

[First Reprint]

ASSEMBLY, No. 4932

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JANUARY 17, 2019

Sponsored by:

Assemblywoman GABRIELA M. MOSQUERA

District 4 (Camden and Gloucester)

Assemblyman ADAM J. TALIAFERRO

District 3 (Cumberland, Gloucester and Salem)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Co-Sponsored by:

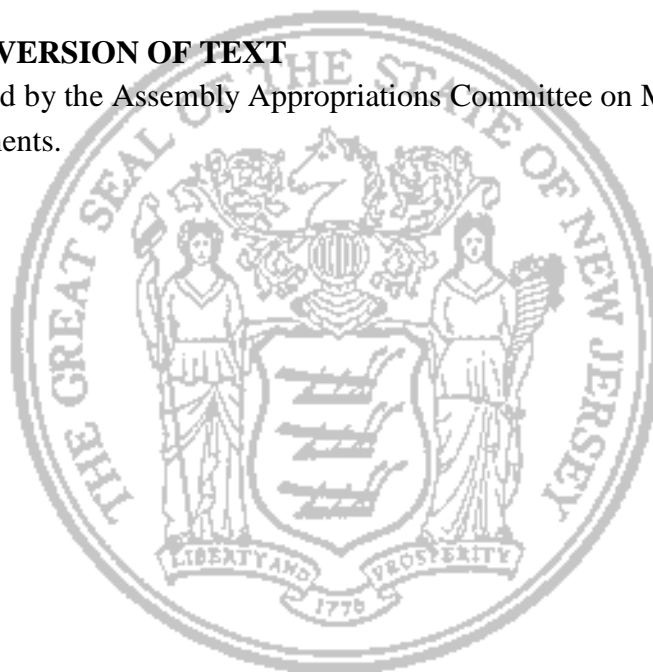
**Assemblywomen Murphy, Reynolds-Jackson, Lampitt, Assemblyman
Greenwald, Assemblywomen Tucker, McKnight, Downey and Jasey**

SYNOPSIS

Establishes perinatal episode of care pilot program in Medicaid.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on March 18, 2019,
with amendments.



(Sponsorship Updated As Of: 3/26/2019)

1 AN ACT establishing a Medicaid perinatal episode of care pilot
2 program.

3

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

6

7 1. As used in this act:

8 “Commencement date” means the date ¹**[in]** on¹ which the
9 perinatal episode of care pilot program is first implemented
10 pursuant to this act, which shall be no later than ¹**[January 1, 2020]**
11 January 1, 2021 unless a later date is recommended by the steering
12 committee and is approved by the division¹.

13 “Division” means the Division of Medical Assistance and Health
14 Services in the Department of Human Services.

15 “Perinatal episode of care” or “episode” means all pregnancy-
16 related care ^{1,1} including prenatal care, labor and birth, and
17 postpartum care ^{1,1} provided to a mother and infant, beginning 40
18 weeks prior to the delivery and ending 60 days after the delivery of
19 the infant, or as otherwise defined by the perinatal episode of care
20 ¹**[learning network, as established pursuant to section 2 of this act,]**
21 steering committee¹ and approved by the division.

22 “Perinatal episode of care ¹**[learning network]**” or “learning
23 network”¹ steering committee or “steering committee”¹ means ¹**[a**
24 group of ten or more members including but not limited to
25 Medicaid managed care organizations, maternity healthcare
26 providers, and division representatives, convened by the division or
27 a multi-stakeholder entity well versed in alternative payment
28 models designated by the division] the perinatal episode of care
29 steering committee established pursuant to section 2 of this act¹.

30 “Perinatal episode of care payment model” means a provider
31 reimbursement model based on target total cost of care for services
32 provided within a perinatal episode of care.

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

35 “Participating provider” means an obstetrical provider or group
36 of obstetrical providers approved to participate in the Medicaid
37 program that meet a specified minimum volume of Medicaid live
38 births per year, as defined by the ¹**[learning network]** steering
39 committee¹ and approved by the division, and that has entered into
40 a voluntary provider agreement with ¹**[a]** one or more¹ Medicaid
41 managed care ¹**[organization]** organizations¹ to participate in the
42 perinatal episode of care pilot program.

43 “Total cost of care” means all costs for a perinatal episode of
44 care as calculated by claims data, with a risk adjustment for clinical

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:

¹Assembly AAP committee amendments adopted March 18, 2019.

1 factors that affect the cost of delivering an episode for specific
2 patients.

3
4 2. a. The division shall establish a perinatal episode of care
5 **1[learning network] steering committee¹**. The **1[learning network]**
6 **steering committee¹** may be administered by the division, or **1,** at
7 the division's discretion,¹ a designated entity **1[,** at the division's
8 discretion] that is well versed in alternative payment models¹. Any
9 entity designated by the division to administer the **1[learning**
10 **network] steering committee¹** shall enter into a data sharing
11 agreement with the division in order to fulfill the provisions of this
12 act.

13 The **1[learning network] steering committee¹** shall consist of
14 **1[ten] 10¹** or more members with knowledge regarding alternative
15 payment methodologies for pregnancy-related services within
16 Medicaid, including **1,** but not limited to: the Director of the
17 **1[division] Division of Medical Assistance and Health Services in**
18 the Department of Human Services¹, or the director's designee;
19 representatives from each of the **1[current]¹** Medicaid **1[Managed**
20 **Care Organizations] managed care organizations (MCOs)**
21 currently¹ contracted with the division to provide Medicaid
22 benefits; at least two representatives of federally qualified health
23 centers, with at least one representative from a federally qualified
24 health center located in the northern region of the State and at least
25 one representative from a federally qualified health center located
26 in the southern region of the State;¹ and at least three maternity
27 healthcare providers, representing **1[Northern, Central, and**
28 **Southern] northern, central, and southern¹** New Jersey, approved to
29 participate in Medicaid.

30 b. The **1[learning network] steering committee¹**, as approved
31 by the division, shall develop the parameters for a **1[three year]**
32 three-year¹ perinatal episode of care pilot program within Medicaid.
33 The purpose of this pilot program is to improve perinatal health
34 care outcomes and to reduce the cost of perinatal care. To
35 effectuate the goals of the program, the **1[learning network]**
36 **steering committee¹** shall design a perinatal episode of care
37 payment model, which shall be approved by the division and
38 implemented by **1[Medicaid managed care organizations (MCOs)]**
39 **MCOs¹**, according to section 3 of this act.

40 c. **1[Subject to the approval of the division, the learning**
41 **network shall:]** The steering committee shall make
42 recommendations on how the division shall:¹

43 (1) Identify the services to be covered under each episode,
44 including **1[wrap around] any wraparound¹** patient support

- 1 services, such as childbirth education and community doula services
2 for the mother;
- 3 (2) Establish patient volume minimums for participating
4 providers;
- 5 (3) Identify quality metrics and quality metric targets to be
6 included in the episode;
- 7 (4) Establish a methodology to calculate the target total cost of
8 care for an episode and ¹**the distribution of any shared savings**
9 calculate any risk sharing payments¹ between a MCO and a
10 participating provider. ¹**The** Such¹ methodology for shared
11 savings shall align payments to a participating provider with the
12 quality metrics and quality metric targets, as determined by the
13 ¹**learning network** steering committee¹, regarding the provider's
14 provision of care; ¹**and**¹
- 15 (5) Establish additional episode parameters ^{1,1} including the
16 episode trigger, duration, principal accountable provider,
17 exclusions, adjustments, and quality reporting methodology
18 between providers and ¹**managed care organizations** MCOs; and¹
- 19 (6) Define the scope of the pilot program, including whether
20 implementation should be focused on selected geographic areas,
21 populations, providers, health systems, or MCOs.
- 22 d. The ¹**learning network** steering committee¹ shall report to
23 the Governor, and ¹, pursuant to section 2 of P.L.1991, c.164
24 (C.52:14-19.1),¹ to the Legislature, ¹**pursuant to section 2 of**
25 **P.L.1991, c.164 (C.52:14-19.1),** no later than¹ four years following
26 the commencement date, on the effectiveness of the perinatal
27 episode of care pilot program in improving the quality and reducing
28 the cost of maternity and infant care ¹**and make** . The report shall
29 include¹ any recommendations that the ¹**learning network**
30 steering committee¹ network deems appropriate to continue,¹
31 revise, restrict, or expand the program. The division shall make
32 copies of the ¹**learning network's** steering committee's¹ report
33 available to the public on the Department of Human Services'
34 website.
35
- 36 3. ¹**A** The division shall require at least one¹ managed care
37 organization that has contracted with the division to provide
38 benefits under the Medicaid ¹**Program shall** program to¹ enter
39 into a provider agreement with an obstetrical provider or group of
40 obstetrical providers to implement the perinatal episode of care
41 payment model, as established by the ¹**learning network** steering
42 committee¹, and approved by the division, pursuant to section 2 of
43 this act.
44
- 45 4. a. A participating provider shall submit all information
46 required to fulfill the provisions of this act to the ¹**learning**

1 network] division¹, in a format and at a frequency to be determined
2 by the ¹[learning network]¹ and approved by the division.

3 b. A participating provider shall conduct a risk assessment for
4 all episodes using the Perinatal Risk Assessment form, as used by
5 the division, to determine each mother's level of need for ¹[State
6 sponsored] State-sponsored¹ support services. ¹[When the
7 assessment tool indicates a need for services,] With the mother's
8 consent,¹ the provider shall ¹forward the completed risk assessment
9 form to the appropriate county central intake agency, which shall
10 review the form and, if the form indicates a need for services,
11 contact the mother to¹ provide ¹[the mother with the appropriate]
12 her with information and¹ referrals ¹to appropriate services¹. The
13 ¹[referral of]¹ services ¹to which mothers may be referred pursuant
14 to this subsection¹ shall include, but ¹shall¹ not be limited to: home
15 visitation programs ¹[,] ¹;¹ mental health and substance use disorder
16 treatment ¹[,] ¹;¹ domestic violence support and intervention;
17 transportation and housing assistance; and group prenatal
18 counseling.

19

20 5. The Commissioner of Human Services shall apply for such
21 State plan amendments or waivers as may be necessary to
22 implement the provisions of this act and to secure federal financial
23 participation for State Medicaid expenditures under the Medicaid
24 program.

25

26 6. The Commissioner Human Services, pursuant to the
27 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
28 seq.), shall adopt rules and regulations necessary to implement the
29 provisions of this act.

30

31 7. This act shall take effect immediately, with the ¹steering
32 committee convening no later than July 1, 2019, and the¹ pilot
33 program commencing no later than January 1, ¹[2020,] 2021,
34 unless a later date is recommended by the steering committee and
35 approved by the division,¹ and shall expire upon the submission of
36 the report by the ¹[learning network] steering committee¹ to the
37 Governor and the Legislature pursuant to subsection d. of section 2
38 of this act.