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State Territory Name: NEW JERSEY

State Plan Amendment (SPA) #: NJ-24-0012

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

December 11, 2025

Gregory Woods, Assistant Commissioner
Division of Med Asst & Health Services
State of New Jersey
P. O. Box 712, Mail Code #26
Trenton, NJ 08625-0712

RE: New Jersey State Plan Amendment Transmittal Number 24-0012

Dear Assistant Commissioner Woods:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed New Jersey state plan amendment (SPA) to Attachment 4.19-D, NJ-24-0012, which was submitted to CMS on September 24, 2024. This plan amendment titled, "Nursing Facility Reimbursement: per diem add-on rate" updates the process for setting add-on rates for nursing facilities.

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 July 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 Wendy Harrison at 443-847-0369 or via email at wendy.harrison@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of the Director.

Rory Howe
Director

Enclosures

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 1 2

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

July 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION

Social Security Act 1902(a)(13)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 196,250b. FFY 2025 \$ 785,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D Pages 49-52

Attachment 4.19-D Page 1

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

new

Attachment 4.19-D Page 1, TN 23-0020

9. SUBJECT OF AMENDMENT

SFY 2025 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

12. TYPED NAME

Sarah Adelman

13. TITLE

Commissioner, Department of Human Services

14. DATE SUBMITTED

9/24/24

15. RETURN TO

Gregory Woods, 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

9/24/2024

17. DATE APPROVED

December 11, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, FMG

22. REMARKS

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, 2024, through June 30, 2025, 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, 2024 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 or \$450 per diem and that Class III (special care) nursing facilities licensed pursuant to a Certificate of Need to operate a traumatic brain injury unit as of July 1, 2023 shall be reimbursed the greater of this rate or at a base per diem reimbursement rate that is \$400 above the special care nursing facility's base per diem reimbursement rate as of June 30, 2022 and that Class III (special care) nursing facilities licensed pursuant to a Certificate of Need to operate a neurologically impaired young adult unit as of July 1, 2024 shall be reimbursed at a minimum, the greater of the special care nursing facility's FY 2024 base per diem rate or \$804 per diem;

(2) 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 Medicaid cost;

(3) The add-ons used for fiscal year 2024 shall be applied from July 1, 2024, through September 30, 2024 and effective October 1, 2024 the per diem add-on rate will be \$13.67 as described in section 2 above;

TN 24-0012

Supersedes
TN NEW

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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

(4) Each Class I, Class II, and Class III nursing facility that has not been determined ineligible for a performance add-on based on the criteria determined by the Commissioner of Human Services as described in section 6:

(a) shall receive a performance add-on of \$3.00 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 Q4 2022, Q1 2023, Q2 2023 and Q3 2023, 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 losing too much weight and high risk residents with a pressure ulcer;

(b) shall receive a performance add-on of \$3.00 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 Q3 2022, Q4 2022, Q1 2023 and Q2 2023, 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;

(c) shall receive a performance add-on of \$3.00 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 85 percent or greater, as calculated by the DHS vendor, on the CoreQ Resident and Family Experience Survey for the fiscal year 2025 survey period;

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NURSING HOME REIMBURSEMENT

STATE: New Jersey

Section 22 cont'd. Payments for Medical Assistance Recipients

(d) shall receive a performance add-on of \$4.50 for the following CMS staff measure where the nursing facility has not failed to report data for any of the reporting periods Q4 2022, Q1 2023, Q2 2023 and Q3 2023 and the simple average of the quarters, as calculated by the Department with the available data, is at or below 30 percent, as calculated by CMS, for the percentage of total nursing staff that are no longer employed at the facility;

(e) shall receive a performance add-on of \$4.50 for the following CMS staff measure where the nursing facility has not failed to report data for any of the reporting periods Q4 2022, Q1 2023, Q2 2023 and Q3 2023 and the simple average of the quarters, as calculated by the Department with the available data, is at or above the New Jersey average and below 4.1 hours per resident day, as calculated by CMS, for the total nurse staffing hours adjusted per resident day;

(f) shall receive a performance add-on of \$6.75 for the following CMS staff measure where the nursing facility has not failed to report data for any of the reporting periods Q4 2022, Q1 2023, Q2 2023 and Q3 2023 and the simple average of the quarters, as calculated by the Department with the available data, is at or above 4.1 hours per resident day, as calculated by CMS, for the total nurse staffing hours adjusted per resident day; and

(g) shall receive a performance add-on of \$1.25 for the following CMS staff measures where the nursing facility has not failed to report any data for any of the reporting periods Q4 2021, Q1 2022, Q2 2022, Q3 2022, Q4 2022, Q1 2023, Q2 2023 and Q3 2023 and the simple average of Q4 2022, Q1 2023, Q2 2023 and Q3 2023, as calculated by the Department using available data, is equal to or greater than 100.5% of the simple average of Q4 2021, Q1 2022, Q2 2022, and Q3 2022, as calculated by the Department using available data, and is at or above 3.6 hours per resident day and below 4.1 hours per resident day, as calculated by CMS, for total nurse staffing hours adjusted per resident day.

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NURSING HOME REIMBURSEMENT

STATE: New Jersey

Section 22 cont'd. Payments for Medical Assistance Recipients

(5) No Class I, Class II, or Class III nursing facility shall be eligible to receive a performance add-on as described in sections 5(a)-5(g) if the nursing facility:

(a) has failed to submit to the Department of Human Services (DHS), by the deadline established by the Commissioner of Human Services, the DHS Fiscal Year 2025 CoreQ Long-Stay Survey Sample Size Calculation Grid with affirmative answers to validated Hospital Utilization Tracking system use and CoreQ vendor intent;

(b) has failed to complete the CoreQ Long-Stay Survey sample size calculation by the deadline established by the Commissioner of Human Services;

(c) if eligible for CoreQ, has failed to submit demographics to the CoreQ vendor to initiate the CoreQ survey process by the deadline established by the Commissioner of Human Services;

(d) was included in calendar year 2023 on the Centers for Medicare and Medicaid Services (CMS) Special Focus Facility Lists A, B, E, or F;

(e) ranked in calendar year 2023 as a one-star facility by the CMS Five-Star Quality Rating System; or,

(f) was cited in calendar year 2023 by the Department of Health for two or more Level G or higher licensing violations.

(6) Each nursing facility shall receive a \$8.45 per diem adjustment that shall be calculated based upon an additional \$37,200,000 in State and \$37,200,000 in federal appropriations.

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TN NEW

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**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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