

## **Table of Contents**

**State Territory Name: NEW JERSEY**

**State Plan Amendment (SPA) #: 24-0015**

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  
230 South Dearborn  
Chicago, Illinois 60604



---

**Financial Management Group**

October 29, 2024

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

RE: TN 24-0015

Dear Director Jacobs:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed New Jersey state plan amendment (SPA) to Attachment 4.19-B 24-0015, which was submitted to CMS on September 18, 2024. This plan amendment updates rates for Federally Qualified Health Centers (FQHC).

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 Debi Benson at 312-886-0360 or via email at [Deborah.Benson@cms.hhs.gov](mailto: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 1 5

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

July 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION

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

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 675,000  
b. FFY 2025 \$ 2,025,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19B  
Pages 9(c) (6) and (c)(7)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

same

9. SUBJECT OF AMENDMENT

Federally Qualified Health Center (FQHC) rates

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. SOCIAL

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

12. TYPED NAME  
Sarah Adelman

13. TITLE  
Commissioner, Department of Human Services

14. DATE SUBMITTED  
9/18/24

**FOR CMS USE ONLY**

16. DATE RECEIVED  
September 18, 2024

17. DATE APPROVED  
October 29, 2024

**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  
Todd McMillion

21. TITLE OF APPROVING OFFICIAL  
Director, Division of Reimbursement Review

22. REMARKS

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

Reimbursement for Non-Institutional Services

State of New Jersey

**FEDERALLY QUALIFIED HEALTH CENTERS**

payment exceed the charge by the provider for identical services to other governmental agencies, or other groups or individuals in the community. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of these services.

The effective date of the applicable fee schedules as well as a link to their electronic publication can be found on page 36 of Amendment 4.19-B of the State Plan.

- 1) Antepartum and Postpartum encounters provided to Medicaid/NJ FamilyCare fee-for-service beneficiaries that are not included in the delivery code reimbursement, will be reimbursed to the FQHC at the PPS encounter rate.
- 2) Post-surgical encounters provided to the Medicaid/NJ FamilyCare fee-for-service beneficiaries that are not included in the Ob/Gyn surgical code reimbursement, will be reimbursed to the FQHC at the PPS encounter rate.
- 3) FQHCs shall receive reimbursement for deliveries and Ob/Gyn surgeries specified on the fiscal agent's website at [www.njmmis.com](http://www.njmmis.com)

b) Alternative Payment Methodology III – On or After October 1, 2020

A. Effective on or after service dates on or after October 1, 2020, FQHCs providing services to Medicaid/NJ FamilyCare fee-for-service beneficiaries who elect to be paid under this methodology, shall be reimbursed with the Alternative Payment Methodology III (APM III).

- 1) The APM III will pay a rate equivalent to 100 percent of the Medicare FQHC base payment rate, adjusted for each FQHC based on the facility's location (referred to as FQHC geographic adjustment or FQHC GAF) plus \$24.05 in accordance to Section 1834(o)(1)(A) of the Social Security Act.
- 2) FQHCs located in following counties are considered Northern Jersey (Bergen, Essex, Hudson, Hunterdon, Middlesex, Morris, Passaic,

TN: 24-0015

Approval Date October 29, 2024

Supersedes TN: 20-0015

Effective Date July 1, 2024

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

Reimbursement for Non-Institutional Services

State of New Jersey

**FEDERALLY QUALIFIED HEALTH CENTERS**

- 3) Somerset, Sussex, Union and Warren. FQHCs located in the following counties are considered Rest of Jersey (Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Monmouth, Ocean and Salem)

The FQHC APM III rate will be calculated as follows:

(Medicare Base PPS payment rate x FQHC GAF) + \$24.05= APM rate

- 4) The alternative methodology encounter rate shall be updated annually using the MEI (as defined in section 1842(i)(3) of the Social Security Act) and the FQHC geographic adjustment factor.
  1. DMAHS will compare the amount paid under this APM to what would have been reimbursed under the PPS per visit encounter rate. This payment will be calculated annually, at the time the next year's MEI is published. If it is determined that the APM encounter rate is less than the PPS encounter rate, a one-time payment will be issued within 60 days of the date the MEI is published.
- 5) The alternative methodology encounter rate may be adjusted for a change in scope of services (as defined in Section III)

**B. New FQHC Providers on or after October 1,2020**

- 1) A new provider will become eligible to be considered for the APM III established above in the first year if the new FQHC agrees to the APM III. The APM III will be effective on or after the new FQHC has a signed agreement with the State. For new providers the interim rate shall be the State-wide average FQHC encounter rate where the FQHC is located (Northern Region or the Rest of New Jersey).
- 2) If the new provider elected to change to the PPS encounter rate, DMAHS will compare the amount paid under this APM versus the amount to be paid under the PPS per visit encounter rate. This payment will be calculated based on the second year of cost report. If it is

**TN: 24-0015**

**Approval Date** October 29, 2024

**Supersedes TN: 20-0015**

**Effective Date** July 1, 2024