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State/Territory Name: New Jersey

State Plan Amendment (SPA) #: NJ-20-0028

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850

Children and Adults Health Programs Group

July 8, 2020

Jennifer Langer Jacobs
Assistant Commissioner
State of New Jersey Department of Human Services
Division of Medical Assistance and Health Services
PO Box 712
Trenton, NJ 08625-0712

Dear Ms. Jacobs:

Your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA) NJ-20-0028, submitted on June 4, 2020, has been approved. This amendment provides temporary adjustments to the state's policies related to processing applications, renewals, and changes in circumstance; the presumptive eligibility period; the premium lock out policy; and cost sharing requirements in response to disaster events. This amendment has an effective date of July 1, 2019.

This amendment, as it applies to the COVID-19 public health emergency (PHE), makes the following changes effective March 1, 2020 through the duration of the state or federally declared PHE, or at state discretion, a shorter period of time:

- Waive requirements related to timely processing of applications and renewals;
- Extend deadlines for families to respond to renewal requests;
- Extend the number of presumptive eligibility periods to two per pregnancy for the pregnant women eligibility group, and for all other individuals covered under the CHIP State Plan extend the presumptive eligibility period from one to two per 12 month period, beginning with the effective date of the initial presumptive eligibility period;
- Delay acting on certain changes in circumstances, other than the required changes in circumstance described in 42 CFR 457.342(a) cross-referencing 42 CFR 435.926(d);
- Waive all premiums;
- Waive copayments for any in vitro diagnostic product described in section 2103(c)(10) of the Social Security Act, any other COVID-19 testing-related services, and COVID-19 treatment.

In the event of a future disaster, this SPA provides New Jersey with the authority to implement the approved, temporary policy adjustments by simply notifying CMS of its intent, the effective date and duration of the provision, and a list of applicable Governor or federally-declared disaster or emergency areas. While the state must provide notice to CMS, this option provides an

administratively streamlined pathway for the state to effectively respond to an evolving disaster event.

Your title XXI project officer is Shakia Singleton. She is available to answer questions concerning this amendment and other CHIP-related issues. Her contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
7500 Security Boulevard, Mail Stop: S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-8102
E-mail: Shakia.Singleton@cms.hhs.gov

If you have any questions, please contact Meg Barry, Acting Director, Division of State Coverage Programs, at (410) 786-1536. We look forward to continuing to work with you and your staff.

Sincerely,

/Signed Amy Lutzky/

Amy Lutzky
Acting Deputy Director

Section 1. General Description and Purpose of the State Child Health Plans and State Child Health Plan Requirements (Section 2101)

1.1 The state will use funds provided under Title XXI primarily for (Check appropriate box) (42 CFR 457.70):

1.1.1 ☐ Obtaining coverage that meets the requirements for a separate child health program (Section 2103); OR

1.1.2. ☐ Providing expanded benefits under the State's Medicaid plan (Title XIX); OR

1.1.3. ☒ A combination of both of the above.

1.2 Please provide an assurance that expenditures for child health assistance will not be claimed prior to the time that the State has legislative authority to operate the State plan or plan amendment as approved by CMS. (42 CFR 457.40(d))

The State assures that it will not claim expenditures for child health assistance prior to the time that the State has legislative authority to operate the State plan or plan amendment as approved by CMS. (42 CFR 457.40(d))

1.3 Please provide an assurance that the state complies with all applicable civil rights requirements, including title VI of the Civil Rights Act of 1964, title II of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, 45 CFR part 80, part 84, and part 91, and 28 CFR part 35. (42 CFR 457.130)

The State assures that it complies with all applicable civil rights requirements, including title VI of the Civil Rights Act of 1964, title II of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, 45 CFR part 80, part 84, and part 91, and 28 CFR part 35. (42 CFR 457.130)

1.4 Please provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this plan or plan amendment (42 CFR 457.65):

Original Submission:

Effective Date: February 1, 1998

Implementation Date: February 1, 1998

SPA# 1. Six-Month Rule
Effective Date: January 13, 1999
Implementation Date: January 13, 1999

SPA# 2. NJ KidCare Plan D
Effective Date: July 1, 1999
Implementation Date: July 1, 1999

SPA# 3. Crowd Out (Exceptions to 6-month period)
Effective Date: July 26, 1999
Implementation Date: July 26, 1999

SPA# 4. Presumptive Eligibility
Effective Date: January 1, 2000
Implementation Date: January 1, 2000

SPA# 5. No cost share for AI/AN children
Effective Date: August 24, 2001
Implementation Date: August 24, 2001

SPA# 6. Income disregard of cash rewards for reporting fraud/abuse
Effective Date: February 4, 2002
Implementation Date: February 4, 2002

SPA# 7. Premium Increases for NJ KidCare (NJ FamilyCare Children's Program)
Effective Date: May 22, 2003
Implementation Date: May 22, 2003

SPA# 8. SCHIP Compliance SPA
Effective Date: August 24, 2001

SPA# 10. Prior Authorization for Personal Care Assistant Services
Effective Date: (Withdrawn)

SPA# 11. Substitution of Insurance; Presumptive Eligibility; Continuous Eligibility
Effective Date: July 1, 2005
Implementation Date: July 1, 2005

SPA# 12. Pregnant Women 185% to 200% FPL, CHIP Reauthorization Act 2009
Effective Date: April 1, 2009
Implementation Date: April 1, 2009

SPA #13. Pregnant Women and Children Exception to 5-Year Bar,
(CHIPRA Section 214)
Effective Date: April 1, 2009

Implementation Date: April 1, 2009

SPA #14 Express Lane Eligibility
Effective Date: May 1, 2009
Implementation Date: May 1, 2009

SPA #15 Premium Changes July 1, 2009, Elimination of Plan C Premiums
Effective Date: July 1, 2009
Implementation Date: July 1, 2009

SPA #16 Mental Health Parity, Dental Parity and Plan D Limited DME
Effective Date: July 1, 2010
Implementation Date: July 1, 2010

SPA #17 Express Lane Eligibility Applications: School Lunch Program
Effective Date: October 1, 2010
Implementation Date: October 1, 2010 (Pilot program)
November 1, 2011 (Statewide implementation)

SPA #13-0018 CHIP SPA MAGI methodology (ACA)
Effective Date: 1/1/14
Implementation Date: 1/1/14

SPA #13-0019 CHIP eligibility for Medicaid Expansion program (ACA)
Effective Date: 1/1/14
Implementation Date: 1/1/14

SPA #13-0020 CHIP elimination of disregard (ACA)
Effective Date: 1/1/14
Implementation Date: 1/1/14

SPA #13-0021 CHIP MAGI eligibility process/streamlined application
Effective Date: 10/1/13
Implementation Date: 10/1/13

SPA #13-0022 CHIP Non Financial Eligibility (ACA)
Effective Date: 1/1/14
Implementation Date: 1/1/14

SPA # 15-0023 Behavioral Health Services (BHH) (Bergen and Mercer County) and Psychiatric Emergency Rehabilitation (PERS)
Effective Date: July 1, 2015
Implementation Date: July 1, 2015

SPA #16-0024 Health Services Initiatives

Effective Date: July 1, 2015
Implementation Date: July 1, 2015

SPA #17-0025 Health Services Initiatives
Effective Date: July 1, 2016
Implementation Date: July 1, 2016

SPA #18-0026 Mental Health Parity and Addiction Equity Act
Effective Date: October 2, 2017
Implementation Date: July 1, 2018

SPA #19-0027 Managed Care
Effective Date: July 1, 2018
Implementation Date: July 1, 2018

SPA #20-0028 CHIP Disaster Relief SPA

Purpose of SPA: To implement provisions for temporary adjustments to enrollment and redetermination policies and cost sharing requirements for children in families living and/or working in Governor or Federally-declared disaster areas. In the event of a disaster, the State will notify CMS that it intends to provide temporary adjustments to its enrollment and/or redetermination policies and cost sharing requirements, the effective and duration date of such adjustments, and the applicable Governor or Federally-declared disaster areas.

Effective date: July 1, 2019
Implementation date: March 1, 2020

4.3 Methodology cont'd

Disaster Relief :

At State discretion, requirements related to timely processing of applications may be temporarily waived for CHIP applicants who reside and/or work in a State or Federally declared disaster area.

At State discretion, requirements related to timely processing of renewals and/or deadlines for families to respond to renewal requests may be temporarily waived for CHIP beneficiaries who reside and/or work in a State or Federally declared disaster area."

During the COVID-19 PHE, the presumptive eligibility period will be extended to two presumptive eligibility periods per pregnancy, and from one per 12 month period beginning with the effective date of the initial PE period to two for all other individuals for CHIP applicants and current enrollees.

The State will temporarily delay acting on certain changes in circumstances for CHIP beneficiaries whom the state determines are impacted by a State or Federally declared disaster area such that processing the change in a timely manner is not feasible. The state will continue to act on the required changes in circumstance described in 42 CFR 457.342(a) cross-referencing 42 CFR 435.926(d).

Section 8. Cost-Sharing and Payment

☐ Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan, and continue on to Section 9.

8.1. Is cost-sharing imposed on any of the children covered under the plan? (42 CFR 457.505) Indicate if this also applies for pregnant women. (CHIPRA #2, SHO # 09-006, issued May 11, 2009)

8.1.1. ☒ Yes
8.1.2. ☐ No, skip to question 8.8.

8.1.1-PW ☐ Yes
8.1.2-PW ☒ No, skip to question 8.8.

Guidance: It is important to note that for families below 150 percent of poverty, the same limitations on cost sharing that are under the Medicaid program apply. (These cost-sharing limitations have been set forth in Section 1916 of the Social Security Act, as implemented by regulations at 42 CFR 447.50 - 447.59). For families with incomes of 150 percent of poverty and above, cost sharing for all children in the family cannot exceed 5 percent of a family's income per year. Include a statement that no cost sharing will be charged for pregnancy-related services. (CHIPRA #2, SHO # 09-006, issued May 11, 2009) (Section 2103(e)(1)(A)) (42 CFR 457.505(a), 457.510(b) and (c), 457.515(a) and (c))

8.2. Describe the amount of cost-sharing, any sliding scale based on income, the group or groups of enrollees that may be subject to the charge by age and income (if applicable) and the service for which the charge is imposed or time period for the charge, as appropriate. (Section 2103(e)(1)(A)) (42 CFR 457.505(a), 457.510(b) and (c), 457.515(a) and (c))

As indicated above, Title XXI coverage in New Jersey provides for coverage that serves to transition families from the traditional Medicaid program for children's health coverage to traditional commercial coverage as income rises. The program recognizes the need for affordability and simplicity in order to encourage maximum coverage of currently uninsured children, while also valuing the need for personal responsibility. Therefore, the cost sharing requirements have been designed to complement these overall policy goals. The premiums established in the State's premium assistance program are set lower than the premiums in the NJFC program, to assist in achieving this goal.

8.2.1. ☒ Premiums:

For children in families with income at or below 200% of the poverty limit, there will be no premiums. The absence of a premium requirement applies to all children covered through the Medicaid expansion and those children covered under Title XXI with income at or below the 200% level.

For families with gross income above 200% and at or below 250% of the federal poverty level before the applicable disregards, the monthly premium will be $40.00 per family. For families with gross income above 250% and at or below 300% of the federal poverty level before the applicable disregards, the monthly premium will be $79.00 per family. For families with gross income above 300% and at or below 350% of the federal poverty level before the applicable disregards, the monthly premium will be $133.00 per family.

The premiums required above will be adjusted in accordance with the change in the Federal Poverty Level (FPL) for a family of 2 at 100% FPL, as compared to the previous year. In other words, as income increases with the increase in the FPL, premiums will increase by the same percentage. For example, if the income amount changes by 2%, the premium amount will also change by 2%. A notice of administrative change regarding the revised premiums will be published in the New Jersey Register, as a legal notice in the newspapers of widest circulation in cities of 50,000 or more within the State, placed on the agency's web site, distributed to the State House Press Bureau, and sent to any person who requests to be placed on a list of interested parties in regard to such changes. Each family affected by the change in premiums will receive an individual notice of the change.

Families will be granted a 30 day grace period before coverage is canceled for non-payment of premium. Given that the mechanism for determining when a family has exceeded the cost-sharing cap anticipates payment of the monthly premium for the entire year, this will not be an issue in determining when a premium payment is due.

Premiums for families participating in the State's premium assistance program are set lower than the premiums in the NJFC program, to assist in achieving the goal of encouraging families to participate in the premium assistance program.

NJ FamilyCare Premium Payments
Effective July 1, 2009

Premiums for Children	**Rate per Month**
Plan C	$0.00
Plan D (over 200% FPL & under 250% FPL)	$40.00
Plan D (over 250% FPL & under 300% FPL)	$79.00
Plan D (over 300% FPL & under 350% FPL)	$133.00

NJ FamilyCare Premium Assistance Premium Payments
Effective July 1, 2009

Premiums for Children	
Plan C	$0.00
Plan D (over 200% FPL up to and including 250% FPL)	$30.00
Plan D (over 250% FPL up to and including 300% FPL)	$69.00
Plan D (over 300% FPL up to and including 350% FPL)	$123.00

Disaster Relief: At State discretion, premiums may be waived for CHIP applicants and/or existing

beneficiaries who reside and/or work in a State or Federally declared disaster area.

8.2.2. ☐ Deductibles:

N/A

8.2.3. ☐ Coinsurance or copayments:

N/A See below.

Disaster Relief: At the State's discretion copayments for FamilyCare Plans C and D may temporarily be waived for CHIP beneficiaries who reside and/or work in a State or Federally declared disaster area.

8.2.4. ☐ Other:

For children in families with gross income at or below 150% of the poverty limit, there will be no other cost-sharing. The absence of a cost-sharing requirement applies to all children covered through the Medicaid expansion (NJ FamilyCare Plan A) and those children covered under Title XXI with gross income at or below the 150% level (NJ FamilyCare Plan B).

For children in families with gross income above 150% and at or below 200% of the poverty level (NJ FamilyCare Plan C) and above 200% but below 351% of the poverty level (NJ FamilyCare Plan D), there will be an additional charge for certain services. There are no premiums, co-payments, or any cost sharing for pregnant women eligible pursuant to Section 4.1-P.

To the beneficiaries, this charge will be in the form of a copayment. In traditional terms, a copayment is used to offset the cost of care. Under NJ FamilyCare Plan D, there will be a traditional copayment requirement. However, under NJ FamilyCare Plan C, the client cost-sharing amount will actually be an incentive payment to providers at the direct care level. The rationale for the incentive payment is that when NJ FamilyCare Plan C clients were traditionally seen by direct care providers, it was as a private pay, fee-for-service patient. Now, the provider will be seeing the children as a managed care client, with rates that take into account the purchasing power of the State. Even though the rates paid under the Medicaid managed care contracts are actuarially sound, it still represents a change in the direct service providers billing relationship with the family. In recognition of this fact, the "copayments" made by the NJ FamilyCare Plan C clients will not be used to offset the cost of care, but rather will be used to supplement the existing payments and serve as an incentive for direct care providers to continue to participate in the networks. However, for ease in terminology, the payment will continue to be referred to as a "copayment."

The copayment under NJ FamilyCare Plan C will be $5.00 for practitioner visits (physician, nurse midwife, nurse practitioner, clinics, podiatrists, dentist, chiropractors, optometrist, psychologists) and outpatient clinic visits. There will also be a $10.00 copayment for use of the emergency room. Copayment for prescription drugs will be $1.00 for generics and $5.00 for brand name drugs.

For children in families with gross income between 201% and 350% of the federal poverty level

(Plan D), the copayment will be the same as Plan C except for emergency room services which is $35

For NJ FamilyCare Plan C, no copayments will be charged for well-child visits in accordance with the schedule recommended by the American Academy of Pediatrics; lead screening and treatment; age-appropriate immunizations; preventive dental services; prenatal care; family planning visits; and pap smears, when appropriate. Other services (such as therapy visits, hearing aids, and eyeglasses) will not require a copayment. (See Attachment 6 for a detailed list of services and applicable copayment amounts).

For NJ FamilyCare Plan D, no copayments will be charged for well-child visits in accordance with the schedule recommended by the American Academy of Pediatrics; lead screening and treatment; age-appropriate immunizations; preventive dental services; and prenatal care beyond the first visit. (See Section 6 for a detailed list of services and applicable copayment amounts).

A family that utilizes services that require copayment will pay more when measured as a percentage of family income, but in fixed dollar terms the copayment structure does not favor higher income families over lower income families.

For any family subject to cost-sharing (premiums and copayments), an annual limit equal to five percent of the family income will apply. When families reach this limit, they are no longer required to pay and will be provided with a letter to that effect, which they can use when accessing services. Please see attachment 6 for cost sharing associated with specific services.

8.7 Cont'd

Disaster Relief: At State discretion, the premium lock-out policy is temporarily suspended and coverage is available regardless of whether the family has paid their outstanding premium for existing beneficiaries who reside and/or work in a State or Federally declared disaster area.