

SENATE, No. 3121

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MAY 1, 2017

Sponsored by:

Senator ROBERT M. GORDON

District 38 (Bergen and Passaic)

Senator ANTHONY R. BUCCO

District 25 (Morris and Somerset)

Senator ROBERT W. SINGER

District 30 (Monmouth and Ocean)

SYNOPSIS

“Community Mental Health Safety Net Act”; requires DHS to provide cost-based reimbursement on quarterly basis for certain mental health and substance use disorder treatment services through June 2018; makes appropriation.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning payment for mental health and substance use
2 disorder treatment services and making an appropriation.

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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. A licensed provider of mental health or substance use
8 disorder treatment services that, on the effective date of this act,
9 holds a contract with the Division of Mental Health and Addiction
10 Services or the Division of Medical Assistance and Health Services
11 in the Department of Human Services that provides cost-based
12 reimbursement for the provider to provide mental health or
13 substance use disorder treatment services, and that subsequently
14 transitions to a fee-for-service reimbursement system, shall be held
15 harmless for the entirety of State Fiscal Year 2018 for any shortfall
16 of billable revenues relative to what would have been provided
17 under the provider's cost-based reimbursement contract. To
18 effectuate this provision, the Department of Human Services shall
19 provide quarterly reimbursements to affected providers equal to the
20 difference between the provider's billable revenues during the
21 quarter and one quarter of the value of the provider's annual cost-
22 based reimbursement contract.

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24 2. There are appropriated from the General Fund to the
25 Department of Human Services such amounts as are necessary to
26 effectuate the provisions of this act, subject to the approval of the
27 Director of the Division of Budget and Accounting in the
28 Department of the Treasury.

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30 3. This act shall take effect immediately.

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STATEMENT

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35 This bill, designated the "Community Mental Health Safety Net
36 Act," would hold harmless certain providers of mental health and
37 substance use disorder treatment services through June 2018 as they
38 transition from a cost-based reimbursement contract model to a fee-
39 for-service reimbursement model.

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41 The Department of Human Services is in the process of
42 transitioning its contracted providers of community-based mental
43 health and substance use disorder treatment services from a cost-
44 reimbursement model to a fee-for-service model. Under the current
45 plan, providers will be required to transition their contracts no later
46 than July 1, 2017. This bill would require the department to
47 provide quarterly reimbursements through the entirety of State
48 Fiscal Year 2018 to providers who hold cost-based reimbursement
contracts on the effective date of the bill equal to the difference

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1 between the provider's billable revenues during the quarter and one
2 quarter of the value of the provider's annual cost-based
3 reimbursement contract.

4 Additionally, the bill appropriates from the General Fund to the
5 Department of Human Services such amounts as are necessary to
6 effectuate the provisions of this act, subject to the approval of the
7 Director of the Division of Budget and Accounting in the
8 Department of the Treasury.