

Table of Contents

State/Territory Name: New Jersey

State Plan Amendment (SPA) #: 15-0004

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Division of Medicaid and Children's Health Operations
Financial Management Group

AUG 28 2017

Valerie Harr
State Medicaid Director
Department of Human Services
Division of Medical Assistance and Health Services
State of New Jersey
P.O. Box 712
Trenton, NJ 08625-0712

RE: State Plan Amendment (SPA) NJ 15-0004

Dear Ms. Harr:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State Plan submitted under transmittal number (TN) NJ 15-0004. Effective July 1, 2015, this amendment increase nursing home Medicaid per diem rates by \$9.45 million over SFY 2015 rates.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the Federal regulations at 42 CFR Part 447 Subpart C. This letter is to inform you that New Jersey SPA 15-0004 is approved effective July 1, 2015. The CMS-179 and approved plan pages are enclosed.

If you have any questions, please contact Betsy Pinho at 518-396-3810.

Sincerely,

A black rectangular box redacting the signature of Kristin Fan.

Kristin Fan
Director

Enclosures

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

FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES

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

1. TRANSMITTAL NUMBER:

15-0004
~~15-004~~ MA NJ

2. STATE

New Jersey

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

4. PROPOSED EFFECTIVE DATE

July 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:

Social Security Act Section 1902(a)(13)

7. FEDERAL BUDGET IMPACT

FFY 2015 \$ 1,181,250

FFY 2016 \$ ~~3,543,750~~ 4,725,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D Pages ~~20~~ 1

Attachment 4.19-D Page 31

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Same

New

10. SUBJECT OF AMENDMENT:

2016 Nursing Facility Reimbursement

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. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Elizabeth Connolly

14. TITLE: Acting Commissioner

15. DATE SUBMITTED:

9/3/15

16. RETURN TO:

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

AUG 28 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL 01 2015

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, FMC

23. REMARKS:

New Jersey State authorized "pen & sub" changes to
Boxes 1, 7, 8 + 9.

**NURSING FACILITY REIMBURSEMENT
COST REPORT, RATE CALCULATION AND REPORTING SYSTEM
FOR LONG-TERM CARE FACILITIES**

NURSING FACILITY REIMBURSEMENT

The State has in place a public process which complies with the requirements of Section 1902(a)(13)(A) of the Social Security Act

CONTENTS

Section 1	Purpose and scope	Page 2
Section 2	Cost report preparation and timing of submission	2
Section 3	Rate classes	4
Section 4	Resident rosters and case mix index calculation	4
Section 5	Fringed costs	6
Section 6	Inflation	7
Section 7	Case mix rate components	7
Section 8	Limit and price database	10
Section 9	Limit and price calculation	11
Section 10	Direct care and operating and administrative rate component	13
Section 11	Fair rental value rate allowance	14
Section 12	Adjustments and pass-throughs	17
Section 13	Total adjusted case mix rate	17
Section 14	Full cost rates	21
Section 15	Special Care Nursing Facility (SCNF) rates	24
Section 16	Phase in of case mix rates	25
Section 17	Appeals process	25
Section 18	Transfer of ownership and new facilities	26
Section 19	Effect of Federal rules incorporated by reference	27
Section 20	Final audited rate calculation	27
Section 21	Payment Limitations	28
Section 22	Payments for Medical Assistance Recipients	29-31

15-0004-MA (NJ)

TN: 15-0004

Effective Date: JUL 01 2015

Supersedes TN: 14-0012

Approval Date: AUG 28 2017

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

NURSING HOME REIMBURSEMENT

Section 22 cont'd. Payments for Medical Assistance Recipients

Nursing facilities for the period of July 1, 2015 through June 30, 2016 are subject to the following conditions: (1) Class I, Class II, and Class III nursing facilities being paid on a fee-for-service basis, shall be reimbursed at the rate received on June 30, 2015 plus a per diem adjustment that shall be calculated based upon an additional \$9,450,000; (2) no Class I, II, and III nursing facilities being paid on a fee-for-service basis shall receive any additional per diem rate adjustment, with the exception of the provider tax add-on set forth below; (3) the additional \$9,450,000 shall be distributed to Class I, II and III nursing facilities as a \$1.06 increase to each facility's per diem rate received on June 30, 2015.

For the purposes of this paragraph, the provider tax pass-through per diem as set forth in Section 12 shall not be considered in either the nursing facility's per diem reimbursement rate for June 30, 2015 nor the facility's per diem rate(s) for the period July 1, 2015 through June 30, 2016. The provider tax pass-through per diem for the period July 1, 2015 through September 30, 2015 shall be the same provider tax pass-through per diem received by the facility on June 30, 2015. The provider tax pass-through per diem for the period beginning October 1, 2015 shall be the provider tax pass-through per diem as set forth in Section 12 as calculated for State Fiscal Year 2016.

15-0004-MA (NJ)

TN: 15-0004-MA (NJ)

Supersedes: New

Approval Date: AUG 28 2017

Effective Date: JUL 01 2015