

LEGAL NOTICE CLARIFICATION

STATE OF NEW JERSEY

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

TAKE NOTICE that in accordance with the approval of New Jersey's State Fiscal Year 2017 Appropriations Act, and to clarify the original notice published on June 27th, 2016, the New Jersey Department of Human Services (DHS), Division of Medical Assistance and Health Services (DMAHS) intends to seek approval from the United States Department of Health and Human Services (HHS), Centers for Medicare and Medicaid Services (CMS), for amendments to the New Jersey Medicaid (Title XIX) State Plan, and the Alternative Benefit Plan (ABP) in order to reflect that New Jersey Medicaid fee-for-service rates were updated with an effective date of July 1, 2016. The fee schedule is published on the Department's fiscal agent's website at <https://www.njmmis.com> under "rate and code information."

The DMAHS budget accounts for routine, periodic adjustment of fees and the addition and/or deletion of procedure codes authorized by CMS to conform to Federal requirements. Inclusive of these rate adjustments, the DHS may adjust specific rates for Medicaid State Plan Behavioral Health services for both the ABP and non-ABP population to more closely align with the cost of providing these services and existing market rates.

As discussed at numerous provider forums between February 18th, 2016, and March 10th, 2016, to Behavioral Health Community providers, the new adult Medicaid Substance Abuse and Mental Health rates were developed based on the Department's analysis of the reasonable costs to provide each specific service as programmatically required under the regulations. The notice of these methodology changes are included in the PowerPoint presentation provided in February, 2016, which are available on the Department website. This methodology included the following components:

- 1) Cost of staffing
 - a. Staffing make-up and credentials were reviewed as well as the relative weight of each staff member who provided the service;
 - b. Wage rates were determined using the most recent New Jersey specific Bureau of Labor Statistics (BLS) wage rates for each category;

- c. Fringe benefits were added based on available contract data and supplemented by a provider cost study;
 - d. Where applicable, a client to staff ratio was also applied.
- 2) Productivity factor to account for non-face-to-face time such as documentation, meeting time, training, and paid time off.
 - 3) General and administrative costs, capital supplies, and infrastructure/overhead as determined by available contract data.

Further details regarding the public forums can be found in the Power Points on the Department website at the following links:

http://www.state.nj.us/humanservices/dmhas/information/stakeholder/Rate_Setting_Transition_Overview.pdf

http://www.state.nj.us/humanservices/dmhas/initiatives/managed/Rate_Setting_Transition_CSS_%20052416_PPT.pdf

New Jersey also intends to seek amendments to expand the existing substance use disorder benefit currently available to the Expansion population to the Title 19 population and to require prior authorization for substance use disorder services in both the ABP and non-ABP population effective 7/1/16. Effective 7/1/16, New Jersey will change the manner in which Medication Assisted Treatment (MAT) is reimbursed through Medicaid to allow billing of a weekly bundled rate. The estimated financial impact of the proposed amendments and rate adjustments is an additional investment of \$127.8 million into Behavioral Health Services. The \$127.8 million includes \$107.8 million of federal funding and an investment of \$20 million in state funds.

The ABP was established in accordance with the Patient Protection and Affordable Care Act (ACA) when New Jersey expanded Medicaid effective January 1, 2014 to parents and caretaker relatives and childless adults with income up to and including 133% of the federal poverty level. The ACA requires the establishment of an Alternative Benefit package for the Medicaid Expansion populations. The ABP must cover 10 Essential Health Benefits as described in section 1302(b) of the ACA and the State assures that there will be full access to EPSDT services for people under 21 years of age. A list of services can be found on the DHS website at the site listed below. This Notice is intended to satisfy the requirements of Federal law and regulations, specifically 42 C.F.R. 440.386, 42 CFR 447.205, and 42 U.S.C. 1396a(a)(13). A copy of this Notice is available for public review at the Medical Assistance Customer Centers, County Welfare Agencies, and the Department's website at:

<http://www.state.nj.us/humanservices/providers/grants/public/index.html>.

Comments or inquiries must be submitted in writing within 30 days of the date of this notice to:

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