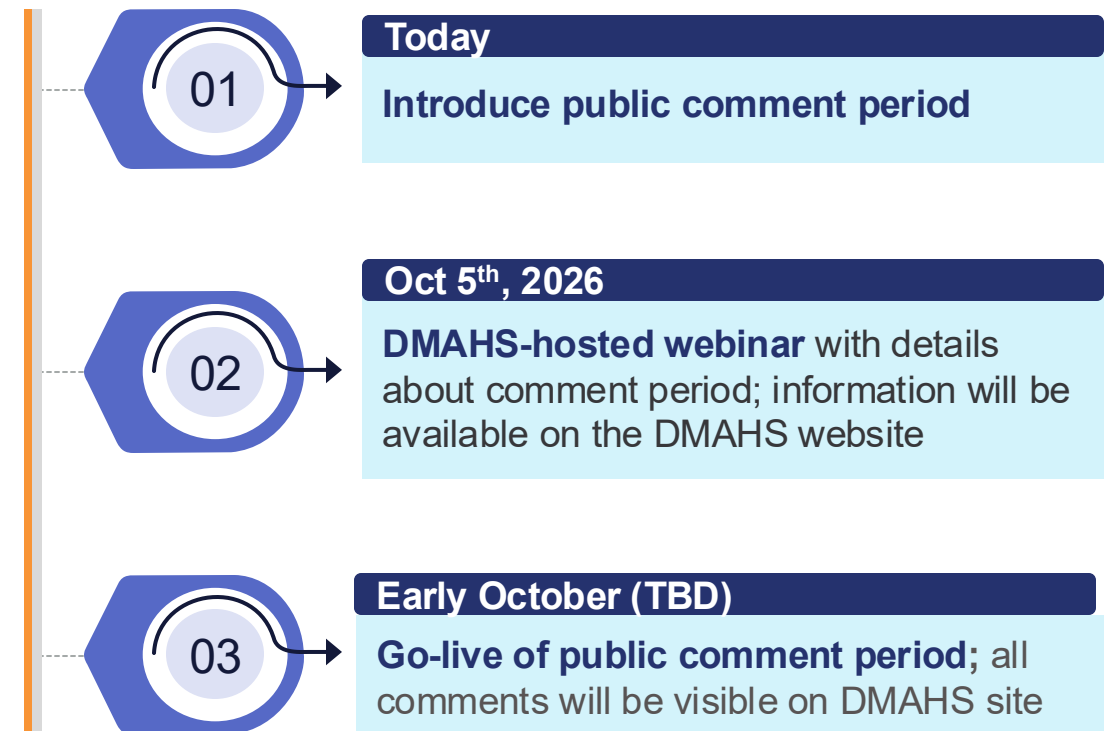
The State will continuously monitor lab network compliance with these service level standards after go-live, several standards will be monitored on an ongoing basis post-transition

DMAHS is launching a public comment period in the coming months regarding SUD lab network adequacy

- The July 2026 transition of SUD lab billing to managed care surfaced provider concerns about limited in-network lab options
- Network adequacy for laboratory services is currently assessed by time and distance standards with relation to member access, and two providers are required per servicing county
- DMAHS is seeking public input on SUD lab network adequacy to inform whether current standards should be revisited

All MCOs currently meet network standards — there is no 'any willing qualified provider' requirement for labs

For awareness: Preliminary comment period milestones



Phase 2 of BH Integration is set to go live on January 1st 2027

Jan 1, 2025 Phase 1 Outpatient BH Services (for adults & children) Mental Health (MH) and Substance Use Disorder (SUD) outpatient services	Jul 1, 2026 SUD Laboratory Services Presumptive and definitive tests for substance use	Jan 2027 Phase 2 Residential & Opioid Treatment Programs • SUD short-term residential • SUD medically monitored inpatient withdrawal management • SUD long-term residential • Opioid treatment programs (OTPs)	TBD¹ Phase 3 Additional BH services TBC Scope remains TBC, services under consideration include: Adult mental health rehab,² Opioid Overdose Recovery Programs, Psychiatric Emergency, and more
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Phase 2 will also have a transition period

Transition period	Long term (post-transition)
At go-live, a transition period will start & take place for at least 6 months During transition, all MCOs: • Contract all willing & qualified providers (starting before go-live) • Reimburse INN & OON providers at least FFS rate floor • Can only deny certain types of prior authorizations Starting go-live, providers will submit all claims to MCOs, not the State	Transition ends for MCOs after they meet targets for members served out of network, claims paid, and % of PAs denied After transition, all MCOs must: • Meet network adequacy standards currently in the MCO contract • Reimburse all INN providers at least FFS rate floor Providers after transition continue to submit all claims to MCOs for reimbursement

Continuous stakeholder engagement underpins BHI Phase 2 readiness preparations

May to June 2026

Solicited and incorporated provider input into BHI Phase 2 design

Hosted focus groups and monthly trainings to ease transition for providers as MCOs prepare for Phase 2 launch

Upcoming events:

- All-Stakeholder Information Session (9/30)
- Upcoming state-led monthly provider trainings
 - Claims and Billing (10/2)
 - Prior authorization (11/6)
 - Care management (12/4)

We are here

Date to be announced

Further programming to support provider transition; details to come

- Advisory Hub Meeting (coming soon in October)
- In-person Office Hours will be held before end-of-year
- Member Meeting (to be scheduled in December)

**These materials
will be circulated
and will contain
additional
resources in an
Appendix**

- ✓ Data from care management reports and more details on results from the provider satisfaction survey
- ✓ More information on prior authorization policies that are a part of Phase 2 of BH Integration
- ✓ Information on the upcoming 1115 renewal process and how this is related to BH Integration
- ✓ Learnings from BH integration efforts in other states

Feel free to be in touch regarding any questions on these materials – our email will be shared at the end of this presentation

Need help? Visit the State's BH Integration Stakeholder website or contact the member's MCO; if you cannot reach a resolution, outreach DMAHS

BH Integration Stakeholder Information website

The [Provider Resources webpage](#) on the [BHI stakeholder website](#) has the following resources:

- [Provider guidance packet](#)
- End of transition period readiness guidance document
- Prior DMAHS training materials and recordings
- Additional resources with information on program processes

Member's Managed Care Organization

For specific member inquiries and MCO-related questions, please contact the member's MCO:



Aetna



Fidelis Care



Horizon NJ Health



UnitedHealthcare



Wellpoint

Refer to key MCO points of contact [here](#) or also in [provider guidance packet](#)

DMAHS – Office of Managed Health Care

If your issue is related to **contracting & credentialing**, **claims & reimbursement**, **appeals**, or **prior authorizations**, then contact **OMHC**:

Email: dmahs.provider-inquiries@dhs.nj.gov

- Include specific details regarding your claims
- If multiple claims are impacted, the information should be summarized using an Excel file
- All Protected Health Information (PHI) must be sent securely

DMAHS – Behavioral Health Unit

If your issue is related to **policies & guidelines**, **access to services**, or **general questions**, then contact DMAHS **BH Unit**:

Email: dmahs.behavioralhealth@dhs.nj.gov

Phone: 1-609-281-8028



Thank you!

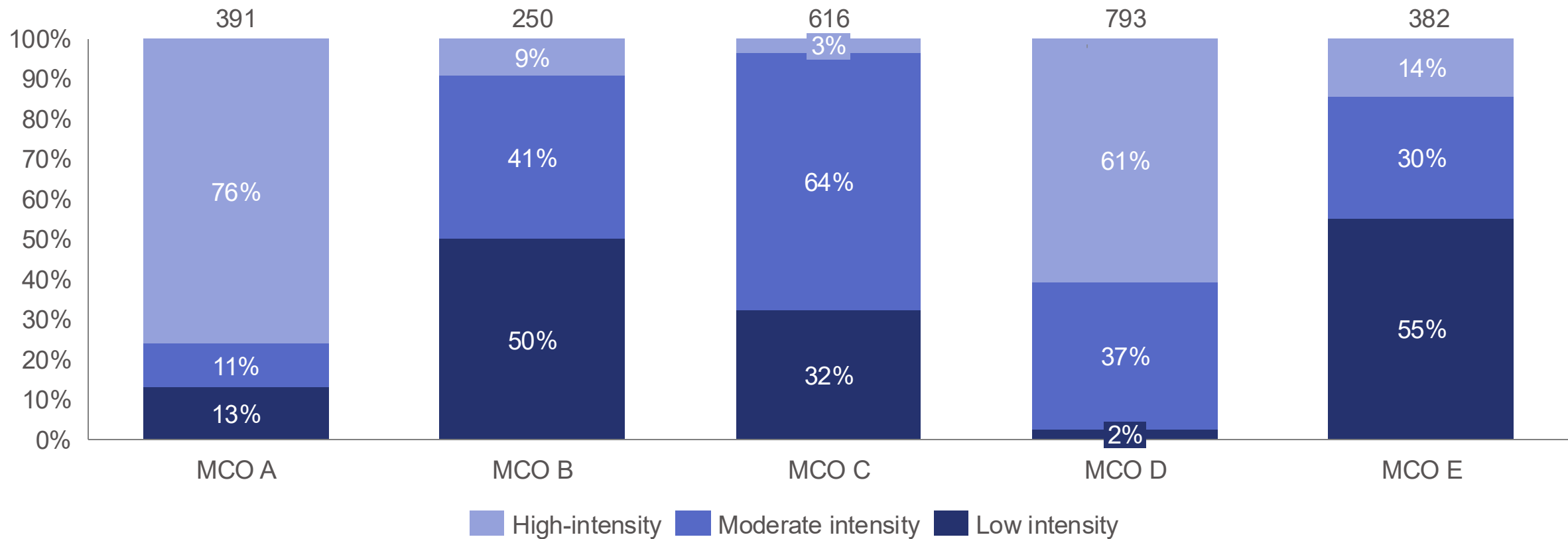
For any inquiries or questions that you have for our BH team, please contact us using this email:

DMAHS.BehavioralHealth@dhs.nj.gov

Data on care management and provider satisfaction survey

We track data on care management including enrollment, intensity of conditions requiring care management, and more

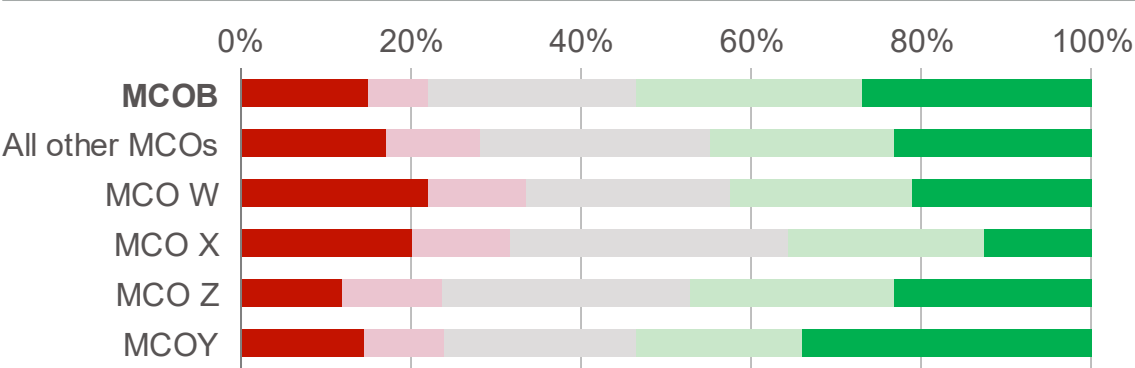
Total members enrolled in BH care management, by intensity level (July 2026)



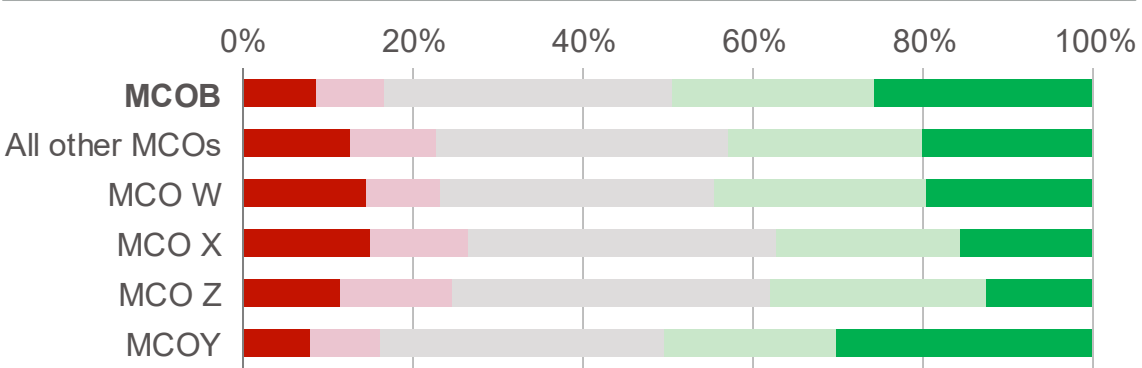
Examples of data reported as part of provider satisfaction survey



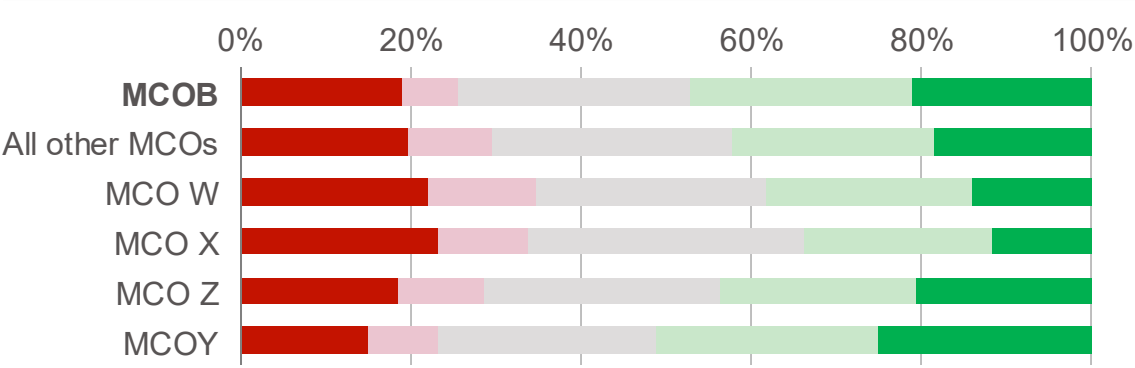
MCO provider relations



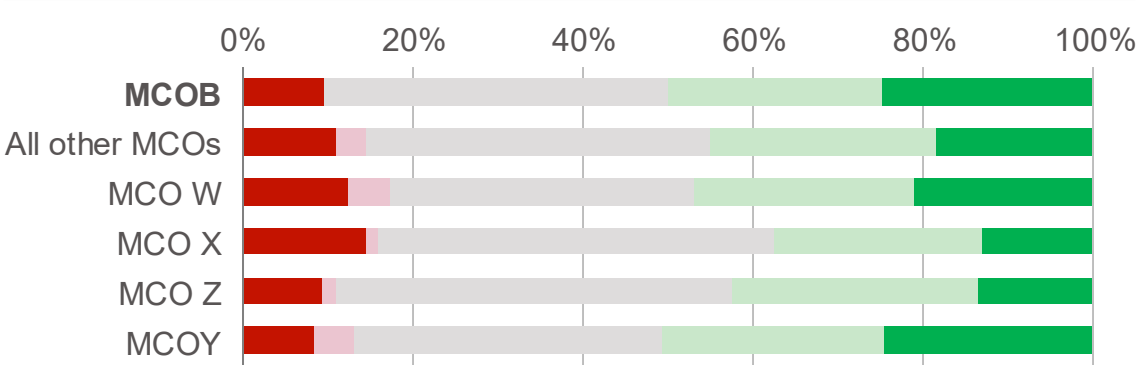
MCO utilization management



Customer service access and accuracy



Cultural competency training



Example provider satisfaction survey comments

Category	Comments
MCO provider relations: Optional comments on credentialing, contracting, and provider relations/services	“ NJ Behavioral Health has been excellent “ The credentialing process was extremely lengthy and complicated. It's very difficult to identify the correct person to communicate with regarding credentialing... the process for submitting credentialing documents... varies from MCO to MCO... there is rarely a clear and concise way to submit them
MCO claims processing: Optional comments on claims processing	“ We're still having issues with Medicaid approved codes being denied as non-covered benefits “ Provider rep has been very helpful to resolve any issues
Customer service access and accuracy: Optional comments on training and education	“ Overall, when seeking training and education, most MCO's have information available “ To get support outside of your network manager is strenuous, too effortful. At times, the info that may be found online is not the same info we will get when speaking with a rep ... it is tough to get phone support making system navigation that much more difficult.

More information on Phase 2 prior authorization requirements

Deep dive on prior authorization policies for Phase 2

- 1 All active authorizations at go-live will remain active
- 2 Providers must submit prior authorization requests to MCOs starting go-live
- 3 If approved, initial authorizations are approved for a minimum duration (5 days for MMIW, 14 days for STR, 60 days for LTR)¹
- 4 If approved, extensions are approved for a minimum duration (5 days for MMIW, 7 days for STR, 30 days for LTR)
- 5 In the first 60 days after go-live, MCOs may review & deny prior auths for clinical necessity reasons for only select types of prior auth requests

1. Already defined in MCO contract as of July 2026 revision.

Update on the upcoming 1115 Renewal

NJ provides the majority of its Medicaid program through an 1115 demonstration which expires June 30th, 2028

Overview of NJ's 1115 waiver demonstration

- 1115 authority grants states the ability to **test innovative approaches**
- **NJ operates a single demonstration that expires June 30, 2028**
- The 1115 demonstration currently authorizes the **majority of NJ's Medicaid program** including managed Medicaid plans, behavioral health, and a range of pilots

**Integration of
behavioral health
services into
managed care is a
part of the current
demonstration**

The state plans to continue the work to transition all/most behavioral health services into managed care, and will continue to focus on the following elements:

- Phased-in implementation
- Robust stakeholder process
- Review of each service for carve-in consideration
- Member protections
- MCO accountability

Throughout the 1115 renewal process, we will gather input from stakeholders such as yourselves

Timeline for CMS deliverables related to NJ 1115 renewal application



Planned engagement ahead of sharing proposed approach with CMS in Dec 2026

- **September & October 2026:** Host external stakeholder listening sessions
- **October 2026:** Host public webinar
- **November 2026:** Brief advocacy groups, MCOs, and providers

Keep an eye on the DMAHS website for more information

Learnings from BH integration efforts elsewhere

We continue to look at other states to see how their efforts are progressing

	 Washington State	 Arizona	 New York	 Washington DC
Summary	Combined mental health and medical coverage in select areas; early results are promising	Fully combined coverage since 2015; one system manages both physical and mental health	Combined coverage since 2015; more people are getting follow-up care, but costs and complaints are a challenge	Started combining coverage in 2019; paused the final step in 2024 to get it right
Advantages & disadvantages	✓ Easier access to and better quality of care ✓ Reduction in homelessness and criminal justice interactions	✓ More comprehensive approach, reducing duplicate work ✓ Improved data sharing among providers	✓ 75% of patients get follow-up care within 30 days ✗ Network deficits (e.g., psychiatrist shortages)	✓ Benefit expansion succeeded ≈ Pause was planned (not a reversal) ≈ Needed more time on payments, tech, provider readiness