# ASSEMBLY, No. 4336 STATE OF NEW JERSEY 218th LEGISLATURE

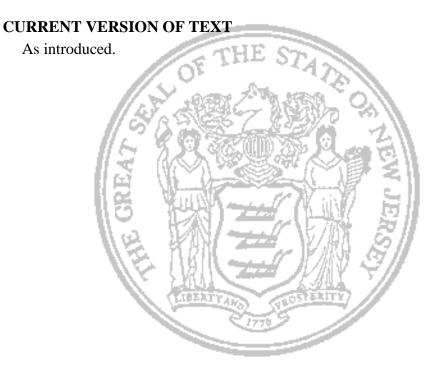
INTRODUCED AUGUST 27, 2018

Sponsored by: Assemblyman DANIEL R. BENSON District 14 (Mercer and Middlesex) Assemblywoman CAROL A. MURPHY District 7 (Burlington) Assemblywoman VALERIE VAINIERI HUTTLE District 37 (Bergen)

Co-Sponsored by: Assemblymen Johnson and Dancer

#### SYNOPSIS

Supplemental appropriation of \$25 million to DOH to assist certain mental health and addiction service providers transitioning to fee-for-service reimbursement system.



(Sponsorship Updated As Of: 5/24/2019)

# A4336 BENSON, MURPHY

1 A SUPPLEMENT to "An Act making appropriations for the support 2 of the State Government and the several public purposes for the 3 fiscal year ending June 30, 2019 and regulating the disbursement thereof," approved July 1, 2018 (P.L.2018, c.53). 4 5 6 **BE IT ENACTED** by the Senate and the General Assembly of the 7 State of New Jersey:

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1. In addition to the amounts appropriated under P.L.2018,

10 c.53, there is appropriated from the General Fund, unless otherwise

specifically indicated, the following sum for the purpose specified: 11

## **45 DEPARTMENT OF HEALTH**

20 Physical and Mental Health 23 Mental Health and Addiction Services **GRANTS-IN-AID** 

13-4290 Community Services..... \$25,000,000 Total Funding Category Appropriation, Division of Mental Health and Addiction Services... \$25,000,000

### Grants:

13 Behavioral Health Rate Increase..... (\$25,000,000)

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13 Of the amounts hereinabove appropriated for Behavioral Health 14 Rate Increase, \$25,000,000 is appropriated to provide 15 supplemental reimbursements to licensed providers of mental health and substance use disorder treatment services who held 16 cost-based reimbursement contracts with the State, and who 17 subsequently transitioned to the fee-for-service reimbursement 18 19 system. Each supplemental reimbursement shall be equal to the 20 difference, if any, between a provider's billable revenues under 21 the fee-for-service reimbursement system during FY 2019 and the value of the provider's most recent annual cost-based 22 23 reimbursement contract with the State. Only providers who 24 have demonstrated a good faith effort to bill Medicaid for all 25 eligible services shall be entitled for a supplemental 26 reimbursement.

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28 The appropriated funds shall consist of any unspent funds 29 appropriated to mental health and substance use treatment programs within the Department of Health and the Department 30 31 of Human Services, with additional amounts, as necessary, to be 32 appropriated from the General Fund, subject to the approval of 33 the Director of the Division of Budget and Accounting in the 34 Department of the Treasury.

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36 2. This act shall take effect immediately.

#### STATEMENT

This bill makes a supplemental appropriation for fiscal year 2019 of \$25 million to the Department of Health to assist certain mental health and addiction service providers who are transitioning to the fee-for-service reimbursement system.

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7 Specifically, the bill authorizes the department to distribute 8 supplemental reimbursements to providers who held cost-based 9 reimbursement contracts with the State, and who subsequently 10 transitioned to the fee-for-service reimbursement system, equal to 11 the difference, if any, between the provider's billable revenues 12 under the fee-for-service reimbursement system during FY 2019 13 and the value of the provider's most recent annual cost-based 14 reimbursement contract with the State. Only providers who have 15 demonstrated a good faith effort to bill Medicaid for all eligible 16 services shall be entitled for a supplemental reimbursement.

17 The appropriated funds are to consist of any unspent funds 18 appropriated to mental health and substance use treatment programs 19 within the Department of Health and the Department of Human 20 Services, with additional amounts, as necessary, to be appropriated 21 from the General Fund, subject to the approval of the Director of 22 the Division of Budget and Accounting in the Department of the 23 Treasury.

24 During fiscal year 2017, the Division of Mental Health and 25 Addiction Services began transitioning mental health and addictions 26 services purchased under contract to a fee-for-service reimbursement 27 structure. While the department anticipates that the fee-for-service 28 system will result in more cost-efficiency and improved health 29 outcomes for clients, some providers have warned that the transition 30 will be detrimental to their financial stability, and may force them 31 to curtail services or close down. It is the sponsor's intent to establish a financial safety net for those providers that lose 32 33 reimbursement funds during this transition in order to ensure 34 continuity of care for current service consumers.