

[First Reprint]

**SENATE, No. 3365**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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INTRODUCED JANUARY 24, 2019

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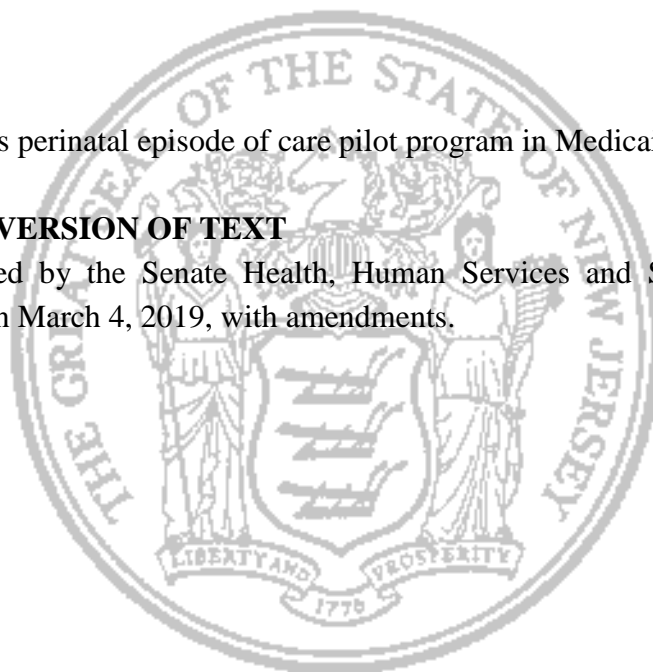
**Assemblywomen Murphy, Reynolds-Jackson, Lampitt, Assemblyman  
Greenwald, Assemblywomen Tucker, McKnight, Downey and Jasey**

**SYNOPSIS**

Establishes perinatal episode of care pilot program in Medicaid.

**CURRENT VERSION OF TEXT**

As reported by the Senate Health, Human Services and Senior Citizens  
Committee on March 4, 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 <sup>1</sup>**[in]** on<sup>1</sup> which the  
9 perinatal episode of care pilot program is first implemented  
10 pursuant to this act, which shall be no later than January 1, 2020.

11 “Division” means the Division of Medical Assistance and Health  
12 Services in the Department of Human Services.

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

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

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

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

33 “Participating provider” means an obstetrical provider or group  
34 of obstetrical providers approved to participate in the Medicaid  
35 program that meet a specified minimum volume of Medicaid live  
36 births per year, as defined by the learning network and approved by  
37 the division, and that has entered into a voluntary provider  
38 agreement with a Medicaid managed care organization to  
39 participate in the perinatal episode of care pilot program.

40 “Total cost of care” means all costs for a perinatal episode of  
41 care as calculated by claims data, with a risk adjustment for clinical  
42 factors that affect the cost of delivering an episode for specific  
43 patients.

**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:

<sup>1</sup>Senate SHH committee amendments adopted March 4, 2019.

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

9       The learning network shall consist of <sup>1</sup>[ten] 10<sup>1</sup> or more  
10 members with knowledge regarding alternative payment  
11 methodologies for pregnancy-related services within Medicaid,  
12 including <sup>1</sup>,<sup>1</sup> but not limited to: the Director of the <sup>1</sup>[division]  
13 Division of Medical Assistance and Health Services in the  
14 Department of Human Services<sup>1</sup>, or the director's designee;  
15 representatives from each of the current Medicaid <sup>1</sup>[Managed Care  
16 Organizations] managed care organizations (MCOs)<sup>1</sup> contracted  
17 with the division to provide Medicaid benefits; <sup>1</sup>at least two  
18 representatives of federally qualified health centers, with at least  
19 one representative from a federally qualified health center located  
20 in the northern region of the State and at least one representative  
21 from a federally qualified health center located in the southern  
22 region of the State;<sup>1</sup> and at least three maternity healthcare  
23 providers, representing <sup>1</sup>[Northern, Central, and Southern]  
24 northern, central, and southern<sup>1</sup> New Jersey, approved to participate  
25 in Medicaid.

26       b. The learning network, as approved by the division, shall  
27 develop the parameters for a <sup>1</sup>[three year] three-year<sup>1</sup> perinatal  
28 episode of care pilot program within Medicaid. The purpose of this  
29 pilot program is to improve perinatal health care outcomes and to  
30 reduce the cost of perinatal care. To effectuate the goals of the  
31 program, the learning network shall design a perinatal episode of  
32 care payment model, which shall be approved by the division and  
33 implemented by <sup>1</sup>[Medicaid managed care organizations (MCOs)]  
34 MCOs<sup>1</sup>, according to section 3 of this act.

35       c. Subject to the approval of the division, the learning network  
36 shall:

37       (1) Identify the services to be covered under each episode,  
38 including <sup>1</sup>[wrap around] wraparound<sup>1</sup> patient support services,  
39 such as childbirth education and community doula services for the  
40 mother;

41       (2) Establish patient volume minimums for participating  
42 providers;

43       (3) Identify quality metrics and quality metric targets to be  
44 included in the episode;

45       (4) Establish a methodology to calculate the target total cost of  
46 care for an episode and the distribution of any shared savings

1 between a MCO and a participating provider. The methodology for  
2 shared savings shall align payments to a participating provider with  
3 the quality metrics and quality metric targets, as determined by the  
4 learning network, regarding the provider's provision of care; and

5 (5) Establish additional episode parameters <sup>1,1</sup> including the  
6 episode trigger, duration, principal accountable provider,  
7 exclusions, adjustments, and quality reporting methodology  
8 between providers and <sup>1</sup>["managed care organizations"] MCOs<sup>1</sup>.

9 d. The learning network shall report to the Governor, and <sup>1</sup>,  
10 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),<sup>1</sup> to the  
11 Legislature, <sup>1</sup>["pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
12 19.1),"] no later than<sup>1</sup> four years following the commencement date,  
13 on the effectiveness of the perinatal episode of care pilot program in  
14 improving the quality and reducing the cost of maternity and infant  
15 care <sup>1</sup>["and make"] . The report shall include<sup>1</sup> any recommendations  
16 that the learning network deems appropriate to <sup>1</sup>continue,<sup>1</sup> revise,  
17 restrict, or expand the program. The division shall make copies of  
18 the learning network's report available to the public on the  
19 Department of Human Services' website.

20  
21 3. A managed care organization that has contracted with the  
22 division to provide benefits under the Medicaid <sup>1</sup>["Program"]  
23 program<sup>1</sup> shall enter into a provider agreement with an obstetrical  
24 provider or group of obstetrical providers to implement the  
25 perinatal episode of care payment model, as established by the  
26 learning network, and approved by the division, pursuant to section  
27 2 of this act.

28  
29 4. a. A participating provider shall submit all information  
30 required to fulfill the provisions of this act to the learning network,  
31 in a format and at a frequency to be determined by the learning  
32 network and approved by the division.

33 b. A participating provider shall conduct a risk assessment for  
34 all episodes using the Perinatal Risk Assessment form, as used by  
35 the division, to determine each mother's level of need for <sup>1</sup>["State  
36 sponsored"] State-sponsored<sup>1</sup> support services. <sup>1</sup>["When the  
37 assessment tool indicates a need for services,"] With the mother's  
38 consent,<sup>1</sup> the provider shall <sup>1</sup>forward the completed risk assessment  
39 form to the appropriate county central intake agency, which shall  
40 review the form and, if the form indicates a need for services,  
41 contact the mother to<sup>1</sup> provide <sup>1</sup>["the mother with the appropriate"]  
42 her with information and<sup>1</sup> referrals <sup>1</sup>to appropriate services<sup>1</sup>. The  
43 <sup>1</sup>["referral of"] services <sup>1</sup>to which mothers may be referred pursuant  
44 to this subsection<sup>1</sup> shall include, but <sup>1</sup>shall<sup>1</sup> not be limited to: home  
45 visitation programs <sup>1</sup>[","] <sup>1</sup>mental health and substance use disorder  
46 treatment <sup>1</sup>[","] <sup>1</sup>domestic violence support and intervention;

1 transportation and housing assistance; and group prenatal  
2 counseling.

3

4 5. The Commissioner of Human Services shall apply for such  
5 State plan amendments or waivers as may be necessary to  
6 implement the provisions of this act and to secure federal financial  
7 participation for State Medicaid expenditures under the Medicaid  
8 program.

9

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

14

15 7. This act shall take effect immediately, with the pilot  
16 program commencing no later than January 1, 2020, and shall  
17 expire upon the submission of the report by the learning network to  
18 the Governor and the Legislature pursuant to subsection d. of  
19 section 2 of this act.