

[Second Reprint]

**SENATE, No. 665**

**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

**Senator BARBARA BUONO**

**District 18 (Middlesex)**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**Co-Sponsored by:**

**Senators Gordon, Weinberg, Ruiz, Stack, Cunningham and Greenstein**

**SYNOPSIS**

Directs Medicaid to establish medical home demonstration project.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on May 27, 2010, with amendments.



**(Sponsorship Updated As Of: 1/7/2011)**

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

3

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

6

7 1. <sup>1</sup>a. The Division of Medical Assistance and Health  
8 Services in the Department of Human Services, subject to federal  
9 approval and the availability of federal financial participation under  
10 Title XIX of the Social Security Act, shall establish a three-year  
11 Medicaid medical home demonstration project as provided in this  
12 act. The demonstration project shall be developed in consultation  
13 and implemented with the managed care organizations <sup>2</sup>[<sup>1</sup>or other  
14 appropriate vendors<sup>1</sup>]<sup>2</sup> that contract with the Medicaid program to  
15 provide health care services to Medicaid <sup>2</sup>[<sup>1</sup>or general public  
16 assistance<sup>1</sup>]<sup>2</sup> recipients <sup>2</sup>or with other appropriate vendors that  
17 contract with the Medicaid program to provide health care services  
18 to general public assistance recipients<sup>2</sup>.

19 <sup>1</sup>b. The Medicaid program shall:

20 <sup>1</sup>[a. Restructure its payment system to support primary care  
21 providers that use a medical home model. The program shall  
22 consider] (1) Consider<sup>1</sup> payment methodologies that support care-  
23 coordination through multi-disciplinary teams, including payment  
24 for care of patients with chronic diseases and the elderly, and that  
25 encourage services such as: <sup>1</sup>[(1)] (a)<sup>1</sup> patient or family education  
26 for patients with chronic diseases; <sup>1</sup>[(2)] (b)<sup>1</sup> home-based services;  
27 <sup>1</sup>[(3)] (c)<sup>1</sup> telephonic communication; <sup>1</sup>[(4)] (d)<sup>1</sup> group care; <sup>1</sup>(e)  
28 oral health examinations, when applicable;<sup>1</sup> and <sup>1</sup>[(5)] (f)<sup>1</sup>  
29 culturally and linguistically appropriate care. In addition, the  
30 payment system shall be structured to reward quality and improved  
31 patient outcomes <sup>1</sup>[.]<sup>1</sup>

32 <sup>1</sup>[b.] (2)<sup>1</sup> Develop a system to support primary care providers in  
33 developing an organizational structure necessary to provide a  
34 medical home <sup>1</sup>[.]; and<sup>1</sup>

35 <sup>1</sup>[c.] (3)<sup>1</sup> Identify primary care providers for participation in the  
36 demonstration project that provide care to their patients using a  
37 medical home model, which at a minimum shall include primary  
38 care providers utilizing a multi-disciplinary team that provides  
39 patient-centered care coordination through the use of health  
40 information technology and chronic disease registries across the  
41 patient's life-span and across all domains of the health care system  
42 and the patient's community.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SHH committee amendments adopted February 4, 2010.

<sup>2</sup>Senate SBA committee amendments adopted May 27, 2010.

1        <sup>1</sup>[d.] c.<sup>1</sup> Nothing in this act shall be construed to limit the  
2 choice of a Medicaid <sup>1</sup>or general public assistance<sup>1</sup> recipient who is  
3 participating in <sup>1</sup>[a] the<sup>1</sup> medical home demonstration project to  
4 directly access a qualified health care provider for family planning  
5 services who is not participating in the demonstration project.

6        <sup>1</sup>d. Subject to the availability of federal matching funds, the  
7 Division of Medical Assistance and Health Services shall begin  
8 implementing the demonstration project no later than January 1,  
9 2011.<sup>1</sup>

10        e. As used in this act:

11        <sup>1</sup>“General public assistance” means the Work First New Jersey  
12 General Public Assistance program established pursuant to  
13 P.L.1947, c.156 (C.44:8-107 et seq.);<sup>1</sup>

14        “Medicaid” means the Medicaid program established pursuant to  
15 P.L.1968, c.413 (C.30:4D-1 et seq.); and

16        “Primary care provider” includes, but is not limited to, a primary  
17 care professional medical practice, a federally qualified or  
18 community health center, and a primary care outpatient clinic  
19 operated by a general hospital.

20  
21        2. The Director of the Division of Medical Assistance and  
22 Health Services shall evaluate the demonstration project annually to  
23 assess: whether cost savings are achieved through implementation  
24 of the medical home project; the rates of health screening; and the  
25 outcomes and hospitalization rates for persons with chronic  
26 illnesses, and the hospitalization and readmission rates for the frail  
27 elderly.

28  
29        <sup>1</sup>3. The Commissioner of Human Services shall apply for such  
30 State plan amendments or waivers as may be necessary to implement  
31 the provisions of this act and to secure federal financial participation  
32 for State Medicaid expenditures under the federal Medicaid program.<sup>1</sup>

33  
34        <sup>1</sup>[3.] 4.<sup>1</sup> The <sup>1</sup>[Director of the Division of Medical Assistance  
35 and Health Services] Commissioner of Human Services<sup>1</sup> shall  
36 report annually to the Governor, and to the Legislature pursuant to  
37 section 2 of P.L.1991, c.164 (C.52:14-19.1), on <sup>1</sup>[his] the<sup>1</sup> findings  
38 and recommendations of the demonstration project.

39  
40        <sup>1</sup>[4.] 5.<sup>1</sup> The Commissioner of Human Services shall, in  
41 accordance with the “Administrative Procedure Act,” P.L.1968,  
42 c.410 (C.52:14B-1 et seq.), adopt such rules and regulations as the  
43 commissioner deems necessary to carry out the provisions of this  
44 act.

**S665 [2R] BUONO, VITALE**

4

1        **'[5.] 6.'** This act shall take effect on the 180th day after  
2 enactment and shall expire three years after the effective date, but  
3 the Commissioner of Human Services may take such anticipatory  
4 administrative action in advance thereof as shall be necessary for  
5 the implementation of this act.