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**State/Territory Name: NJ**

**State Plan Amendment (SPA) #: 22-0015**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

December 15, 2022

Carole Johnson  
Commissioner  
Medical Assistance and Health Services  
Department of Human Services  
CN 12 Quakerbridge Plaza  
Trenton, New Jersey 08625-0712

**RE: NJ 22-0015**

Dear Ms Johnson,

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State Plan submitted under transmittal number (TN) 22-0015. This SPA provides add on payments and incentives for long-term care facilities.

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 implementing Federal regulations at 42 CFR Part 447. This letter is to inform you that New Jersey 22-0015 is approved effective July 1, 2022. The CMS-179 and approved plan pages are enclosed.

If you have any additional questions or need further assistance, please contact Douglas Spitler at [Douglas.Spitler@cms.hhs.gov](mailto:Douglas.Spitler@cms.hhs.gov)

Sincerely,



Rory Howe  
Director  
Financial Management Group

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 2</u> — <u>0 0 1 5</u>	2. STATE <u>NJ</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION  
Social Security Act 1902(a)(13)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2022 \$ 11,250,000  
b. FFY 2023 \$ 33,750,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment 4.19-D Pages 41-44  
Attachment 4.19-D Page 1

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
new  
same

9. SUBJECT OF AMENDMENT

SFY 2023 Nursing Facility Reimbursement

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL  
[Redacted] by Sarah Adelman  
6/17/2022 17:17:32 -04'00'

12. TYPED NAME  
Sarah Adelman

13. TITLE  
Commissioner, Department of Human Services

14. DATE SUBMITTED  
9/19/22

15. RETURN TO  
Jennifer Langer Jacobs, Assistant Commissioner  
Division of Medical Assistance and Health Services  
P.O. Box 712, Mail Code #26  
Trenton, NJ 08625-0712

**FOR CMS USE ONLY**

16. DATE RECEIVED  
9/19/2022

17. DATE APPROVED  
December 15, 2022

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
July 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL  
[Redacted]

20. TYPED NAME OF APPROVING OFFICIAL  
Rory Howe

21. TITLE OF APPROVING OFFICIAL  
Director, FMG

22. REMARKS

**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

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
NURSING HOME REIMBURSEMENT

STATE: New Jersey

**Section 22 cont'd. Payments for Medical Assistance Recipients**

Payments for Medical Assistance Recipients - Nursing facilities for the period of July 1, 2022, through June 30, 2023, are subject to the following conditions:

(1) Class I (private), Class II (county), and Class III (special care) nursing facilities being paid on a fee-for-service basis shall be reimbursed at a per diem rate no less than the rate received on June 30, 2020, plus 10 percent, plus \$3.60, minus the first provider tax add-on and any performance add-on amounts, subject to the condition that Class III (special care) facilities shall be reimbursed the greater of this rate plus five percent or \$450 per diem;

(2) monies designated pursuant to subsection c. of section 6 of P.L.2003, c.105 (C.26:2H-97) for distribution to nursing facilities, less the portion of those funds to be paid as pass-through payments in accordance with paragraph (1) of subsection d. of section 6 of P.L.2003, c.105 (C.26:2H-97) and less the actual amounts expended during fiscal year 2022 on performance add-ons and expenditures to establish a minimum per diem of \$188.35, shall be combined with amounts hereinabove appropriated for the General Medical Services program classification for the purpose of calculating NJ FamilyCare reimbursements for nursing facilities;

(3) for the purposes of this paragraph, a nursing facility's per diem reimbursement rate or negotiated rate shall not include, if the nursing facility is eligible for reimbursement, the difference between the full calculated provider tax add-on and the quality-of-care portion of the provider tax add-on, which difference shall be payable as an allowable cost pursuant to subsection d. of section 6 of P.L.2003, c.105 (C.26:2H-97);

(4) the add-ons used for fiscal year 2022 shall be applied from July 1, 2022, through September 30, 2022 and the first add-on as calculated in section 2 above shall be applied to fee-for-service per diem reimbursement rates effective October 1, 2022;

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
NURSING HOME REIMBURSEMENT

STATE: New Jersey

**Section 22 cont'd. Payments for Medical Assistance Recipients**

(5) each Class I, Class II, and Class III nursing facility that has, not later than December 1, 2021, submitted to the Department of Human Services (DHS) the DHS Fiscal Year 2023 CoreQ Long-Stay Survey Sample Size Calculation Grid with affirmative answers, as defined by the Department, to validated Hospital Utilization Tracking system use, CoreQ vendor intent, and completion of the CoreQ Long-Stay Survey sample size calculation and, if eligible for CoreQ, not later than December 10, 2021, submitted demographics to the CoreQ vendor to initiate the CoreQ survey process, and, during calendar year 2021, has not been included on the Centers for Medicare and Medicaid Services (CMS) Special Focus Facility Lists A, B, E or F, ranked as a one-star facility by the CMS Five-Star Quality Rating System, or cited by the Department of Health for two or more Level G licensing violations

(a) shall receive a performance add-on of \$1.80 for each of the following CMS nursing home long stay quality measures where the nursing facility has not failed to report data for any of the reporting periods Q3 2020, Q4 2020, Q1 2021 and Q2 2021, and the simple average of the quarters, as calculated by the Department with available data, is at or below the lower of the New Jersey or national average, as calculated by CMS, for the percentage of long stay residents who are: physically restrained, receiving antipsychotic medication, experiencing one or more falls with major injury, and high risk residents with a pressure ulcer,

(b) shall receive a performance add-on of \$1.80 for the following CMS nursing home long stay quality measures where the nursing facility has not failed to report data for any of the reporting periods Q2 2020, Q3 2020, Q4 2020 and Q1 2021, and the simple average of the quarters, as calculated by the Department with available data, is at or below the lower of the New Jersey or national average, as calculated by CMS, for the number of hospitalizations per 1,000 long-stay resident days,

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
NURSING HOME REIMBURSEMENT

STATE: New Jersey

**Section 22 cont'd. Payments for Medical Assistance Recipients**

(c) shall receive a performance add-on of \$1.80 if the percentage of long-stay residents who are assessed and/or given, appropriately, the influenza vaccination is at or above the higher of the New Jersey or national average for the CMS reporting influenza season ending Q2 2021, and

(d) shall receive a performance add-on of \$1.80 if the nursing facility has been deemed eligible to participate in the CoreQ survey process as determined by the Department and received a composite score of 75 percent or greater, as calculated by the DHS vendor, on the CoreQ Resident and Family Experience Survey for the fiscal year 2023 survey period; and

(6) each nursing facility shall receive a per diem adjustment that shall be calculated based upon an additional \$15,000,000 in State and \$15,000,000 in federal appropriations (amount includes fee-for-service and managed care).

(7) LTC-Behavioral Health nursing facilities approved pursuant to the Department of Health's expedited certificate of need being paid on a fee-for-service basis for custodial care shall be reimbursed at a per diem rate equal to eighty-five percent of the simple average of the four Class III (special care) LTC-Specialized Behavior Modification nursing facility rates minus any performance add-on amounts;

(a) for the purposes of this paragraph, a nursing facility's per diem reimbursement rate or negotiated rate shall not include, if the nursing facility is eligible for reimbursement, the difference between the full calculated provider tax add-on and the quality-of-care portion of the provider tax add-on, which difference shall be payable as an allowable cost pursuant to subsection d. of section 6 of P.L.2003, c.105 (C.26:2H-97); and

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
NURSING HOME REIMBURSEMENT

STATE: New Jersey

**Section 22 cont'd. Payments for Medical Assistance Recipients**

(b) the add-ons used for fiscal year 2022 shall be applied from July 1, 2022, through September 30, 2022 and the first add-on as calculated in section 2 above shall be applied to both MCO and fee-for-service per diem reimbursement rates effective October 1, 2022.

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TN 22-0015

Supersedes TN NEW

Approval Date: December 15, 2022

Effective Date: July 1, 2022