

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO
SENATE, No. 2191

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 14, 2021

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 2191.

As amended by the committee, this bill would establish minimum Medicaid reimbursement rates for private duty nursing (PDN) services that are provided in the Medicaid fee-for-service delivery system or through a managed care delivery system. PDN services are individualized nursing services that are provided by licensed nurses, on a continuous and non-intermittent basis, to certain beneficiaries in the home setting. The bill provides that the minimum Medicaid reimbursement rate for such services is to be no less than \$60 per hour when a registered professional nurse provides the services and no less than \$48 per hour when a licensed practical nurse provides the services.

Every provider that receives reimbursement for private duty nursing services pursuant to a Medicaid managed care contract will be required to annually provide a report to the Division of Medical Assistance and Health Services (DMAHS) in the Department of Human Services regarding the use of funds received as reimbursement for private duty nursing services, including the prior salary, current salary, and other changes to the salary of the workers who directly provide personal care services.

Existing State regulation, at N.J.A.C.10:60-11.2, establishes a maximum Medicaid reimbursement rate for PDN services. Specifically, the regulation provides for reimbursement of PDN services at a rate of not more than \$40 per hour when a registered professional nurse provides the services and not more than \$28 when a licensed practical nurse provides the services. These maximum reimbursement rates, however, are insufficient to cover the costs of service provision, and may effectively dissuade nurses from providing PDN services in the State.

The bill would require the Commissioner of Human Services to apply for such State plan amendments or waivers as may be necessary to implement the bill's provisions and secure federal financial

participation for State Medicaid expenditures under the federal Medicaid program. The bill's substantive provisions would remain inoperable until the commissioner receives approval, from the U.S. Secretary of Health and Human Services, of the State plan amendments or waivers that are necessary to obtain federal financial participation for the State Medicaid expenditures that are to be made pursuant to the bill.

COMMITTEE AMENDMENTS:

The committee amended the bill to remove language requiring the Division of Medical Assistance and Health Services (DMAHS) in the Department of Human Services to establish criteria indicating the portion of the hourly reimbursement rate established under the bill that is to be used by providers for wages of workers who directly provide private duty nursing services.