

**LEGAL NOTICE
STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES
MEDICAID NURSING FACILITY REIMBURSEMENT**

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 (CMS) in order to implement a change to the nursing facility rate setting system in order to implement proposed State Fiscal Year (SFY) 2020 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.

If this proposal is approved as part of the SFY 2020 Appropriations Act, then, 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 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 greater of the rate received on June 30, 2019, or the per diem rate, including the quality of care add-on, of \$188.35; (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 greater of the equivalent fee-for-service per diem reimbursement rate as it received as of June 30, 2019, or the per diem rate, including the quality of care add-on, of \$188.35, and any Class II nursing facility that is being paid by an MCO but has not yet negotiated a rate shall receive the greater of the equivalent fee-for-service per diem reimbursement rate received on June 30, 2019, had it been a Class I nursing facility, or the per diem rate, including the quality of care add-on, of \$188.35; (4) notwithstanding paragraph (1) of subsection d. of section 6 of P.L.2003, c.105 (C.26:2H-97), the provider tax add-on payable as an allowable cost shall be \$13.67; (5) the quality of care portion of the provider tax add-on shall be equivalent to the amount received as of June 30, 2019; (6) 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, or any performance add-on amount as outlined in this paragraph; (7) each Class I, Class II, and Class III nursing facility with a performance score greater than or equal to the national average performance score, as collected and published by the Centers for Medicare and Medicaid Services (CMS), for reporting periods Q2 2017, Q3 2017, Q4 2017, and Q1 2018, for one or more of the following metrics shall receive a performance add-on of \$.60 for each metric where average facility performance across the four quarters of data combined is greater than or equal to the national average performance for the same twelve month period: Antipsychotic medication use; incidence of pressure ulcers; use of physical restraints; and falls with major injury; (8) each Class I, Class II, and Class III nursing facility that received a composite score of 75 or greater on the Core Q Resident and Family Experience Survey for Q2 2018 shall receive a \$.60 performance add-on; and (9) additional revenues derived from the fiscal year 2020 adjustment to the nursing home provider assessment are appropriated to implement the provisions of this paragraph.

This reimbursement is not expected to increase New Jersey Medicaid program expenditures for nursing facilities (State and federal) as set forth above in comparison to the amount expended in SFY 2019 for this initiative.

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 807
Trenton, New Jersey 08625-0807