

## Frequently Asked Questions (FAQ)

### DMAHS' Any Willing Qualified Provider (AWQP) Provision for Nursing Facilities

Effective Date: July 1, 2025

**Question: What is Any Willing Qualified Provider (AWQP) and how does it differ from the current MCO contracting process for nursing facilities?**

**Answer:** When nursing facility services shifted to managed care, managed care organizations were required to contract with “Any Willing Provider,” defined as any provider that applies to become a network provider, complies with the MCO’s provider network requirements, and is willing to accept the terms and conditions of the MCO’s provider contract. Changes to the MCO contract that take effect July 1, 2025, will require MCOs to contract with Any Willing Qualified Provider (AWQP). The Division of Medical Assistance and Health Services (DMAHS) has defined the criteria that nursing facilities and specialty care nursing facility providers must meet to be considered a “qualified provider”. If a facility does not meet these criteria, it is not considered a qualified provider, and MCOs have the discretion to determine whether or not they want to contract with a facility that does not meet the Qualified Provider requirements.

**Question: What are the criteria that a facility must meet to be considered a “qualified provider” under the AWQP provisions?**

**Answer:** Qualified providers are defined as all nursing facilities and specialty care nursing facilities in the state licensed by the New Jersey Department of Health, except those that have, in two of the three most recently completed calendar years:

- A. Been included on the Center for Medicare and Medicaid Services (CMS) Special Focus Facilities (SFF) Lists A, C, or D at least once; or
- B. Been cited for two or more Level G or higher federal deficiencies or similar equivalent licensing violations from the New Jersey Department of Health; or
- C. Received an overall one-star rating by CMS for nine or more of the prior twelve quarters

**Question: If a facility does not meet the Any Willing Qualified Provider (AWQP) criteria, is it automatically excluded from participating in NJ FamilyCare?**

**Answer:** No. If a facility fails to meet the AWQP criteria, Managed Care Organizations (MCOs) may opt not to contract with that facility, although they are not required to remove the facility from their network. MCOs will consider various factors when deciding whether to discontinue contracting with a facility that does not meet the AWQP criteria.

Should an MCO decide to terminate its contract with a provider, it must continue authorizing and paying claims for members residing in the facility at the time of contract termination, and for members who enroll with the MCO while residing in the non-contracted facility. Authorization and payment of claims must continue for as long as current and newly enrolled residents opt to remain in a facility.

**Question: Will MCOs be required to remove NJ FamilyCare members from nursing facilities that do not meet the AWQP criteria?**

**Answer:** No. If an MCO decides to terminate its contract with a provider that fails to meet the AWQP criteria, it must continue to authorize and pay claims for members residing in the facility at the time of termination, as well as for members who enroll with the MCO while residing in the non-contracted facility. This authorization and payment obligation will persist as long as both current and newly enrolled residents choose to remain in a facility not listed as a qualified provider. Additionally, MCOs are required to inform members residing in facilities that do not meet the AWQP criteria about the facility's status and increase the frequency of Care Management visits.

**Question: Does the DMAHS-MCO contract language give MCOs the authority to terminate existing contracts with nursing facilities?**

**Answer:** The DMAHS-MCO contract no longer mandates MCOs to contract with nursing facilities that do not meet AWQP criteria. MCOs are expected to act in accordance with their contractual agreements with the nursing facilities and may take action to amend their contracts prospectively to reflect these changes.

**Question: What facilities will be affected by this policy?**

**Answer:** This policy affects all nursing facilities and specialty care nursing facilities, including pediatric specialty care nursing facilities, that are contracted with an MCO in the state of New Jersey.

**Question: How will MCOs, facilities, and members know which facilities do and do not meet AWQP criteria?**

**Answer:** Annually, DMAHS will provide to the MCOs a list of facilities that do and do not meet AWQP criteria. Nursing facilities will be notified 30 days prior to the effective date of this list if they do not meet AWQP standards, and may contact DMAHS if they believe they have been included erroneously. Once the list is effective, MCOs will send standardized notification letters to residents of facilities that do not meet AWQP standards, and increase the frequency of Care Management visits.

MCOs will also receive a list on a quarterly basis of facilities that received a one-star CMS rating in the previous quarter and will notify members who reside in those facilities. A list of all facilities that do and do not meet AWQP criteria, as well as a list of facilities that have received a one-star CMS rating in the previous quarter, will also be publicly available to view on DHS' [Nursing Home Quality page](#), on the Division of Aging website.

**Question: How frequently will a facility's status as a qualified provider be determined?**

**Answer:** DMAHS will provide MCOs with an updated list of qualified providers annually.

**Question: How can a facility become qualified again if it does not meet AWQP standards?**

**Answer:** If a nursing facility that did not meet the AWQP criteria in a given year qualifies under the DMAHS-MCO contract terms in any following years, MCOs are required to contract with the facility, even if it had been previously removed from their network.

**Question: What if a facility believes it was erroneously determined to not meet the AWQP criteria?**

**Answer:** Facilities that do not meet AWQP criteria will be notified 30 days before the effective date of the AWQP designations. If a facility believes it has been incorrectly designated, it may notify DMAHS within 15 days of the date on that notice. Additionally, DMAHS will inform facilities during the first month of each quarter if they received a 1-star overall CMS rating in the previous quarter, before notifying members of the facility's CMS quality status.

**Question: Will a facility's Medicaid reimbursement rate be affected if it does not meet AWQP criteria?**

**Answer:** No. Failure to achieve Qualified status will not impact nursing facility per diem rates established per N.J.A.C. 8:85.

**Question: Is the AWQP policy meant to replace existing legislation, regulations, or programs, such as the Nursing Facility Quality Incentive Payment Program (QIPP)?**

**Answer:** No, AWQP does not replace any existing legislation, regulations, or programs within DHS, DOH, or any other state agency. QIPP will remain in place, and QIPP bonuses will be calculated using the existing program criteria and benchmarks.

**Question: How will the State ensure continued access to care if not all facilities participate in every Medicaid managed care plan?**

**Answer:** MCOs are not required to terminate contracts and remain responsible for identifying suitable nursing facility placements for all members needing facility-based care. This approach is consistent with network adequacy requirements for other services under Medicaid managed care contracts.

**Question: How will the State ensure that members do not abruptly lose access to nursing facility care if an MCO stops contracting with the facility they reside in?**

**Answer:** MCOs are required to continue authorizing payment for members that reside in non-contracted facilities if they were residents of the facility at the time its contract was terminated. MCOs are also required to continue authorizing payments for current residents of that facility if they later join their MCO network. This will prevent sudden losses in nursing facility care for members while preserving the right of residents to choose where they receive care. MCOs will be responsible for conducting additional Care Management visits to residents of facilities that do not meet AWQP criteria, including facilities that have had their contracts with MCOs terminated, to ensure members are receiving appropriate care and remain healthy and safe.

**Question: Since the CMS star rating system is relative there will always be one-star facilities in New Jersey, even if overall quality improves. Could this result in facilities providing quality care being deemed unqualified?**

**Answer:** A facility would not meet the AWQP criteria if it has received a one-star rating for nine or more quarters over the past three years. To count towards this exclusion, the facility must maintain a one-star rating for every month within each quarter. Therefore, a facility must receive a 1-star rating for at least 27 months within a three-year period to be deemed not qualified. This approach ensures that quality risks are identified over a longer timeframe, preventing facilities from a change in status due to brief dips in overall quality ratings.

**Question: Why are facilities on the CMS Special Focus Facility (SFF) List D considered not to meet the AWQP criteria? Shouldn't these criteria apply only to facilities selected as SFFs, rather than the candidates?**

**Answer:** CMS has found that while most nursing homes have some deficiencies when assessed for health and safety standards, certain facilities exhibit significantly more issues. These include having approximately twice the average number of deficiencies, more serious problems (such as harm or injury to residents), and a pattern of persistent serious issues spanning approximately three years prior to being listed as a Special Focus Facility (SFF). Some nursing homes fail to implement sufficient improvements to

address systemic problems, leading to repeated cycles of serious deficiencies that pose risks to residents' health and safety. To tackle this issue, CMS developed a methodology to identify candidate facilities for the SFF program based on the results from the last three standard health survey cycles and three years of complaint survey performance, focusing on the number and severity of deficiencies cited. Facilities with the most and most severe deficiencies become candidates for the SFF program. The state survey agency selects two facilities in New Jersey for more frequent inspections and progressive enforcement. However, the entire SFF candidate list highlights up to 30 facilities with the greatest number of, and most severe citations, indicating potential risks to Medicaid members' consistent receipt of adequate care.

**Question: Does failure to meet AWQP criteria result in licensing or regulatory action from the State Department of Health or the federal Centers for Medicare and Medicaid Services (CMS)?**

**Answer:** The AWQP criteria are solely a measure used by DMAHS to determine which facilities MCOs are required to contract with, and which members are required to receive notifications and more frequent Care Manager visits. As is already the standard, MCO Care Managers are mandated to report suspected abuse, neglect, or other violations/incidents to DMAHS, DOH, and/or the Long-term Care Ombudsman.

**Question: How will DHS address the impact on a facility's ability to meet CN obligations for Medicaid occupancy if it remains out of network with Medicaid MCOs for an extended period?**

**Answer:** Several aspects of AWQP requirements prevent facilities from quickly losing Medicaid residents and risking non-compliance with their CN obligation. MCOs have discretion over when to terminate a contract with a facility that doesn't meet AWQP criteria. MCOs must continue to cover Medicaid residents who choose to stay at a facility that has been removed from the health plan's network. Additionally, the list of facilities not meeting AWQP criteria is updated annually, allowing a facility to potentially regain access to an MCO network after one year. Facilities most at risk of falling below their CN obligation are those that fail to show sustained improvement over time.

**Question: If a member residing in a facility that is no longer contracted with an MCO is discharged to a hospital for any reason, will they be able to return to that facility after their hospital stay?**

**Answer:** If an MCO chooses to remove a facility that does not meet the AWQP criteria from their network, they are required to continue authorizing payment for all members currently residing in that facility, and for any residents of that facility who subsequently join the MCO. If a covered member residing in a facility that is no longer contracted with

an MCO is discharged to a hospital, the MCO must continue to authorize payments for that member, should they choose to return to that facility upon discharge. MCOs are not required to authorize payments if a member is discharged to any other setting and wishes to return to the facility at a later date.

**Question: If an MCO terminates a contract with a facility, how will this impact managed care members who are admitted to the facility for short-term rehabilitation but end up converting to a long-term stay?**

**Answer:** MCOs are required to continue authorizing payments for any members that are residents of the facility at the time of termination, as well for any previously admitted residents who later enroll in the MCO. An MCO must also continue authorizing payments for any individual initially admitted to a facility for short-term rehabilitation, regardless of payor, that later converts to a long-term stay.

Should you require additional information, contact DMAHS at:

[DMAHS.AWQP@dhs.nj.gov](mailto:DMAHS.AWQP@dhs.nj.gov)