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State/Territory Name: NJ

State Plan Amendment (SPA) 24-0004

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
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

January 17, 2025

Jennifer Jacobs, Assistant Commissioner
Division of Medical Assistance and Health Services
Department of Human Services
P.O. Box 712, Mail Code #26
Trenton, New Jersey 08625-0712
RE: TN 24-0004

Dear Commissioner Jacobs:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed New Jersey state plan amendment (SPA) to Attachment 4.19-B 24-0004, which was submitted to CMS on March 28, 2024. This plan amendment authorizes indirect medical education for HEALS in both fee-for-service and managed care delivery systems.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of January 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Debi Benson at 312-886-0360 or via email at Deborah.Benson@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 0 4

2. STATE

N J3. 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, 2024

5. FEDERAL STATUTE/REGULATION CITATION

Social Security Act Section 1902(a)(13), 42 CFR 438.60

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 105,417,000b. FFY 2025 \$ 140,556,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Supplement 1 to Attachment 4.19-B Page 4.3

Supplement 1 to Attachment 4.19-B Page 4.4

Supplement 1 to Attachment 4.19-B Page 4.5

Supplement 1 to Attachment 4.19-B Page 4.6

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

New

New

9. SUBJECT OF AMENDMENT

Medicaid Indirect Medical Education (IME) Payments for HEALS (Health Education, Advancement, Learning, and Success) Program

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

03/28/24

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

March 28, 2024

17. DATE APPROVED

January 17, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillon

21. TITLE OF APPROVING OFFICIAL

Director, Division of Reimbursement Review

22. REMARKS

Pen and ink change concurrence- 1/17/2025

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE/TERRITORY-New Jersey METHODS AND STANDARDS FOR ESTABLISHING
PAYMENT RATES-OTHER TYPES OF CARE

Medicaid Indirect Medical Education (IME) Payments for HEALS (Health Education, Advancement, Learning, and Success) Program –

Fee for Service

New Jersey Medicaid HEALS FFS Indirect Medical Education (IME) payments will be made directly to eligible Medicaid providers that meet the qualifications noted below.

Qualifications

To qualify for a HEALS FFS payment the provider must be either:

Category 1: A New Jersey Medicaid public psychiatric hospital that is owned by a New Jersey public university;

OR

Category 2: A New Jersey Medicaid dental provider employed by a New Jersey public school of dental medicine.

The HEALS FFS IME payments are in recognition of the New Jersey Medicaid fee for service share of indirect costs related to the educational and clinical training activities of health professionals and are intended to support the providers' affiliated health and medical schools in interprofessional training of allied health and medical professionals. Payments shall be made by the New Jersey Division of Medical Assistance and Health Services (DMAHS) directly to eligible providers. The annual payments are considered final and will not be reconciled.

The annual, computed HEALS FFS IME payments will be paid to eligible providers on a quarterly basis. The annual HEALS FFS IME payment pool will total no more than \$11M.

TN: 24-0004 MA (NJ)
Supersedes: New

Approval Date: January 17, 2025
Effective Date: January 1, 2024

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE/TERRITORY-New Jersey METHODS AND STANDARDS FOR ESTABLISHING
PAYMENT RATES-OTHER TYPES OF CARE

Medicaid Indirect Medical Education (IME) Payments for HEALS (Health Education, Advancement, Learning, and Success) Program –

The total payment pool will be divided as follows:

1. Providers in Category 1 above will receive 50% of the annual HEALS FFS payment pool, distributed equally amongst all eligible providers in Category 1.
2. Providers in Category 2 above will receive 50% of the annual HEALS FFS payment pool, distributed equally amongst all eligible providers in Category 2.

Managed Care

New Jersey Medicaid HEALS Managed Care Indirect Medical Education (IME) payments will be made directly to eligible Medicaid providers that meet the qualifications noted below.

Qualifications

To qualify for a HEALS Managed Care payment the provider must be either:

Category 1: A New Jersey Medicaid public psychiatric hospital that is owned by a New Jersey public university;

OR

Category 2: A New Jersey Medicaid dental provider employed by a New Jersey public school of dental medicine.

The HEALS Managed Care IME payments are in recognition of the New Jersey Medicaid Managed Care share of indirect costs related to the educational and clinical training activities of health professionals and are intended to support the providers' affiliated

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE/TERRITORY-New Jersey METHODS AND STANDARDS FOR ESTABLISHING
PAYMENT RATES-OTHER TYPES OF CARE

Medicaid Indirect Medical Education (IME) Payments for HEALS (Health Education,
Advancement, Learning, and Success) Program –

health and medical schools in interprofessional training of allied health and medical professionals. Payments shall be made by the New Jersey Division of Medical Assistance and Health Services (DMAHS) directly to eligible providers and shall not be included in the actuarially sound capitation rates paid to New Jersey Medicaid managed care plans in accordance with provisions under 42 CFR 438.60, which permit Medicaid GME payments for managed care services to be made as direct payments to providers outside of managed care capitation rates. The annual payments are considered final and will not be reconciled.

The annual, computed HEALS Managed Care IME payments will be paid to eligible providers on a quarterly basis. The annual HEALS Managed Care IME payment pool will total no more than \$210M.

The total payment pool will be divided as follows:

1. Providers in Category 1 above will receive 50% of the annual HEALS Managed Care payment pool, distributed equally amongst all eligible providers in Category 1.
2. Providers in Category 2 above will receive 50% of the annual HEALS Managed Care payment pool, distributed equally amongst all eligible providers in Category 2.