

[Second Reprint]

SENATE, No. 3365

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JANUARY 24, 2019

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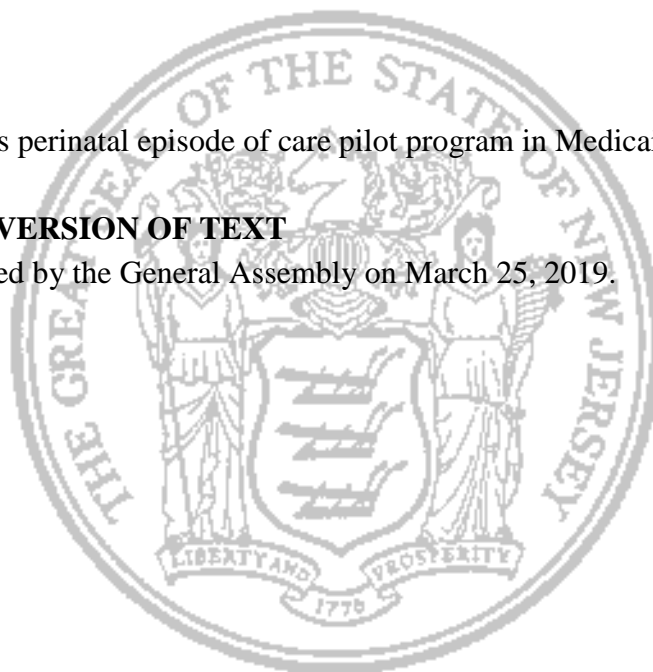
**Assemblywomen Murphy, Reynolds-Jackson, Lampitt, Assemblyman
Greenwald, Assemblywomen Tucker, McKnight, Downey and Jasey**

SYNOPSIS

Establishes perinatal episode of care pilot program in Medicaid.

CURRENT VERSION OF TEXT

As amended by the General Assembly on March 25, 2019.



(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 January 1, ²**[2020]**
11 2021 unless a later date is recommended by the steering committee
12 and is approved by the division².

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 ¹₁ including prenatal care, labor and birth, and
17 postpartum care ¹₁ 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 ²**[learning network]** steering committee² ¹**[**, as established pursuant
21 to section 2 of this act,**]**¹ and approved by the division.

22 “Perinatal episode of care ²**[learning network]**” or “learning
23 network”² steering committee or “steering committee”² 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 ²**[learning network]** steering committee² established pursuant to
30 section 2 of this act¹.

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

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

36 “Participating provider” means an obstetrical provider or group
37 of obstetrical providers approved to participate in the Medicaid
38 program that meet a specified minimum volume of Medicaid live
39 births per year, as defined by the ²**[learning network]** steering
40 committee² and approved by the division, and that has entered into
41 a voluntary provider agreement with ²**[a]** one or more² Medicaid
42 managed care ²**[organization]** organizations² to participate in the
43 perinatal episode of care pilot program.

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:

¹Senate SHH committee amendments adopted March 4, 2019.

²Assembly floor amendments adopted March 25, 2019.

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

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

15 The ~~learning network steering committee~~² shall consist of
16 ~~ten~~¹ 10¹ or more members with knowledge regarding alternative
17 payment methodologies for pregnancy-related services within
18 Medicaid, including ^{1,1} but not limited to: the Director of the
19 ~~division~~¹ Division of Medical Assistance and Health Services in
20 the Department of Human Services¹, or the director’s designee;
21 representatives from each of the current Medicaid ~~Managed Care~~¹
22 ~~Organizations~~¹ managed care organizations (MCOs)¹ ~~currently~~²
23 contracted with the division to provide Medicaid benefits; ¹at least
24 two representatives of federally qualified health centers, with at
25 least one representative from a federally qualified health center
26 located in the northern region of the State and at least one
27 representative from a federally qualified health center located in the
28 southern region of the State;¹ and at least three maternity healthcare
29 providers, representing ¹~~Northern, Central, and Southern~~¹
30 northern, central, and southern¹ New Jersey, approved to participate
31 in Medicaid.

32 b. The ~~learning network steering committee~~², as approved
33 by the division, shall develop the parameters for a ~~three year~~¹
34 three-year¹ perinatal episode of care pilot program within Medicaid.
35 The purpose of this pilot program is to improve perinatal health
36 care outcomes and to reduce the cost of perinatal care. To
37 effectuate the goals of the program, the ~~learning network~~²
38 ~~steering committee~~² shall design a perinatal episode of care
39 payment model, which shall be approved by the division and
40 implemented by ¹~~Medicaid managed care organizations (MCOs)~~¹
41 MCOs¹, according to section 3 of this act.

42 c. ²~~Subject to the approval of the division, the learning~~²
43 ~~network~~² The steering committee shall make recommendations on
44 how the division² shall:

45 (1) Identify the services to be covered under each episode,
46 including ¹~~wrap around~~¹ ~~any~~² 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 ²**[the distribution of any shared savings]**
 9 calculate any risk sharing payments² between a MCO and a
 10 participating provider. ²**[The]** Such² 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 ²**[learning network]** steering committee², regarding the provider's
 14 provision of care; ²**[and]**²
- 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^{1 2;}
 19 and
- 20 (6) Define the scope of the pilot program, including whether
 21 implementation should be focused on selected geographic areas,
 22 populations, providers, health systems, or MCOs².
- 23 d. The ²**[learning network]** steering committee² shall report to
 24 the Governor, and ¹, pursuant to section 2 of P.L.1991, c.164
 25 (C.52:14-19.1),¹ to the Legislature, ¹**[pursuant to section 2 of**
 26 **P.L.1991, c.164 (C.52:14-19.1),]** no later than¹ four years following
 27 the commencement date, on the effectiveness of the perinatal
 28 episode of care pilot program in improving the quality and reducing
 29 the cost of maternity and infant care ¹**[and make]** . The report shall
 30 include¹ any recommendations that the ²**[learning network]**
 31 steering committee² deems appropriate to ¹continue,¹ revise,
 32 restrict, or expand the program. The division shall make copies of
 33 the ²**[learning network's]** steering committee's² report available to
 34 the public on the Department of Human Services' website.
 35
- 36 3. ²**[A]** The division shall require at least one² managed care
 37 organization that has contracted with the division to provide
 38 benefits under the Medicaid ¹**[Program]** program¹ ²**[shall]** to²
 39 enter into a provider agreement with an obstetrical provider or
 40 group of obstetrical providers to implement the perinatal episode of
 41 care payment model, as established by the ²**[learning network]**
 42 steering committee², and approved by the division, pursuant to
 43 section 2 of this act.
 44
- 45 4. a. A participating provider shall submit all information
 46 required to fulfill the provisions of this act to the ²**[learning**

1 network] division², in a format and at a frequency to be determined
2 by the ²[learning network]² 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 ²steering
32 committee convening no later than July 1, 2019, and the² pilot
33 program commencing no later than January 1, ²[2020] 2021, unless
34 a later date is recommended by the steering committee and
35 approved by the division², and shall expire upon the submission of
36 the report by the ²[learning network] steering committee² to the
37 Governor and the Legislature pursuant to subsection d. of section 2
38 of this act.