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State/Territory Name: NJ

State Plan Amendment (SPA) #: 23-0008

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

June 16, 2023

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

RE: NJ 23-0008

Dear Ms. Johnson,

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State Plan submitted under transmittal number (TN) 23-0008. This SPA provides an add-on payment for General Acute Care Critical Service for Pediatric patients who are 20 years old or younger.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1923 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 23-0008 is approved effective January 1, 2023. 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

Sincerely,



Rory Howe
Director

Enclosures

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 0 8

2. STATE

NJ

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

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

4. PROPOSED EFFECTIVE DATE

January 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 U.S. C. 1396a(a)(30)(A)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 31,633,384
b. FFY 2024 \$ 37,960,061

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

ATTACHMENT 4.19A Page I-29

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

same

9. SUBJECT OF AMENDMENT

General Acute Care Critical Service Add-On for Pediatric Clients

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

12. TYPED NAME
Sarah Adelman

13. TITLE
Commissioner, Department of Human Services

14. DATE SUBMITTED
3/23/23

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
3/23/2023

17. DATE APPROVED
June 16, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2023

19. APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, FMG

22. REMARKS

percentages for the top 10 percent of the total number of hospitals qualify for an additional five percent, which equals 15 percent add-on to the Statewide base rate.

3. High volume pediatric utilization is referred to as critical pediatric service. The data used to determine eligibility as a critical pediatric service provider is patient days from the Medicaid/NJ FamilyCare fee-for-service claims and Medicaid/NJ FamilyCare MCOs claims for pediatric beneficiaries who are 20 years old or younger. The methodology determines eligibility for the add-on amount by ranking pediatric patient days and deems eligible hospitals with pediatric patient days in the top 25 percent (referred to as the first quartile) of the total number of hospitals. Hospitals ranked in the top 10 percent qualify for a 15 percent add-on to the Statewide base rate, and hospitals ranked between 10 and 25 percent qualify for a 10 percent add-on to the Statewide base rate.

4. The Medicaid claims data used to calculate the add-on amounts as defined in (c)1,2 and 3 above, will be the most recent data available for which the Division has 24 months of Medicaid paid claims data as of July 1 of the year prior to the rate year. For each year the add-on amounts are calculated, the Medicaid claims will have DRGs assigned using the version of the DRGs Grouper that was used to pay the claims in that year.

5. The total number of hospitals reference in the (c)1, 2 and 3 above is all hospitals that are open at the beginning of the rate year. The total number of hospitals is used in the hospital counts in the calculation of add-on amounts under (c)1 above, regardless of whether or not the hospitals have data in the relevant MDCs. The number of hospitals as calculated in (c)1, 2 and 3 above are rounded to the nearest whole number.

(d) Regarding the treatment of closed hospitals, the calculation of add-on amounts will be determined as follows:

1. Hospitals expected to be closed by December 31 of the year prior to the rate year will be excluded from the add-on calculations. Only those hospitals with a Certificate of Need for closure approved by the Department of Health and a closure date set by Department of Health of December 31 or earlier will be excluded from the add-on calculations. The Division will only use hospital closure information available up to October 1 of the year prior to the rate year for add-on calculations; and

23-0008 MA (NJ)

TN: 23-0008

Supersedes: 18-07

Approval Date: June 16, 2023

Effective Date: January 1, 2023