ASSEMBLY, No. 5977

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED NOVEMBER 18, 2019

Sponsored by:

Assemblyman LOUIS D. GREENWALD
District 6 (Burlington and Camden)
Assemblywoman JOANN DOWNEY
District 11 (Monmouth)

SYNOPSIS

Provides for establishment of Regional Health Hub Program as replacement to Accountable Care Organization Demonstration Project, and designates existing accountable care organizations and look-alike organizations as Regional Health Hubs.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/6/2019)

AN ACT concerning the establishment of a Regional Health Hub Program as a replacement to the Accountable Care Organization Demonstration Project, and supplementing Title 30 of the Revised Statutes.

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

- 1. The Legislature finds and declares that:
- a. Significant State resources are invested in both the health and social service sectors in New Jersey, and the development of improvements in how Medicaid benefits and payment models interact with social services would provide a benefit to all New Jersey residents.
- b. A more regional approach to care, involving the coordinated provision of person-centered health care in combination with robust connections to social services and community resources, is required at both the patient and organizational levels.
- c. It is in New Jersey's best interest to establish a regional network of non-profit organizations that partner with Medicaid and State agencies to reduce health disparities and improve health outcomes and the delivery of care for Medicaid recipients in the State. Such non-profit organizations have the capacity to become local innovation engines that use real-time actionable data and diverse stakeholder input to develop and implement innovative models for the delivery of effective, person-centered care.
- d. It is both reasonable and appropriate for the Department of Human Services to designate and recognize existing accountable care organizations as Regional Health Hubs, and to establish new Regional Health Hubs in appropriate areas of the State, as provided by this act, in order to enable the State to:
- (1) identify existing and emerging threats to health and wellbeing, and problems with the State's regional health care delivery systems, and identify and determine how to implement solutions to those problems;
- (2) promote and facilitate cooperation, coordination, innovation, and goal setting by and among relevant stakeholders;
- (3) evaluate the progress that has been made in achieving identified goals and priorities; and
- (4) otherwise encourage and enable the overall improvement of the health of New Jersey residents and the delivery of health care throughout the State.

- 2. As used in this act:
- 45 "Commissioner" means the Commissioner of Human Services.
- "Core region" means the geographic area of responsibility for aRegional Health Hub.
- 48 "Data catchment area" means the zip codes in New Jersey for

- 1 which a Regional Health Hub receives Medicaid claims data.
- 2 "Department" means the Department of Human Services.
- 3 "Existing Regional Health Hub" means those four organizations 4 designated as Regional Health Hubs by the FY20 New Jersey State
- 5 Budget, P.L.2019, c.150 and identified in subsection b. of section 3
- 6 of this act.
- 7 "Health information platform" means a Health Information 8 Exchange (HIE) or other electronic platform that is used to run 9 population-level analytics or exchange health information among 10 various organizations.
 - "New Regional Health Hub" means an entity that is designated by the commissioner as a Regional Health Hub after the effective date of, and as provided by, this act.
 - "Prospective service region" or "prospective region" means a geographical area that is designated by the commissioner, pursuant to subsection a. of section 4 of this act, as being in need of a Regional Health Hub.
 - "Regional Health Hub" means any entity that is designated as a Regional Health Hub, as provided by this act, including an existing Regional Health Hub or a new Regional Health Hub.

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- 3. a. The Department of Human Services shall establish a Regional Health Hub Program, and shall designate and certify Regional Health Hubs in appropriate areas of the State, as provided by this act. The Regional Health Hub Program shall replace the Medicaid Accountable Care Organization Demonstration Project established pursuant to P.L.2011, c.114 (C.30:4D-8.1 et seq.), which is now subject to expiration by law.
- b. The following certified accountable care organizations and accountable care look-alike organizations, which are operating in this State as of the effective date of this act, shall be grandfathered into the Regional Health Hub Program, and shall be automatically designated and certified as Regional Health Hubs, for the purposes of this act:
- (1) the Healthy Greater Newark ACO;
- 36 (2) the Trenton Health Team;
 - (3) the Camden Coalition of Health Care Providers; and
 - (4) the Health Coalition of Passaic County.
 - c. (1) The Department of Human Services, in consultation with the Department of Health, shall be authorized to designate and certify additional non-profit organizations to operate as Regional Health Hubs under the Regional Health Hub Program, pursuant to section 4 of this act, as determined to be appropriate.

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4. a. The commissioner shall designate and delineate the boundaries of regions of the State that are in need of new Regional Health Hubs.

b. The commissioner's designation and delineation of prospective service regions for new Regional Health Hubs shall be based on the following factors:

- (1) the availability of State and federal funding necessary to support the new Regional Health Hub, and the State's ability to provide necessary funding without negatively impacting the operation and effectiveness of other Regional Health Hubs in the State;
- (2) the number and density of Medicaid beneficiaries in the region;
- (3) the existence, in the region, of multiple health and social service systems of care that are in need of convening and coordination; and
- (4) the volume, in the region, of avoidable inpatient hospital admissions and emergency department visits.
- c. Based on the analysis of factors identified in subsection b. of this section, the commissioner may designate any county, zip code, or group of zip codes in the State as a prospective service region. The boundaries of any prospective service region designated under this section shall not include any portion of a core region served by another Regional Health Hub.
- d. Once an area has been designated by the commissioner as a prospective service region, the commissioner shall solicit and review applications from qualified non-profit organizations that wish to be designated and certified as the new Regional Health Hub for the prospective service region. The commissioner shall only designate and certify an organization as a new Regional Health Hub if the organization:
- (1) is a registered New Jersey non-profit organization exempt from federal taxation under 26 U.S.C. s.501(c)3;
- (2) submits a request identifying the proposed boundaries of the Regional Health Hub's anticipated core region, which boundaries shall include the total area of a prospective service region designated by the commissioner, and shall not include any area that is already included in another Regional Health Hub's core region; and
- (3) submits a request identifying the proposed boundaries of the Regional Health Hub's anticipated data catchment area.
 - e. Within 180 days after an organization is approved to operate as a Regional Health Hub, the organization shall:
 - (1) establish and maintain a headquarters within the boundaries of the core region;
- (2) establish and convene an advisory committee of persons who reside or work in the core region, which committee shall include community members and representatives from organizations that exemplify the diversity of geography, gender, disability, age, sexual orientation, veterans' status, and prevalent health conditions in the core region. The following types of persons may be included in an

advisory committee established under this paragraph: (a) community members having lived experience with the health care system; (b) Medicaid beneficiaries; (c) representatives from school districts; (d) representatives of local government; (e) representatives of housing organizations; and (f) representatives of the faith-based community;

- (3) establish and convene a governing board that includes members from a majority of the following groups and entities, to the extent that such groups and entities are present in the core region: (a) hospitals or hospital systems; (b) Federally Qualified Health Centers; (c) private clinicians, including physicians and nurses; (d) community-based organizations such as behavioral health providers and social service agencies; (e) managed care organizations; (f) the advisory committee established pursuant to paragraph (2) of this subsection; and (g) health care consumers; and
- (4) demonstrate, to the commissioner's satisfaction, the ability to perform the mandatory functions of a Regional Health Hub, as described in subsection a. of section 6 of this act.
- f. If more than one organization meets the criteria for designation as a Regional Health Hub in a prospective service region, the commissioner, in the commissioner's discretion, shall designate the organization that the commissioner determines will be best able to meet the needs of, and fulfill the purposes of this act within, the prospective service region.
- g. Before approving an application to become a Regional Health Hub under this section, the commissioner shall review each of the boundary requests submitted by the applicant under paragraphs (6) and (7) of subsection d. of this section, and shall either approve the requests, as submitted by the applicant, or require the applicant to make appropriate modifications to the boundary requests as a precondition to their approval. If a boundary request cannot be modified as necessary to comply with the provisions of this act, the commissioner shall select another applicant to serve as the Regional Health Hub in the proposed service region.
- h. A designated Regional Health Hub may submit an application to the commissioner, at any time, requesting the expansion of its core region. The commissioner shall approve the requested expansion if:
- (1) the boundaries of the expanded core region will not overlap with the core region of another Regional Health Hub;
- (2) the area would otherwise qualify for designation as a prospective service region under subsection b. of section 4 of this act; and
- 44 (3) the applicant demonstrates, to the commissioner's 45 satisfaction, the applicant's ability to perform, in the requested 46 expansion area, and within one year following submission of the 47 application, the mandatory activities of a Regional Health Hub, as 48 described in subsection a. of section 6 of this act.

- 5. a. The commissioner may revoke an organization's status as a Regional Health Hub if the organization fails to perform the mandatory activities of a Regional Health Hub, as described in subsection a. of section 6 of this act.
- b. Before revoking an organization's status as a Regional Health Hub, the commissioner shall notify the organization of the potential revocation and provide a reasonable timeframe for corrective action.
- c. The commissioner's revocation of Regional Health Hub status shall be a final agency action for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).
- d. After revoking an organization's status as a Regional Health Hub, the commissioner shall immediately determine whether a new Regional Health Hub is needed in the area where status was revoked. If such need is determined to exist, the commissioner shall designate a new Regional Health Hub to serve the area, as provided by subsection d. of section 4 of this act.

- 6. a. Each designated Regional Health Hub shall engage in the following mandatory activities:
- (1) establish, operate, and maintain a health information platform that allows for population-level views and analytics, and patient-level health interventions. Unless annually exempted by the commissioner, each Regional Health Hub's health information platform shall, to the extent practicable, be interoperable with all other Regional Health Hubs' platforms, and with any other Statewide health information project designated by the commissioner;
- (2) convene and obtain relevant input from community stakeholders within the Regional Health Hub's core region. At a minimum, convening activities shall include quarterly opportunities for the active engagement and interaction of relevant stakeholders, including, but not limited to, managed care organizations, local and State government entities, health care and social service providers, community-based organizations, and local consumers of health care; (3) upon request, provide the department and other State agencies, including the Departments of Health, Children and Families, and Community Affairs, with information and feedback to assist the departments in program design, population analysis, strategic planning, and other appropriate functions; and
- (4) engage in any other activity that the commissioner deems necessary to achieve the goals of this act.
- b. Each designated Regional Health Hub shall be authorized to engage in the following activities as necessary either to further the Regional Health Hub's goals or to comport with the provisions of a memorandum of understanding executed between the Regional Health Hub and the department pursuant to section 7 of this act:

(1) plan and execute population-level and patient-level health interventions;

- (2) establish, operate, and maintain, or partner with a third-party who will establish, operate, and maintain, a community resource inventory that is capable of referring and tracking the referral of community members to appropriate services;
- (3) perform a health needs assessment on all or part of the population in the Regional Health Hub's core region;
- (4) perform quality improvement activities based on populationlevel data and health needs assessment findings;
- (5) develop screening protocols that provide for a comprehensive risk assessment to determine a patient's need for follow-up and wrap-around services related to the social determinants of health;
- (6) facilitate the coordination, within the Regional Health Hub's core region, of health care and ancillary services related to the social determinants of health, including, but not limited to, food assistance services, legal services, and other social services, for high-need populations;
- (7) provide care management services to the entire population, or to underserved sub-populations, in the Regional Health Hub's core region;
- (8) submit an annual report to the commissioner describing the health needs in the Regional Health Hub's core region, identifying the Regional Health Hub's near and long-term health goals for the core region, and describing the activities that have been undertaken, and the progress that has been made, over the preceding year, by the Regional Health Hub and relevant stakeholders in the core region to improve the effectiveness or efficiency of the core region's health care system; and
- (9) engage in any other appropriate activity that the commissioner or Regional Health Hub deems relevant to the attainment of the Regional Health Hub's goals.
- c. Nothing in this section shall be deemed to limit the activities that a Regional Health Hub may conduct on behalf of other State departments or funders.
- 7. a. A Regional Health Hub may annually enter into a memorandum of understanding with the department, describing the Regional Health Hub's annual goals, and the elective activities that the Regional Health Hub will undertake during the upcoming fiscal year.
- b. In order to facilitate the annual execution of memoranda of understanding under this section, the department shall annually provide each Regional Health Hub with a list of the department's goals, projects, or priorities for the upcoming fiscal year.
- c. Any Regional Health Hub wishing to enter into a memorandum of understanding with the department shall first

convene an annual planning meeting of stakeholders within the Regional Health Hub's core region in order to identify potential goals, projects, and priorities for the core region. The convening of a meeting under this subsection may overlap with the Regional Health Hub's duties under paragraph (2) of subsection a. of section 6 of this act.

- d. When executing a memorandum of understanding under this section, the department and relevant Regional Health Hub shall negotiate joint goals, projects, and priorities for the upcoming fiscal year, and agree upon the associated funding that will be needed to accomplish those joint goals, projects, and priorities.
- e. Each memorandum of understanding executed pursuant to this section shall include, at a minimum:
- (1) a description of the joint goals, projects, and priorities agreed upon by the Regional Health Hub and the department for the upcoming fiscal year pursuant to subsection d. of this section;
- (2) an indication of the amount of funding that will be needed to attain each joint goal, project, and priority identified in the memorandum of understanding, and an indication of the total amount of funding, overall, that will needed to execute the memorandum of understanding;
- (3) a description of the clear deliverables and performance metrics that will be used to evaluate and measure success in relation to the achievement of the goals, projects, and priorities described in the memorandum of understanding; and
- (4) a description of performance-based payments, representing at least 10 percent but not more than 25 percent of the total funding needed to execute the memorandum of understanding, which payments will be tied to the achievement of the clear deliverables described in paragraph (3) of this subsection.
- 8. a. A health information platform operated pursuant to paragraph (1) of subsection a. of section 6 of this act shall contain detailed health data from the Regional Health Hub's core region, including macro-level analytics of broad population trends, and micro-level analytics of both individual health data, and disease trends by category of disease, age group, or other subset.
- b. Each hospital in the State shall be required to submit pertinent patient data to the health information platform that is maintained by the Regional Health Hub operating in the same region of the State in which the hospital is located, or, if there is no Regional Health Hub operating in the region, to the health information platform that is maintained by the Regional Health Hub that is closest in geography to the hospital. The data submitted pursuant to this paragraph shall be provided on a real-time basis, to the extent practicable, and in no case, less frequently than daily.
- c. Each managed care organization operating in the State shall be required to share all relevant health data with each health

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information platform that is maintained in a region of the State in which the managed care organization provides services to patients.

d. The Departments of Human Services, Health, Children and Families, and Community Affairs shall be authorized to share with the health information platforms established, or the Regional Health Hubs designated, pursuant to this act, any available health data that is maintained by the departments.

9. Any State department that implements a pilot program related to health care delivery shall be encouraged to consult with the Regional Health Hubs operating in the regions of the State that will be affected by the pilot program, in order to ensure that all relevant considerations have been accounted for, and that the pilot program is effectively and efficiently implemented with the assistance of all relevant stakeholders.

10. In addition to utilizing any State-appropriated funding that supports Regional Health Hubs, the Commissioner of Human Services shall apply for such State plan amendments or waivers as may be necessary to implement the provisions of this act, and to secure federal financial participation for State Medicaid expenditures under the federal Medicaid program, and shall take such additional steps as may be necessary to secure, on behalf of participating Regional Health Hubs, such waivers, exemptions, or advisory opinions to ensure that such Regional Health Hubs are in compliance with applicable provisions of State and federal law related to fraud and abuse, including, but not limited to, anti-kickback, self-referral, false claim, and civil monetary penalty provisions.

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

12. This act shall take effect immediately.

STATEMENT

This bill would require the Department of Human Services (DHS) to establish a Regional Health Hub Program, and designate and certify Regional Health Hubs in appropriate areas of the State. The new Regional Health Hub Program will replace the Medicaid Accountable Care Organization Demonstration Project, established pursuant to P.L.2011, c.114 (C.30:4D-8.1 et seq.), which is now subject to expiration by law. Each Regional Health Hub will work to coordinate and improve the effectiveness and efficiency of health

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care and wrap-around services, and the engagement and cooperation of relevant stakeholders, in the region of the State in which it operates.

The following certified accountable care organizations and accountable care look-alike organizations, which are operating in this State as of the bill's effective date, are to be grandfathered into the Regional Health Hub Program, and automatically designated and certified as Regional Health Hubs: 1) the Healthy Greater Newark ACO; 2) the Trenton Health Team; 3) the Camden Coalition of Health Care Providers; and 4) the Health Coalition of Passaic County.

The DHS, in consultation with the Department of Health (DOH), will also be authorized to designate and certify additional non-profit organizations to operate as Regional Health Hubs under the Regional Health Hub Program, as determined to be appropriate.

The bill requires the Commissioner of Human Services to designate and delineate the boundaries of each region of the State that is in need of a new Regional Health Hub. The commissioner's delineation of prospective service regions is to be based on the following factors: 1) the availability of State and federal funding necessary to support the new Regional Health Hub, and the State's ability to provide necessary funding without negatively impacting the operation and effectiveness of other Regional Health Hubs in the State; 2) the number and density of Medicaid beneficiaries in the region; 3) the existence, in the region, of multiple health and social service systems of care that are in need of convening and coordination; and 4) the volume, in the region, of avoidable inpatient hospital admissions and emergency department visits. Based on the analysis of these factors, the commissioner may designate any county, zip code, or group of zip codes in the State as a prospective service region. However, the boundaries of any prospective service region may not include any portion of a core region served by another Regional Health Hub.

Once an area has been designated by the commissioner as a prospective service region, the commissioner will be required to solicit and review applications from qualified non-profit organizations that wish to be designated and certified as the new Regional Health Hub for the prospective region. The commissioner will only be authorized to designate and certify an organization as a new Regional Health Hub if the organization is a registered New Jersey non-profit organization exempt from federal taxation under 26 U.S.C. s.501(c)3, and the organization submits a request identifying the proposed boundaries of the Regional Health Hub's anticipated core region, and an additional request identifying the proposed boundaries of the Regional Health Hub's anticipated data catchment area. If more than one organization meets the criteria for designation as a Regional Health Hub in a prospective service region, the commissioner will be required to use his or her

discretion to designate the organization that the commissioner determines will be best able to meet the needs of, and fulfill the bill's purposes within, the prospective service region.

 Within 180 days after an organization is approved to operate as a Regional Health Hub, the organization will be required to:

- 1) establish and maintain a headquarters within the boundaries of the core region;
- 2) establish and convene an advisory committee of persons who reside or work in the core region, which committee is to include community members and representatives from organizations that exemplify the diversity of geography, gender, disability, age, sexual orientation, veterans' status, and prevalent health conditions in the core region;
- 3) establish and convene a governing board that includes members from a majority of the following groups and entities, to the extent that such groups and entities are present in the core region: (a) hospitals or hospital systems; (b) Federally Qualified Health Centers; (c) private clinicians, including physicians and nurses; (d) community-based organizations such as behavioral health providers and social service agencies; (e) managed care organizations; (f) the Regional Health Hub's advisory committee, established pursuant to the bill; and (g) health care consumers; and
- 4) demonstrate, to the commissioner's satisfaction, the ability to perform the mandatory functions of a Regional Health Hub, as described in subsection a. of section 6 of this act.

Each designated Regional Health Hub will be required to engage in the following mandatory activities:

- 1) establish, operate, and maintain a health information platform that allows for population-level views and analytics, and for patient-level health interventions, which platform is interoperable with all other Regional Health Hubs' platforms, and with any other Statewide health information project designated by the commissioner. (Hospitals and managed care organizations will be required, and State departments will be authorized, to submit health care data to the platforms that are maintained by the Regional Health Hubs);
- 2) convene and obtain relevant input from community stakeholders within the Regional Health Hub's core region. At a minimum, convening activities are to include quarterly opportunities for the active engagement and interaction of relevant stakeholders, including, but not limited to, managed care organizations, local and State government entities, health care and social service providers, community-based organizations, and local consumers of health care;
- 3) upon request, provide the DHS and other State agencies, including the Departments of Health, Children and Families, and Community Affairs, with information and feedback to assist the departments in program design, population analysis, strategic

planning, and other appropriate functions; and

4) engage in any other activity that the Commissioner of Human Services deems necessary to achieve the bill's goals.

Each designated Regional Health Hub will also be authorized to engage in the certain discretionary activities as necessary either to further the Regional Health Hub's goals or to comport with the provisions of an annual memorandum of understanding (MOU) voluntarily executed between, and espousing the joint goals, projects, and priorities, of, the Regional Health Hub and the department. Each MOU executed under the bill will be required to include, at a minimum: 1) a description of the joint goals, projects, and priorities agreed upon by the Regional Health Hub and the department for the upcoming fiscal year; 2) an indication of the amount of funding that will be needed to attain each joint goal, project, and priority, and an indication of the total amount of funding, overall, that will needed to execute the MOU; 3) a description of the clear deliverables and performance metrics that will be used to evaluate and measure success in relation to the achievement of the goals, projects, and priorities described in the MOU; and 4) a description of performance-based payments, representing at least 10 percent but not more than 25 percent of the total funding needed to execute the MOU, which payments will be tied to the achievement of the clear deliverables described in the MOU.

The bill would authorize a designated Regional Health Hub to apply to the commissioner, at any time, for an expansion of its core region. The commissioner will be required to approve the requested expansion if: 1) the boundaries of the expanded core region will not overlap with the core region of another Regional Health Hub; 2) the area would otherwise qualify for designation as a prospective service region; and 3) the applicant demonstrates the ability to perform, in the requested expansion area, and within one year following submission of the application, the mandatory activities of a Regional Health Hub, as described in the bill.

The commissioner will be authorized to revoke an organization's status as a Regional Health Hub if the organization fails to perform the mandatory activities required by the bill. After revoking an organization's status as a Regional Health Hub, the commissioner will be required to immediately determine whether a new Regional Health Hub is needed in the area and, if deemed appropriate, designate a new Regional Health Hub to serve the area.

Any State department that implements a pilot program related to health care delivery will be encouraged to consult with the Regional Health Hubs operating in the regions of the State that will be affected by the pilot program, in order to ensure that all relevant considerations have been accounted for, and that the pilot program is effectively and efficiently implemented with the assistance of all relevant stakeholders.