

TABLE OF CONTENTS

State Plan Amendment (SPA) #: **NJ-15-0001**

State/Territory Name: **New Jersey** / Region II

- 1) Approval Letter
- 2) HCFA 179 Form w/ pen & ink authorizations
- 3) Approved 4.19B Pages
- 4) Decision Memo

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
New York Regional Office
26 Federal Plaza, Room 37-100
New York, NY 10278



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS
DMCHO: ZYM: SPA-NJ-15-001-Approval Letter

August 16, 2017

Meghan Davey
Director of Medical Assistance and Health Services
Department of Human Services
CN 12 Quakerbridge Plaza
Trenton, New Jersey 08625-0712

RE: Title XIX State Plan Amendment (SPA), Transmittal # NJ 15-001

Dear Ms. Davey:

We have reviewed the proposed New Jersey State Plan Amendment 15-001, which was submitted to the New York Regional Office on March 13, 2015. The SPA allows NJ to implement an updated fee schedule.

Based on the information provided, the Medicaid State Plan Amendment 15-001 was approved on August 16, 2017. The effective date of this amendment is January 1, 2015. We are enclosing the approved HCFA-179 and the plan pages.

If you have any additional questions or need further assistance, please contact Yvette Moore at (646) 694-0915 or Yvette.Moore@cms.hhs.gov.

Sincerely,


Michael Melendez, LMSW
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
15-0001- MA

2. STATE
New Jersey

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2015

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:
42 U.S. C. 1396a(a)(30)(A)

7. FEDERAL BUDGET IMPACT:
a. FFY 2015 (\$ 23,622)
b. FFY 2016 (\$ 31,495)

8. PAGE NUMBER OF THE PLAN SECTION OR
ATTACHMENT:
Attachment 4.19-B Page 36

9. PAGE NUMBER OF THE SUPERSEDED PLAN
SECTION OR ATTACHMENT (*If Applicable*):
Attachment 4.19-B Page 36

10. SUBJECT OF AMENDMENT:
2015 Fee Schedule

11. GOVERNOR'S REVIEW (*Check One*):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
Not required, pursuant to 7.4 of the Plan

12. CONTACT NAME:

13. TYPED NAME: Elizabeth Connolly

16. RETURN TO:

Valerie Harr, Director
Division of Medical Assistance and Health Services
P.O. Box 712, Mail Code #26
Trenton, NJ 08625-0712

14. TITLE: Acting Commissioner,
Department of Human Services

15. DATE SUBMITTED: 3/13/15

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:
AUGUST 16, 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JANUARY 01, 2015

21. TYPED NAME:
MICHAEL MELENDEZ

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR
DIVISION OF MEDICAID & CHILDREN'S HEALTH

23. REMARKS:

Pen & Ink authorization:

Block 7 add:
FFY 2015 (\$23,622)
FFY 2016 (\$31,495)

Block 8 & 9 add:
Attachment 4.19-B Page 2 Attachment 4.19-B
Page 2a Attachment 4.19-B Page 6 Attachment
4.19-B Page 6a

Block 10 add: Pages 2/2a and 6/6a were added to this SPA submission to remove references to State-specific regulatory citations, and to clarify and confirm that an outdated reconciliation methodology is no longer applicable to the Prospective Payment System for Home Health reimbursement. These pages required modification as they are mentioned on page 36 of Attachment 4.19-B.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE OF NEW JERSEY

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NON-
INSTITUTIONAL SERVICES

a) In-state Outpatient Hospital Services

1. Outpatient Hospital (Dental Services): Reimbursement for dental services performed in the outpatient department of the hospital shall be made in accordance with a fee schedule, equal to the fees paid to private practitioners and independent dental clinics. The exception is, reimbursement for Outpatient dental services provided to NJ Medicaid/ FamilyCare fee-for-service beneficiaries with chronic medical conditions and/or developmental disabilities resulting in special healthcare needs. Consideration for the special healthcare needs exclude services from being performed in a private dental office or dental clinic, and require that the service be performed in a hospital operating room. This reimbursement will follow the cost-to-charge reimbursement methodology as described in the State Plan Attachment 4.19-B a) item number 7 below. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of dental services. The effective date of the applicable fee schedule as well as a link to its electronic publication can be found on page 36 of Attachment 4.19-B of the State Plan.
2. Outpatient Hospital (HealthStart): Reimbursement for HealthStart Health Support Services and Pediatric Continuity of Care shall be paid in accordance with a fee schedule. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of Health Start services. The effective date of the applicable fee schedule as well as a link to its electronic publication can be found on page 36 of Attachment 4.19-B of the State Plan.
3. Outpatient Hospital (Renal Dialysis): Services for End-Stage Renal Disease (ESRD): Reimbursement for Renal Dialysis Services for ESRD shall be at 100 percent of the Medicare composite rate including any add-on charges.
4. Outpatient Hospital (Medicare Deductible and Co-insurance Amounts): Medicare deductible and co-insurance amounts shall be reimbursed at 100 percent.
5. Outpatient Hospital (Laboratory/Pathology): Most hospital outpatient department laboratory/pathology services are reimbursed using the Medicaid Laboratory/Pathology Fee Schedule. There are some exceptions for blood products and other laboratory services, such as pathology, that are reimbursed using a cost-to-charge ratio as outlined in section 7 below. Specimen drawing and

15-0001 MA (NJ)

TN: 15-0001 MA (NJ)

Approval Date: 08/16/2017

SUPERCEDES: TN: 13-14 MA (NJ)

Effective Date: 01/01/2015

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE OF NEW JERSEY

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NON-
INSTITUTIONAL SERVICES

collection are reimbursed separately. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of lab/pathology services. The effective date of the applicable fee schedule as well as a link to its electronic publication can be found on page 36 of Attachment 4.19-B of the State Plan.

6. Outpatient Mental Health Services: Most outpatient mental health services are reimbursed utilizing a fee schedule. Exceptions are Revenue code range 900-904 that are reimbursed using a cost-to-charge ratio as outlined in section 7 below. State developed fee schedule rates are the same for both governmental and private providers of mental health services. The effective date of the applicable fee schedule as well as a link to its electronic publication can be found on page 36 of Attachment 4.19-B of the State Plan.
7. All other outpatient hospital services shall be reimbursed according to the cost-to-charge reimbursement methodology. The cost-to-charge-ratio is a retrospective cost reimbursement rate and is an interim payment. Payments will be compared to each facility's final settlement. The only exceptions are those listed at 1-6 above. Final settlements shall be reduced for hospital outpatient capital costs by 10 percent and reasonable cost of hospital outpatient services (net of outpatient capital cost) shall be reduced by 5.8 percent as reported in the Medicare Cost Report (HCFA-2552). This reduction shall be calculated when the Medicare Cost Report (HCFA-2552) is finalized and if the report is amended.
8. In no event shall the payment for any service listed above exceed the charge by the provider for identical services to other governmental agencies, or other groups or individuals in the community.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE OF NEW JERSEY

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NON-
INSTITUTIONAL SERVICES

HOME HEALTH AGENCIES – HOME CARE SERVICES

1. New Jersey Approved Agencies

A. Settlement Processing for 1999 Service

Services rendered during calendar year 1999 will be settled on Medicare principles of reimbursement, which is based on the lowest of 100% of reasonable cost, the published cost limits, or covered charges

Interim and final settlements will be based on Title XVIII reimbursement cost principles. Using Medicare principles of reimbursement, the Home Health Aide service limits are adjusted by a factor of 1.25 to allow for the longer average visit provided to a Medicaid beneficiary versus the average visit provided for a Medicare beneficiary.

Penalties may be imposed upon providers whose cost reports are not filed timely, and/or are unreliable or unacceptable.

B. Settlement Processing for 2000 Service

For services rendered during calendar year 2000, each home health agency shall be reimbursed agency specific unit rates calculated based on the reasonable costs per unit incurred by each agency during the calendar year 1999, plus an incremental adjustment using Standard and Poor's DRI Home Health Market Basket Index..

Agencies without Medicaid claims activity in any specific discipline(s) in the base 1999 cost period shall be reimbursed using the statewide unit rate(s) established January 2000 by regulation.

Final costs per unit and final payments shall be subject to a final reconciliation performed once the agencies' 1999 audited cost reports are available.

Non Routine medical supplies will be reimbursed using the Medicaid fee schedule.

15-0001 (NJ)

TN: 15-0001 (NJ)

Approval Date: 08/16/2017

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Effective Date: 01/01/2015

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE OF NEW JERSEY**

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NON-
INSTITUTIONAL SERVICES**

HOME HEALTH AGENCIES – HOME CARE SERVICES

C. Services rendered on or after January 1, 2001: Prospective Payment System

For calendar year 2001, each home health agency shall be reimbursed its agency-specific rates as calculated for calendar year 2000, plus an adjustment equal to the DRI for 2001.

For each subsequent rate year, each home health agency shall be reimbursed its agency-specific rates as calculated for the previous rate year, plus an incremental adjustment equal to the DRI Home Health Market Basket Index for the current rate year.

The unit of service shall be a 15 minute interval of a skilled nursing visit, a home health aide visit, a speech therapy visit, a physical therapy visit, an occupational therapy visit, or a medical social service visit. The home health agency may bill one unit of service for each full 15 minute interval of face-to-face service in which hands-on medical care was provided to a Medicaid or NJ KidCare fee-for-service beneficiary. Routine supplies shall be considered visit overhead costs and billed as part of a unit of service. Non routine medical supplies are billable and will be reimbursed in accordance with the established Medicaid fee schedule.

2. Out of State Approved Agencies

For services rendered on or after January 1, 1999, out-of state home health services shall be reimbursed using the lesser of either the reasonable and customary charges or service-specific statewide unit rates in effect prior to this amendment, based on a prospective per unit methodology. No cost filing is required and no retroactive settlement shall be made.

3. Fee Schedules

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of home health services. The effective date of the applicable fee schedules as well as a link to their electronic publication can be found on page 36 of Attachment 4.19-B of the State Plan.

15-0001 MA (NJ)

TN: 15-0001 MA (NJ)

Approval Date: 08/16/2017

SUPERCEDES: TN: 13-14 MA (NJ)

Effective Date: 01/01/2015

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE OF NEW JERSEY

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR NON-
INSTITUTIONAL SERVICES

FEE SCHEDULE EFFECTIVE DATES AND LINKS

The fees in the State's fee schedules referenced in Attachment 4.19-B were set on January 1, 2015 and are effective for services provided on or after that date. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of the Medicaid services listed below. All applicable procedure code listings and/or rates are published on the State's website at www.njmmis.com under the link for 'Rate and Code Information' and can be found in the following locations:

- **Medicaid Fee Schedules:**
 - **Location: Procedure Master Listing – Medicaid Fee for Service - CY 2015**
 - **Link:** <https://www.njmmis.com/downloadDocuments/CPTHCPSCODES2015.pdf>
 - **Description:** Main file of procedure codes billable to Medicaid for all services except as listed below.

- **Children's Rates: (excluding Special Education Medicaid Initiative (SEMI))**
 - **Location: Procedure Master Listing – Children's Rates – CY 2015**
 - **Link:** <https://www.njmmis.com/downloadDocuments/childrensrates2015.pdf>
 - **Description:** File contains procedure codes billable to Medicaid for services provided to beneficiaries under the age of 21 except as listed below.

- **Outpatient Laboratory Billing Only:**
 - **Location: Procedure Master Listing - Outpatient Hospital Laboratory Billing Only – CY 2015**
 - **Link:** <https://www.njmmis.com/downloadDocuments/Outpatientlabonly2015.pdf>
 - **Description:** File contains procedure codes billable to Medicaid for laboratory services conducted in an outpatient hospital setting as described beginning on Page 2 of this Section.

- **Outpatient Mental Health Services Only:**
 - **Location: Procedure Code Master Listing – Outpatient Psychiatric Services Only – CY 2015**
 - **Link:** https://www.njmmis.com/ps_revCodes.aspx
 - **Description:** File containing Revenue Codes and rates for Outpatient Psychiatric Services provided to adults and children, as described under Outpatient Mental Health Services on Page 2a of this Section.

- **Home Health Rates Only:**
 - **Location: Skilled Nursing Service Rates – Statewide and Provider Specific Rates**
 - **Link:** https://www.njmmis.com/SN_Revcodes.aspx
 - **Description:** File containing Revenue Codes and rates for statewide Home Health services as described on Page 6a of this Section.

15-0001 MA (NJ)

TN: 15-0001 MA (NJ)

Approval Date: 08/16/2017

SUPERCEDES: 14-04

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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
New York Regional Office
26 Federal Plaza, Room 37-100
New York, NY 10278



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

DMCHO: ZYM: SPA-NJ-15-0001-Decision Memo

Date: 8/15/2017

From: Z. Yvette Moore /s/

Subject New Jersey (NJ) – GA 15-001 – Medicaid Fee for Service Fee Schedule Update

To: File

Submission:

NJ submitted NJ 15-001 (MA) on March 13, 2015, to update fee schedules

Background:

This state plan amendment allows an overall budget neutral fee schedule update for applicable outpatient fees as described on 4.19B, Page 36 and do be competitive with mental health reimbursement fees.

Issues noted during review:

None

Finalization:

Funding Question responses were provided and reviewed in the official RAI response 8/2/2017. NJ during the 2015 fiscal year were permitted to submit funding questions responses that were all inclusive to the NIPT program instead of directly related to the subject being amended. NJ did advise that the fee schedule update is funded through state general funds appropriations directly to the Medicaid agency and moving forward will be subject specific as it pertains to the funding question responses (effective 2017)

Tribal Consultation responses were not required as NJ does not have any recognized national tribes

The Non-Institutional Payment Team (NIPT) RO & CO cleared this plan for approval on August 15, 2017

The reviewed and agreed upon effective date of this plan is January 1, 2015 which is in accordance with 42 CFR Part 414, Subpart H.

Budget Impact: FFY15: (23.622) ; FFY16: (\$31.495)

The public notice is accordance with 42 CFR 447.205 and was published on 12/29/2014. The actual copy is included with workpapers.

A pen/ink authorization was required to:

Block 7 add:

FFY 2015 (\$23.622)

FFY 2016 (\$31.495)

Block 8 & 9 add:

Attachment 4.19-B Page 2 Attachment 4.19-B Page 2a Attachment 4.19-B Page 6
Attachment 4.19-B Page 6a

Block 10 add:

Pages 2/2a and 6/6a were added to this SPA submission to remove references to State-specific regulatory citations, and to clarify and confirm that an outdated reconciliation methodology is no longer applicable to the Prospective Payment System for Home Health reimbursement. These pages required modification as they are mentioned on page 36 of Attachment 4.19-B.

No coverage concerns were noted during the review of NJ 15-001

Recommendation

Recommend Approval.

Supporting work papers are located at:

Laserfiche: [RO-NYCMCHO\05 State Plans\02 New Jersey\2-NEW JERSEY SPA's\2015WJ-15-0001](#)

And

Network Drive: [V:\CMCHO\5-State Plans\New Jersey\2015WJ 15-0001](#)