

ASSEMBLY, No. 3264

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 12, 2018

Sponsored by:

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

SYNOPSIS

Establishes certain requirements and conditions concerning changes to DHS reimbursement system for mental health and substance use disorder treatment services; appropriates \$10 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/16/2019)

1 AN ACT concerning State reimbursement for mental health and
2 substance use disorder treatment services, supplementing Title
3 30 of the Revised Statutes, and making an appropriation.

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

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8 1. A contract between a licensed provider of mental health or
9 substance use disorder treatment services and the Division of
10 Mental Health and Addiction Services or the Division of Medical
11 Assistance and Health Services in the Department of Human
12 Services that provides fee-for-service reimbursement for the
13 provider to provide mental health or substance use disorder
14 treatment services shall include provisions allowing for the provider
15 to be reimbursed for the following services and activities:

16 a. providing an initial intake assessment of a patient, and
17 separately for providing an initial psychiatric evaluation.
18 Reimbursement for both services shall be available if both an
19 assessment and an evaluation are performed on the same day;

20 b. outreach services after a consumer fails to appear for a
21 scheduled appointment to determine the cause of the missed
22 appointment;

23 c. transportation for staff traveling to visit a consumer at the
24 consumer's residence or another appropriate remote location;

25 d. transitional planning and other engagement for a consumer
26 who is preparing to transition, or who has recently transitioned,
27 between an institutional setting and a community setting; and

28 e. assistance with applications for public benefits for which a
29 consumer may be eligible, including, but not limited to, medical
30 assistance, nutrition assistance, and home energy assistance
31 programs.

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33 2. Notwithstanding any law or regulation to the contrary,
34 neither the Division of Mental Health and Addiction Services nor
35 the Division of Medical Assistance and Health Services in the
36 Department of Human Services shall require prior authorization for
37 partial care services for treatment of a substance use disorder in
38 order to provide reimbursement for those services.

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40 3. The Department of Human Services shall provide in-person
41 technical support to any licensed provider of mental health or
42 substance use disorder treatment services that, on June 30 2017,
43 holds a contract with the Division of Mental Health and Addiction
44 Services or the Division of Medical Assistance and Health Services
45 in the Department of Human Services that provides cost-based
46 reimbursement for the provider to provide mental health or
47 substance use disorder treatment services, and that subsequently
48 transitions to a fee-for-service reimbursement system, upon the
49 provider's request.

1 4. a. There is established in the Department of Human
2 Services a one-year Fee for Service Transition Assistance Grant
3 Program, to be effective for State Fiscal Year 2018. The purpose of
4 the program shall be to provide grants to eligible providers to aid in
5 the transition from a cost-based reimbursement system to a fee-for-
6 service reimbursement system.

7 b. To be eligible for a grant, a provider must:

8 (1) be a licensed provider of mental health or substance use
9 disorder treatment services; and

10 (2) be actively preparing to transition from a cost-based
11 reimbursement system to a fee-for-service reimbursement system,
12 or have completed such a transition within one year preceding the
13 application.

14 c. Applications shall be filed in a form and manner determined
15 by the department. Grants shall be awarded on a competitive basis
16 to those providers that can demonstrate the need for specific
17 equipment or business or technical assistance in order to establish
18 financial stability and continue services to consumers under the fee-
19 for-service system. No applicant shall be eligible to receive more
20 than one grant under this section.

21

22 5. There is appropriated from the General Fund to the
23 Department of Human Services the sum of \$10,000,000 to
24 effectuate the Fee for Service Transition Assistance Grant Program
25 established pursuant to section 4 of this act.

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27 6. This act shall take effect immediately. Sections 3 through 5
28 shall expire on June 30, 2018.

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STATEMENT

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33 This bill places certain requirements and conditions on the
34 implementation of the Department of Human Services (DHS) plan
35 to reform its system for providing State reimbursement to providers
36 of mental health and substance use disorder treatment services to
37 low-income New Jersey residents. The bill would apply to any such
38 services funded through the Division of Mental Health and
39 Addiction Services or the Division of Medical Assistance and
40 Health Services (Medicaid) in the Department of Human Services.
41 The DHS is in process of transitioning its contracted providers of
42 community-based mental health and substance use disorder
43 treatment services from a cost-based reimbursement model to a fee-
44 for-service model. Under the current plan, providers will be
45 required to transition their contracts no later than July 1, 2017.

46 The bill requires a fee-for-service provider contract to include
47 provisions allowing for the provider to be reimbursed for the
48 following services and activities:

- 1 • providing an initial intake assessment of a patient, and
2 separately for providing an initial psychiatric evaluation,
3 even if both services are performed on the same day;
- 4 • outreach services after a consumer fails to appear for a
5 scheduled appointment to determine the cause of the missed
6 appointment;
- 7 • transportation for staff traveling to visit a consumer at the
8 consumer's residence or another appropriate remote
9 location;
- 10 • transitional planning and other engagement for a consumer
11 who is preparing to transition, or who has recently
12 transitioned, between an institutional setting and a
13 community setting; and
- 14 • assistance with applications for public benefits for which a
15 consumer may be eligible, including, but not limited to,
16 medical assistance, nutrition assistance, and home energy
17 assistance programs.

18 The bill also prohibits the department from requiring prior
19 authorization for partial care services for treatment of a substance
20 use disorder. This provision of the bill is intended to preempt a
21 proposed change to Medicaid regulations (noticed in the New
22 Jersey Register at 48 N.J.R.2737(a), but not yet adopted as of
23 March 2017) that would extend current prior authorization
24 requirements to substance use disorder services. According to
25 providers, the proposed \$6,000 limit on services that may be
26 provided without prior authorization would cover approximately 85
27 days of care, while more severe cases may require as much as 240
28 days to provide necessary treatment.

29 The bill requires the DHS to provide in-person technical support
30 to any provider that is planning to transition or in process of
31 transitioning from a cost-based reimbursement system to a fee-for-
32 service reimbursement system, upon the provider's request. This
33 provision would be effective until June 30, 2018.

34 Finally, the bill establishes a grant program for licensed
35 providers transitioning from the cost-based reimbursement system
36 to the fee-for-service system. Grants would be awarded on a
37 competitive basis to those providers that can demonstrate the need
38 for specific equipment or business or technical assistance in order to
39 establish financial stability and continued services to consumers
40 under the fee-for-service system. No applicant would be eligible to
41 receive more than one grant under this section. The bill
42 appropriates from the General Fund \$10 million in FY 2018 to
43 effectuate this grant program.