

ASSEMBLY, No. 226

STATE OF NEW JERSEY

214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

Assemblywoman JOAN M. QUIGLEY

District 32 (Bergen and Hudson)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblywoman LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Assemblywoman Wagner

SYNOPSIS

Directs Medicaid to establish medical home demonstration project.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT concerning the Medicaid program and supplementing
2 P.L.1968, c.413 (C.30:4D-1 et seq.).

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. The Division of Medical Assistance and Health Services in
8 the Department of Human Services, subject to federal approval and
9 the availability of federal financial participation under Title XIX of
10 the Social Security Act, shall establish a three-year Medicaid
11 medical home demonstration project as provided in this act. The
12 demonstration project shall be developed in consultation and
13 implemented with the managed care organizations that contract with
14 the Medicaid program to provide health care services to Medicaid
15 recipients.

16 The Medicaid program shall:

17 a. Restructure its payment system to support primary care
18 providers that use a medical home model. The program shall
19 consider payment methodologies that support care-coordination
20 through multi-disciplinary teams, including payment for care of
21 patients with chronic diseases and the elderly, and that encourage
22 services such as: (1) patient or family education for patients with
23 chronic diseases; (2) home-based services; (3) telephonic
24 communication; (4) group care; and (5) culturally and linguistically
25 appropriate care. In addition, the payment system shall be
26 structured to reward quality and improved patient outcomes.

27 b. Develop a system to support primary care providers in
28 developing an organizational structure necessary to provide a
29 medical home.

30 c. Identify primary care providers for participation in the
31 demonstration project that provide care to their patients using a
32 medical home model, which at a minimum shall include primary
33 care providers utilizing a multi-disciplinary team that provides
34 patient-centered care coordination through the use of health
35 information technology and chronic disease registries across the
36 patient's life-span and across all domains of the health care system
37 and the patient's community.

38 d. Nothing in this act shall be construed to limit the choice of a
39 Medicaid recipient who is participating in a medical home
40 demonstration project to directly access a qualified health care
41 provider for family planning services who is not participating in the
42 demonstration project.

43 e. As used in this act:

44 "Medicaid" means the Medicaid program established pursuant to
45 P.L.1968, c.413 (C.30:4D-1 et seq.); and

46 "Primary care provider" includes, but is not limited to, a primary
47 care professional medical practice, a federally qualified or

1 community health center, and a primary care outpatient clinic
2 operated by a general hospital.

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4 2. The Director of the Division of Medical Assistance and
5 Health Services shall evaluate the demonstration project annually to
6 assess: whether cost savings are achieved through implementation
7 of the medical home project; the rates of health screening; and the
8 outcomes and hospitalization rates for persons with chronic
9 illnesses, and the hospitalization and readmission rates for the frail
10 elderly.

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12 3. The Director of the Division of Medical Assistance and
13 Health Services shall report annually to the Governor, and to the
14 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),
15 on his findings and recommendations of the demonstration project.

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17 4. The Commissioner of Human Services shall, in accordance
18 with the "Administrative Procedure Act," P.L.1968, c.410
19 (C.52:14B-1 et seq.), adopt such rules and regulations as the
20 commissioner deems necessary to carry out the provisions of this
21 act.

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23 5. This act shall take effect on the 180th day after enactment
24 and shall expire three years after the effective date, but the
25 Commissioner of Human Services may take such anticipatory
26 administrative action in advance thereof as shall be necessary for
27 the implementation of this act.

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STATEMENT

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32 This bill directs the State Medicaid program, subject to federal
33 approval and the availability of federal financial participation under
34 Title XIX of the Social Security Act, to establish a three-year
35 Medicaid medical home demonstration project. The demonstration
36 project shall be developed in consultation and implemented with the
37 managed care organizations that contract with the Medicaid
38 program to provide health care services to Medicaid recipients.

39 The Medicaid program shall:

- 40 • restructure its payment system to support primary care
41 providers that use a medical home model. The program shall
42 consider payment methodologies that support care-
43 coordination through multi-disciplinary teams, including
44 payment for care of patients with chronic diseases and the
45 elderly, and that encourage services such as: (1) patient or
46 family education for patients with chronic diseases; (2) home-
47 based services; (3) telephonic communication; (4) group care;

- 1 and (5) culturally and linguistically appropriate care. In
2 addition, the payment system shall be structured to reward
3 quality and improved patient outcomes;
- 4 • develop a system to support primary care providers in
5 developing an organizational structure necessary to provide a
6 medical home; and
 - 7 • identify primary care providers for participation in the
8 demonstration project that provide care to their patients using a
9 medical home model, which at a minimum shall include
10 primary care providers utilizing a multi-disciplinary team that
11 provides patient-centered care coordination through the use of
12 health information technology and chronic disease registries
13 across the patient's life-span and across all domains of the
14 health care system and the patient's community.

15 Under the bill, nothing in the bill is to be construed to limit the
16 choice of a Medicaid recipient who is participating in a medical
17 home demonstration project to directly access a qualified health
18 care provider for family planning services who is not participating
19 in the demonstration project.

20 The bill defines "primary care provider" to include, but not be
21 limited to, a primary care professional medical practice, a federally
22 qualified or community health center, and a primary care outpatient
23 clinic operated by a general hospital a primary care.

24 The bill provides that the Director of the Division of Medical
25 Assistance and Health Services, which administers the Medicaid
26 program, shall evaluate the demonstration project annually to
27 assess: (1) whether cost savings are achieved through
28 implementation of the medical home project; (2) the rates of health
29 screening; and (3) the outcomes and hospitalization rates for
30 persons with chronic illnesses, and the hospitalization and
31 readmission rates for the frail elderly.

32 The director shall report annually to the Governor, and to the
33 Legislature on his findings and recommendations of the
34 demonstration project.

35 The bill takes effect on the 180th day after enactment and expires
36 three years after the effective date, but the Commissioner of Human
37 Services is authorized to take such anticipatory administrative
38 action in advance thereof as shall be necessary for the
39 implementation of the bill.