Managed Care in New Jersey

This profile reflects state managed care program information as of August 2014, and only includes information on active federal operating authorities, and as such, the program start date may not reflect the earliest date that a program enrolled beneficiaries and provided services. Some states report populations and services available to program participants under the federal authority (e.g. Section 1115 waiver), so these features cannot be easily distinguished for each program.

Overview of Current Managed Care Programs

In July 2011, nearly 80 percent of Medicaid beneficiaries were enrolled in managed care under a single statewide program. New Jersey began moving Medicaid recipients into managed care in 1995 by first enrolling children through the KidCare program and later expanding to parents and some childless adults under **NJ Family Care.** As of 2011, a single **NJ Family Care** program enrolled most Medicaid population groups on a mandatory basis, with the exception of some dual eligibles, and covered acute, primary and specialty care, and behavioral health services. Long-term services and supports (LTSS) were provided through the fee-for-service system.

In October 2012, New Jersey was granted federal approval to reform many elements of its current managed care system through a new Section 1115 comprehensive demonstration. From 2013-2014, the state will expand existing managed care programs to include long-term services and supports and behavioral health services, and will extend home and community-based services to additional populations, many of which will be transitioned from fee-for-service into managed care. In addition, New Jersey will discontinue the PACE program.

On August 8, 2013 CMS approved amendment request to modify Delivery System and Reform Incentive Payment (DSRIP) program so that that the Hospital relief Subsidy Fund (HRSF) transition payments could be extended through December 31, 2013 due to unforeseeable delays in completing the DSRIP Planning Protocol and DSRIP Funding & Mechanics protocol. The extension would ease the burden of the hospitals in the development of their DSRIP plans as they transition from the HRSF subsidy to the performance-based DSRIP program.

A December 2013 amendment to modifies the Graduate Medical Education payment program and to include the adult expansion eligibility group into the demonstration effective January 1, 2014.

Participating Plans, Plan Selection, and Rate Setting

New Jersey currently contracts with four managed care plans under the NJ Family Care program, including **three for-profit national plans** (Amerigroup, UnitedHealthCare, Wellcare), and **one not-for-profit local plan** (Horizon NJ). New Jersey has historically allowed “any willing provider” to contract with the state but will move to a competitive bidding process under the new demonstration. New Jersey sets rates based on an actuarial process that accounts for cost differences by age, eligibility category, health status, and geography.

Quality and Performance Incentives

The state requires plans to report HEDIS measures annually, as well as CAHPS data. In addition, plans are required to produce analytic reports on the quality of care, service utilization, plan-defined standards of care, and monitoring of corrective actions. New Jersey does not currently tie quality standards to performance incentives. Under the new demonstration, the state will develop a managed care quality strategy that includes measures addressing long-term services and supports and may tie plan performance to payment.

Table: Managed Care Program Features, as of August 2014

Program Name	NJ Family Care	Program for the All-Inclusive Care for the Elderly (PACE)	Non-Emergency Transportation Broker Program
Program Type	MCO	PACE	Transportation PAHP
Program Start Date	October 2012	May 2009	July 2009
Statutory Authorities	1115(a)	PACE	1902(a)(70)
Geographic Reach of Program	Statewide	Partial in Seven Counties	Statewide
Populations Enrolled *(Exceptions may apply for certain individuals in each group)*			
Aged	X	X	X
Disabled Children & Adults	X	X (age 55+)	X
Children	X		X
Low-Income Adults	X		X
Medicare-Medicaid Eligibles ("duals")	X	X (age 55+)	X
Foster Care Children	X		X
American Indians/Alaska Natives			X
Mandatory or Voluntary enrollment?	Mandatory	Voluntary	Varies
Medicaid Services Covered in Capitation *(Specialized services other than those listed may be covered. Services not marked with an X are excluded or "carved out" of the benefit package.)*			
Inpatient hospital	X	X	
Primary Care and Outpatient Services	X	X	
Pharmacy	X	X	
Institutional LTC		X	
Personal care/HCBS	X	X	
Inpatient Behavioral Health Services	X	X	
Outpatient Behavioral Health Services	X	X	
Dental	X	X	
Transportation	X	X	X

Program Name	NJ Family Care	Program for the All-Inclusive Care for the Elderly (PACE)	Non-Emergency Transportation Broker Program
Participating Plans or Organizations	1. AMERIGROUP 2. Horizon NJ Health 3. UnitedHealthCare Community Plan 4. WellCare	1. LIFE at Lourdes 2. LIFE St. Francis 3. Lutheran Senior Life 4. Inspira Life	1. Logisticare
Uses HEDIS Measures or Similar	X	NA	NA
Uses CAHPS Measures or Similar	X	NA	NA
State requires MCOs to submit HEDIS or CAHPS data to NCQA		NA	NA
State Requires MCO Accreditation		NA	NA
External Quality Review Organization	IPRO		
State Publicly Releases Quality Reports	Yes		

Sources: Centers for Medicare and Medicaid Services (CMS), National Summary of State Medicaid Managed Care Programs as of July 1, 2011.

Kaiser Commission on Medicaid and the Uninsured. Profile of Medicaid Managed Care Programs in 2010. September 2011.

National Committee on Quality Assurance. NCQA Medicaid Managed Care Toolkit 2012 Health Plan Accreditation Standards. State Use of Accreditation as of February 2012.

Notes: Managed Care Organization (MCO); Prepaid Inpatient Health Plans (PIHP); Prepaid Ambulatory Health Plan (PAHP); Mental Health/Substance Use Disorder (MH/SUD); Healthcare Effectiveness Data and Information Set (HEDIS); Consumer Assessment of Healthcare Providers and Systems (CAHPS).

Primary Care and Outpatient Services include physician services, hospice, laboratory, imaging, FQHC, and other specialty services delivered in outpatient offices and clinics. Institutional Long Term Care (LTC) includes Skilled Nursing Facilities (SNF) and/or Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IDD).

External Quality Review Organization activities are only required for MCOs, PIHPs, PAHPs, and other applicable entities with comprehensive risk contracts.