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State/Territory Name: NJ

State Plan Amendment (SPA) #: 25-0015

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604

Financial Management Group

August 18, 2026

Gregory Woods, Assistant Commissioner
Division of Medical Assistance and Health Services
P.O. Box 712, Mail Code #26
Trenton, NJ 08625-0712

RE: TN 25-0015

Dear Director Woods:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed New Jersey State Plan Amendment (SPA) to Attachment 4.19-B 25-0015, which was submitted to CMS on December 30, 2025. This amendment implements supplemental payments for physician and other eligible professional practitioner services rendered to Medicaid beneficiaries.

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 October 1, 2025. 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 Blake Holt at 303-844-6218 or via email at blake.holt@cms.hhs.gov.

Sincerely,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25 — 0015

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
October 1, 2025

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

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY ~~2025~~ 2026 $ ~~0~~ 2,429,849
b. FFY ~~2026~~ 2027 $ ~~9,877,220~~ 2,429,849

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Supplement 1 to Attachment 4.19-B Pages 4.7 and 4.8

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*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

9. SUBJECT OF AMENDMENT
Supplemental Payments for Physician and Professional Services at Qualifying Professional Services Practices

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]

12. TYPED NAME
Sarah Adelman

13. TITLE
Commissioner, Department of Human Services

14. DATE SUBMITTED
12/30/2025

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
12/30/2025

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
10/01/2025

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

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

22. REMARKS
02/22/26: State authorizes CMS to provide a Pen and Ink change to items 6 a. and 6.b. to reflect the correct fiscal years of 2026 and 2027.

06/26/26: State authorizes CMS to provide a Pen and Ink change to items 6 a. and 6 b. to reflect the correct federal budget impacts of $2,429,849 for both years.

Instructions on Back

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

Supplemental Payments for Physician and Professional Services at Qualifying Professional Services Practices

New Jersey Medicaid Supplemental payments will be made directly to eligible Medicaid physicians and other eligible professional service practitioners that meet the qualifications noted below.

Qualifications

To qualify for the supplemental payment, the physician or professional service practitioner must be:

1: licensed by the State of New Jersey and enrolled as a New Jersey Medicaid provider,

AND

2: associated with one of the following:

- AtlantiCare Health System (South Jersey)
- Holy Name Medical Center (North Jersey)
- Saint Peter's University Hospital (Central Jersey)

Practitioners eligible for payments under this Program are either employed by or contracted with the identified providers. The defined Provider Class, which includes all Medicaid provider types, is critical to ensuring that Medicaid beneficiaries in the designated geographic regions have access to necessary primary and specialty services. By regionalizing this program across North, Central, and South Jersey, Medicaid beneficiaries will be afforded greater access to Medicaid services across New Jersey.

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

For services provided by physicians or other professional service providers meeting the criteria as set forth above, the state will annually collect Medicaid and commercial data from each qualifying provider by CPT code. This information is used to annually develop the commercial rate conversion factor, which is the ratio of the sum of the commercial rate payments for the specified providers listed above, to the sum of the Medicaid payments for the specified providers listed above. The state's vendor uses a full year of data (from the previous complete year available) to calculate the average commercial rate (ACR) for these entities using commercial and Medicaid data. The vendor compares the Medicaid payments to the top 5 commercial payers to arrive at a percentage markup over Medicaid that is the commercial rate conversion factor. This factor is utilized for the entire SFY. Actual results will be determined by actual utilization during the current SFY rating period. The total Medicaid reimbursement is equal to the average commercial rate of 174% of the Medicaid base payments for this provider class. For each quarter, the state will extract paid Medicaid claims for each qualifying provider type for that quarter. Only claims for which FFS Medicaid is the primary payer will be included in the quarterly extract. Cross-over claims, payments associated with managed care, and those with third party liability (TPL) will not be included in the rate calculation. The total amount that was paid for those claims is then multiplied by the commercial rate conversion factor. The amount Medicaid actually paid for those claims is subtracted to establish the supplemental payment amount for the qualifying provider for that quarter. Quarterly, lump sum payments will be made to the qualifying provider using actual utilization each quarter.

The supplemental payment will be made effective for services provided on or after October 1, 2025.