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State/Territory Name: New Jersey

State Plan Amendment (SPA) #: 25-0017

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Form CMS-179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

March 27, 2026

Gregory Woods
Assistant Commissioner
P.O. Box 712, Mail Code #26
Trenton, NJ 08625-0712

Re: New Jersey State Plan Amendment (SPA) – 25-0017

Dear Assistant Commissioner Woods:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0017. The state proposes to amend the State Plan to add services provided by Certified Community Behavioral Health Clinics (CCBHCs) and describe payment methodologies for these services. CCBHCs provide integrated and comprehensive behavioral health services to individuals with mental health and substance use disorders.

We conducted our review of your submittal according to statutory requirements at Section 1905(a)(13) of the Social Security Act and implementing regulations at 42 C.F.R. §440.130(d). This letter informs you that New Jersey's Medicaid SPA TN 25-0017 was approved on March 27, 2026, with an effective date of October 1, 2025.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the New Jersey State Plan.

If you have any questions, please contact Terri Fraser at (410) 786-5573 or via email at Terri.Fraser@cms.hhs.gov.

Sincerely,

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

Nicole McKnight
On Behalf of Courtney Miller, MCOG Director

Enclosures

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

1. TRANSMITTAL NUMBER
2 5 — 0 0 1 7

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
42 CFR 440.130(d)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 \$ 35,866,884
b. FFY 2027 \$ 36,669,218

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
~~Addendum to Attachment 3.1-A, Page 13(d)(21) (34); and~~
~~Addendum to Attachment 3.1-B, Page 13(d)(2)~~
~~Supplement 1 to Attachment 4.19-B, Page 11-14-11-18~~
~~Addendum to Attachment 3.1-A, Page 13(d).21 through 13(d).36~~

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)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

9. SUBJECT OF AMENDMENT
Certified Community Behavioral Health Clinics

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. _____ Y OFFICIAL

15. RETURN TO
Gregory Woods, Assistant Commissioner
Division of Medical Assistance and Health Services
P.O. Box 712, Mail Code #26
Trenton, NJ 086250712

12. TYPED NAME
Sarah Adelman

13. TITLE
Commissioner, Department of Human Services

14. DATE SUBMITTED
12/30/2025

FOR CMS USE ONLY

16. DATE RECEIVED
December 30, 2025

17. DATE APPROVED
March 27, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Nicole McKnight

21. TITLE OF APPROVING OFFICIAL
On Behalf of Courtney Miller, MCOG Director

22. REMARKS

3/18/26 - P&I changes to Box 7 per the state's request. (TF)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**STATE OF NEW JERSEY****Limitations on Amount, Duration and Scope of Services Provided to the Categorically
Needy****13(d) Rehabilitative Services - Certified Community Behavioral Health Center Services****Certified Community Behavioral Health Center (CCBHC) Services**

A Certified Community Behavioral Health Center (CCBHC) is an entity that provides a comprehensive set of outpatient, community-based mental health and substance use disorder services. CCBHCs are designed to improve access to high-quality, coordinated, and comprehensive community-based behavioral health care. Entities that seek to operate as a CCBHC and provide CCBHC services must obtain certification from the New Jersey Department of Human Services (DHS).

CCBHC services are provided by a spectrum of providers employed by or affiliated with the CCBHC. CCBHC rendering providers must meet all applicable licensure and certification requirements set forth in New Jersey law and regulation, the scope of practice definitions of local and national licensure boards, and State agency policy regarding qualifications. Individuals actively working towards licensure are also eligible to provide services under supervision in accordance with their professional licensure standards.

CCBHCs may contract with a Designated Collaborative Organization (DCO) to provide specific CCBHC services identified by the State. The CCBHC is ultimately responsible for ensuring that contracted services are delivered with the same level of quality required by certification and applicable State law and regulation. The CCBHC maintains clinical responsibility for the services delivered by contracted DCOs, and DCO providers must comply with the same licensure and certification requirements set forth in New Jersey law and regulation, the scope of practice definitions of local and national licensure boards, and State agency policy regarding qualifications. To the extent that services are required that cannot be provided by either the CCBHC directly or by a DCO, referrals may be made to other qualified providers or entities.

CCBHC Service Array

1. Crisis Services
2. Person and/or Family-Centered Treatment Planning
3. Screening, Assessment, Diagnosis, and Risk Assessment

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4. Outpatient Mental Health and Substance Use Services
5. Comprehensive Care Management
6. Outpatient Primary Care Screening and Monitoring
7. Peer, Family Support, and Counselor Services
8. Psychiatric Rehabilitation Services

Service Definitions and Provider Requirements

The following tables provide a description of each rehabilitation-specific CCBHC service, eligible providers who may be involved in delivering the service to the extent their scope of practice allows, and provider requirements.

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Service Definition and Eligible Providers

Service	Definition	Eligible Providers
<p>Crisis Services</p>	<p>Services provided to an individual who is experiencing a behavioral health crisis. Services are available 24/7 and may occur in a variety of locations. Interventions and strategies may include:</p> <ul style="list-style-type: none"> a) Contributing to the development and implementation of the individual’s crisis plan and, as appropriate, executing a Psychiatric Advance Directive b) Screening and assessment c) Interventions to de-escalate the crisis d) Referral and linkage to appropriate supports and services e) Coordinate or provide transportation for the individual to facilitate crisis stabilization (if needed) 	<ul style="list-style-type: none"> • Physician/Psychiatrist • Psychologist • Advanced Practice Nurse • Registered Nurse • Licensed Practical Nurse • Licensed Practitioner of the Healing Arts, including: <ul style="list-style-type: none"> – Licensed Clinical Social Worker – Licensed Rehabilitation Counselor – Licensed Professional Counselor – Licensed Marriage and Family Therapist • Master's Level Support Staff • Bachelor's Level Support Staff • Associate’s Level Support Worker • Licensed Clinical Alcohol and Drug Counselor • Certified Alcohol and Drug Counselor • Certified Mobile Response and Stabilization Professional through the Children’s System of Care (only for referral and linkage to appropriate supports and services) • Peer Support Specialist
<p>Screening, Assessment, and Diagnosis, including risk assessment</p>	<p>Assessment – Comprehensive evaluation of an individual’s physical health history, mental health, substance use, and emotional health to determine an individual’s needs and treatment plan. Services include:</p> <ul style="list-style-type: none"> a) Risk assessment to determine emergency, urgent, and/or routine need for services. b) Documentation of presenting needs, brief history (inclusive of psychosocial, developmental, educational, familial needs, and social determinants of health), current medications, current medical conditions, current 	<ul style="list-style-type: none"> • Physician/Psychiatrist • Clinical Psychologist • Advanced Practice Nurse • Registered Nurse • Licensed Practitioner of the Healing Arts, including: <ul style="list-style-type: none"> – Licensed Clinical Social Worker – Licensed Rehabilitation Counselor – Licensed Professional Counselor – Licensed Marriage and Family Therapist • Licensed Clinical Alcohol and Drug Counselor • Certified Alcohol and Drug Counselor • Licensed Associate Art Therapist or Licensed Professional Art Therapist

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Service	Definition	Eligible Providers
	<p>symptoms, and other applicable information and needs</p> <p>c) Development of treatment recommendations</p>	<ul style="list-style-type: none"> • Licensed Occupational Therapist • Licensed Speech and Language Therapist
	<p>Psychological Testing – The administration of psychological tests</p>	<ul style="list-style-type: none"> • Physician/Psychiatrist • Psychologist
<p>Person and Family-Centered Treatment Planning</p>	<p>A collaborative process directed by the individual or their legally authorized representative receiving care that results in the development of treatment goals and provision of services. Treatment plans should be strength-based and identify individual needs, goals, preferences, capacities, and desired outcomes. Effective person and family-centered treatment planning strengthens the voice of the individual, builds resiliency, and fosters recovery. The treatment goals and services should be designed to emphasize wellness and recovery and attend to the individual’s overall well-being and full inclusion in the community of their choice. Individuals and families are core participants in the development of the plan and goals of treatment. The person and family-centered treatment plan is developed by the CCBHC treatment team, consisting of: 1) the individual or their legally authorized representative; 2) the family/caregiver and other natural supports identified by the individual; and 3) CCBHC clinical and support staff.</p> <p>This process is conducted by a treatment team. The initial treatment plan must be reviewed and signed off by the individual or their authorized representative and one of the</p>	<p>The person and family-centered treatment planning is completed by an interdisciplinary treatment team that is composed of practitioners qualified to furnish covered services. The clinical treatment team members may include:</p> <ul style="list-style-type: none"> • Physician/ Psychiatrist • Physician Assistant • Psychologist • Advanced Practice Nurse • Registered Nurse • Licensed Practical Nurse • Licensed Practitioner of the Healing Arts, including: <ul style="list-style-type: none"> – Licensed Clinical Social Worker – Licensed Rehabilitation Counselor – Licensed Professional Counselor – Licensed Marriage and Family Therapist • Master’s Level Support Staff • Bachelor’s Level Support Staff • Associate’s Level Support Worker • Licensed Clinical Alcohol and Drug Counselor • Certified Alcohol and Drug Counselor • Certified Mobile Response and Stabilization Professional through the Children’s System of Care (only for referral and linkage to appropriate supports and services) • Peer Support Specialist <p>Other team members may include the following:</p>

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Service	Definition	Eligible Providers
	<p>providers in the list following this paragraph.</p> <p>If the treatment plan is signed by a licensure candidate, it must also be signed by a fully licensed behavioral health provider.</p> <p>The State assures that these services are for the direct benefit of the beneficiary, in accordance with the beneficiary's needs and treatment goals, and for the purpose of assisting in the beneficiary's recovery.</p>	<ul style="list-style-type: none"> ● Case Manager ● Licensed Associate Art Therapist or Licensed Professional Art Therapist ● Licensed Occupational Therapist ● Licensed Speech and Language Therapist ● Certified Wellness Coach ● Community Health Worker
<p>Outpatient Mental Health and Substance Use Services</p>	<p>Services that are designed to treat behavioral health disorders in a manner consistent with the individual's phase of life and development specifically considering children, adolescents, emerging adults, and older adults as distinct groups for whom life stage and functioning may affect treatment. The provision of outpatient mental health and substance use services is informed and determined by the screening, assessment, and diagnosis process, as well as the person and family-centered treatment plan. Outpatient services shall incorporate behavioral health evidence-based and consensus-based best practices and maintain consistency with the needs of individuals, children/youth, and family/caregivers.</p> <p>Outpatient Mental Health and Substance Use Services include, at a minimum, the following services when clinically indicated and within the provider's scope of practice:</p>	<ul style="list-style-type: none"> ● Physician/Psychiatrist ● Psychologist ● Advanced Practice Nurse ● Registered Nurse ● Licensed Practical Nurse ● Licensed Practitioner of the Healing Arts, including: <ul style="list-style-type: none"> – Licensed Clinical Social Worker – Licensed Rehabilitation Counselor – Licensed Professional Counselor – Licensed Marriage and Family Therapist ● Master's Level Support Staff ● Bachelor's Level Support Staff ● Associate's Level Support Worker ● Licensed Clinical Alcohol and Drug Counselor ● Certified Alcohol and Drug Counselor ● Certified Mobile Response and Stabilization Professional through the Children's System of Care (only for referral and linkage to appropriate supports and services) ● Peer Support Specialist

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Service	Definition	Eligible Providers
	<ul style="list-style-type: none"> • Comprehensive diagnostic assessment, ongoing diagnostic updates, and treatment planning; • Individual, group, family, and outpatient psychotherapy (evidence-based modalities, short- and long-term as clinically appropriate); • Medication evaluation and medication management, including psychopharmacologic monitoring; coordination with MAT for substance use, brief intervention and counseling for substance use (e.g., SBIRT) where indicated. Outpatient crisis intervention and short-term stabilization (see Crisis Services for 24/7/mobile supports); • Care planning and coordination with primary care, specialty medical providers, and community supports; and • Psychoeducation and health promotion. 	<ul style="list-style-type: none"> • Licensed Associate Art Therapist or Licensed Professional Art Therapist • Licensed Occupational Therapist • Licensed Speech and Language Therapist
<p>Psychiatric Rehabilitation Services</p>	<p>Services that are designed to assist the individual to overcome behavioral health barriers that may have interfered with the ability to function independently. Psychiatric Rehabilitation Services help support the individual to integrate as an active and productive member of their community and family with minimal ongoing professional interventions and to restore, rehabilitate, and support an individual’s functional level as much as possible.</p>	<ul style="list-style-type: none"> • Physician/Psychiatrist • Psychologist • Advanced Practice Nurse • Registered Nurse • Licensed Practical Nurse • Licensed Practitioner of the Healing Arts, including: <ul style="list-style-type: none"> – Licensed Clinical Social Worker – Licensed Rehabilitation Counselor – Licensed Professional Counselor – Licensed Marriage and Family Therapist • Master's Level Support Staff

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Service	Definition	Eligible Providers
	<p>Psychiatric Rehabilitation Services include, at a minimum, the following evidence-based rehabilitation services when clinically indicated and within the provider’s scope of practice:</p> <ul style="list-style-type: none"> • Community integration supports that help people to achieve social inclusion and community connectedness; • Individual and family/caregiver psychoeducation; • Medication education and self-management techniques; • Supported employment and vocational rehabilitation services that are rehabilitative, time-limited, and focused on restoring or improving functional capacity to obtain and maintain employment, identifying and addressing behaviors that interfere with work performance, managing symptoms that impact employment stability, improving time management and capacity to follow directions, and reducing behaviors associated with risk of job loss; • Services that help people to participate in supported education or other educational services, managing symptoms that interfere with educational performance, and reducing behaviors associated with risk of educational failure; and • Services that help people to find and maintain safe and 	<ul style="list-style-type: none"> • Bachelor's Level Support Staff • Associate’s Level Support Worker • Licensed Clinical Alcohol and Drug Counselor • Certified Alcohol and Drug Counselor • Certified Mobile Response and Stabilization Professional through the Children’s System of Care (only for referral and linkage to appropriate supports and services) • Peer Support Specialist • Licensed Occupational Therapist

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Service	Definition	Eligible Providers
	<p>stable housing, including support and assistance in restoration and maintenance of daily living skills (e.g., grooming, personal hygiene, nutrition, medication management), intensive support to reduce symptoms that interfere with ability to sustain stable housing, and support for those unable to tolerate congregate living arrangements due to psychiatric symptoms, substance use relapse, or behaviors associated with risk of rehospitalization or incarceration</p>	
<p>Peer Support and Counselor Services and Family Supports</p>	<p>Peer support services include nonclinical assistance and support throughout all stages of the behavioral health recovery process. Peer support services are individualized, recovery-focused, and based on a relationship that supports the ability to promote recovery and, as applicable, support relapse prevention. These services include activities that engage each individual and promote recovery, self-determination, self-advocacy, well-being, independence, and community and family relationships.</p> <p>Family support services are for the direct benefit of the individual and assist individuals and their families in the use of strategies for coping, resiliency, self-advocacy, symptom management, crisis support, and recovery. Support services may include, but are not limited to: skill building, connection to community resources, education, and training on</p>	<ul style="list-style-type: none"> ● Peer Support Specialists <ul style="list-style-type: none"> – Certified Wellness Coach – Certified Psychiatric Rehabilitation Practitioner – Certified Community Mental Health Associate – Certified Recovery Support Practitioner – Certified Peer Recovery Specialist ● Family Support Specialist

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Service	Definition	Eligible Providers
	behavioral health needs and/or in-home support services to maintain and enhance the quality of life of a family.	
Comprehensive Care Management	<p>Comprehensive services that are intended to support the long-term wellness and recovery goals of individuals with complex and/or chronic behavioral health issues and needs through interventions designed to provide timely, high-quality, and efficient care. Comprehensive Care Management services are organized around goals aimed at providing linkages to services and supports that encourage individuals to sustain recovery and gain access to needed medical, behavioral health, and other services and supports to restore the beneficiary to their best possible functional level. Comprehensive Care Management services include, but are not limited to, assessment, service planning, services linkage, ongoing monitoring, ongoing clinical support, and advocacy.</p> <p>Comprehensive Care Management provides an intensive, long-term level of support that is different than care coordination, which is a basic expectation for all people served by the CCBHC.</p>	<ul style="list-style-type: none"> • Case Manager • Care Manager • Advanced Practice Nurse • Registered Nurse • Licensed Practical Nurse • Licensed Associate Counselors • Physician/Psychiatrist • Psychologist • Licensed Practitioner of the Healing Arts, including: <ul style="list-style-type: none"> – Licensed Clinical Social Worker – Licensed Rehabilitation Counselor – Licensed Professional Counselor – Licensed Marriage and Family Therapist • Master's Level Support Staff • Bachelor's Level Support Staff • Associate's Level Support Worker • Licensed Clinical Alcohol and Drug Counselor • Certified Alcohol and Drug Counselor • Certified Mobile Response and Stabilization Professional through the Children's System of Care (only for referral and linkage to appropriate supports and services) • Peer Support Specialist

Service Limitations

1. CCBHC services are delivered in accordance with an individual's integrated treatment plan. CCBHC services that involve the participation of a non-Medicaid eligible individual are for the direct benefit of the Medicaid beneficiary. The service(s) must actively involve the beneficiary in the sense of being tailored to the beneficiary's individual needs. There may be times when, based on clinical judgment, the beneficiary is not present during the delivery of the service, but remains the focus of the service.

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- Services do not include reimbursement for room and board, and reimbursement will not be provided for services provided to individuals in an Institution for Mental Diseases (IMD).

Provider Qualifications

Provider	Qualifications	Supervision
Advanced Practice Nurse	Licensed by applicable New Jersey State Board.	This position does not need supervision; this position supervises others. Joint practice/protocol with a physician is required for prescribing.
Associate’s Level Support Worker	Graduation from an accredited college or university with an Associate’s degree in one of the helping professions such as social work, human services, counseling, psychiatric rehabilitation, psychology, criminal justice, or related field.	Under the supervision of a Master’s Level Support Staff.
Bachelor’s Level Support Staff	Graduation from an accredited college or university with a Bachelor’s degree in one of the helping professions such as social work, human services, counseling, psychiatric rehabilitation, psychology, criminal justice, or related field.	Under the supervision of a Master’s Level Support Staff.

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Provider Qualifications

Provider	Qualifications	Supervision
Care Manager	<p>Minimum of:</p> <ol style="list-style-type: none"> 1. Bachelor's Degree or a Master's degree in one of the helping professions such as social work human services, counseling, psychiatric rehabilitation, psychiatric nursing, psychology, criminal justice, or related field; and 2. One year related experience as a care manager or related field. 	Bachelor's Level providers work under the supervision of a licensed master's level provider or higher.
Case Manager	<p>Minimum of:</p> <ol style="list-style-type: none"> 1. Bachelor's Degree or a Master's degree in one of the helping professions such as social work human services, counseling, psychiatric rehabilitation, psychiatric nursing, psychology, criminal justice, or related field; and 2. One year related experience as a case manager or related field. 	Bachelor's level providers work under the supervision of a licensed master's level provider or higher.
Certified Alcohol and Drug Counselor	Certified by applicable New Jersey State Board.	<p>Under the supervision of a:</p> <ul style="list-style-type: none"> • Licensed Clinical Alcohol and Drug Counselor; • State licensed physician, certified by the American Society of Addiction Medicine or a psychiatrist; or <p>State certified advanced practice nurse, licensed psychologist, licensed clinical social worker, licensed marriage and family therapist or licensed professional counselor, all of whom shall be certified as clinical supervisors by International Certification Reciprocity member boards.</p>

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Provider Qualifications

Provider	Qualifications	Supervision
Certified Mobile Response and Stabilization Professional through the Children’s System of Care	<p>Licensed behavioral clinician, who at a minimum is licensed in behavioral health fields such as social work, counseling, psychology, or psychiatric nursing, with clinical and supervisory experience, who, within the scope of their practice as defined in New Jersey State Statute and regulation, has the authority to directly provide or supervise the provision of these services.</p> <p>The direct care staff must possess, at a minimum, a bachelor’s degree in a behavioral health or related human services field, such as social work, counseling, or psychology, with a minimum of one year of related work experience, or possess a master’s degree in a behavioral health or related human services field.</p>	Direct care staff work under the supervision of a licensed behavioral clinician.
Community Health Worker	Community Health Worker, who has completed Community Health Worker training approved by the State.	This position is subject to the supervision and oversight of the CCBHC.
Family Support Specialist	Family Support Specialists are employed by, deliver services, and receive supervision through a CCBHC. Family Support Specialists share common life experiences with the target population, have a high school diploma or equivalent. Family Support Specialists must have a recognized family support/family peer certification or credential and/or training to provide these services, as defined by the State.	This position is subject to the supervision and oversight of the CCBHC.
Licensed Associate Counselor	Licensed by applicable New Jersey State Board.	Under the supervision of a Licensed Professional Counselor.

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Provider Qualifications

Provider	Qualifications	Supervision
Licensed Clinical Alcohol and Drug Counselor	Licensed by applicable New Jersey State Board.	This position does not need supervision.
Licensed Occupational Therapist	Licensed by New Jersey State Occupational Therapy Advisory Council	This position does not need supervision.
Licensed Practical Nurse	Graduation from an accredited nursing training program and licensed in New Jersey as a Licensed Practical Nurse.	Under supervision of a Registered Nurse.
Licensed Practitioner of the Healing Arts, including: <ul style="list-style-type: none"> – Licensed Clinical Social Worker – Licensed Rehabilitation Counselor – Licensed Professional Counselor – Licensed Marriage and Family Therapist 	Master's degree in Social Work, Rehabilitation Counseling or related behavioral health or counseling program. For Licensed Marriage and Family Therapist, plus one year experience in community behavioral health setting. Certified Psychiatric Rehabilitation Practitioner may be substituted for one year experience.	These positions do not need supervision; these positions supervise others.
Master's Level Support Staff	Master's degree in Social Work, Rehabilitation Counseling, Psychology, Counseling, or other related behavioral health or counseling program.	Can supervise day-to-day service provision of other staff.
Medical Assistant	Graduate of a post-secondary medical assisting education program accredited by the National Healthcare Association, or its successor, The Committee on Allied Health Education and	Under the supervision of a physician.

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Provider Qualifications

Provider	Qualifications	Supervision
Medical Assistant	Accreditation of the American Medical Association, or its successor; Accrediting Bureau of Health Education Schools, or its successor; or any accrediting agency recognized by the US Department of Education.	
Peer Support Specialist, such as: – Certified Wellness Coach – Certified Psychiatric Rehabilitation Practitioner – Certified Community Mental Health Associate – Certified Recovery Support Practitioner – Certified Peer Recovery Specialist	Minimum of: 1. Certification from or active work towards certification from a DHS approved certification entity and complete continuing education requirements; 2. In recovery for Serious Mental Illness (SMI) and/or Substance Use Disorder (SUD) who use their lived experience to help others and have two years of continuous recovery from an SMI or SUD diagnosis; and 3. Field experience working with individuals or completed DMAHS approved training(s).	Under supervision of the Master's Level Supervisor when working in the field.
Physician Assistant	Licensed by applicable New Jersey State Board.	Under the supervision of a physician.
Physician/ Psychiatrist	Licensed by applicable New Jersey State Board.	This position does not need supervision; this position supervises others.
Psychologist	Licensed by applicable New Jersey State Board.	This position does not need supervision; this position supervises others.
Registered Nurse	Licensed by applicable New Jersey State Board.	This position does not need supervision; this position supervises others.

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Provider Qualifications

Provider	Qualifications	Supervision
<p>Licensed Associate Art Therapist or Licensed Professional Art Therapist</p>	<p>Licensed by New Jersey State Art Therapists Advisory Committee.</p>	<p>Licensed Professional Art Therapist does not need supervision.</p> <p>Licensed Associate Art Therapist under supervision of:</p> <ul style="list-style-type: none"> • A licensed professional art therapist or licensed mental health professional who holds the Art Therapy Certified Supervisor (ATCS) credential from the Art Therapy Credentials Board; • A licensed professional art therapist or licensed mental health professional who holds the Board Certified Registered Art Therapist (ATR-BC) credential from the Art Therapy Credentials Board and has five years of work experience subsequent to holding a clinical license to provide mental health counseling services; • A licensed professional art therapist or licensed mental health professional who holds the Registered Art Therapist (ATR) credential from the Art Therapy Credentials Board, has completed a minimum of three graduate credits in clinical supervision from a regionally accredited institution of higher education, and five years of work experience subsequent to holding a clinical license to provide mental health counseling services; or • A licensed mental health professional acting within his or her scope of practice who holds either a master's degree or 30 post-graduate credits in art therapy, and who satisfies the supervisor experiential and/or credentialing requirements of

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Provider Qualifications

Provider	Qualifications	Supervision
Licensed Associate Art Therapist or Licensed Professional Art Therapist		his or her respective professional licensing board.
Licensed Speech and Language Therapist	Licensed by applicable New Jersey State Board.	This position does not need supervision.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

Limitations on Amount, Duration and Scope of Services

Provided to Medically Needy Groups

**PREGNANT WOMEN, DEPENDENT CHILDREN, AND THE AGED, BLIND, OR
DISABLED**

13(d) Rehabilitative Services - Certified Community Behavioral Health Center Services

Certified Community Behavioral Health Center Services for Medically Needy Groups are identical to Community Behavioral Health Center Services for the Categorically Needy, as set forth in Addendum to Attachment 3.1-A Pages 13(d).21 through 13(d).36.

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

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER
TYPES OF CARE**

**Reimbursement for Rehabilitative Services - Certified Community Behavioral Health
Center Services**

Overview

Effective October 1, 2025, the purpose of this SPA is to implement a coordinated payment (monthly bundled payment) to reimburse providers certified by the State as Certified Community Behavioral Health Clinics (CCBHCs) for the comprehensive CCBHC service array described in Attachment 3.1-A. The State's objective is to support integrated community behavioral health services, improve access and continuity of care, and sustain clinic capacity by providing a clinic-specific, comprehensive monthly payment rate that covers the full set of CCBHC services described in the State Plan.

The CCBHC reimbursement methodology under this State Plan comprises three components:

1. **Monthly Bundled Payment:** A clinic-specific monthly bundled payment established separately for the standard population and each State-defined special population: Serious Mental Illness (SMI), Serious Emotional Disturbance (SED), Substance Use Disorder (SUD), and Post-Traumatic Stress Disorder (PTSD). Monthly bundled payment rates for each population are calculated using costs and visits associated exclusively with that population; costs and visits are not duplicated across population rates. Only one monthly bundled payment is made per beneficiary per month, in any month in which at least one qualifying CCBHC service is provided.
2. **Cost Outlier Payments:** Supplemental payments made to CCBHCs when the estimated cost of services provided to a beneficiary in a given month exceeds the applicable population-specific, State-designated cost outlier threshold. Cost outlier payments are made in addition to the monthly bundled payment and are paid on an annual basis. The cost outlier methodology is described in the Outlier Payment Methodology section of this Attachment.
3. **Quality Incentive Payments (QIP):** Supplemental, performance-based payments made to eligible CCBHCs that achieve State-designated performance improvement thresholds for State-mandated quality measures. QIP payments are made in addition to the monthly bundled payment and are not included in the calculation of monthly bundled payment rates. The QIP methodology is described in the Quality Incentive Payments section of this Attachment.

Together, these three components constitute the total CCBHC reimbursement structure under this State Plan.

The monthly bundled payment includes component services authorized under the following State Plan authorities:

1. **CCBHC Rehabilitative Services** as described under the Rehabilitative Services benefit (§13.d.) in Attachment 3.1-A.
2. **Other State Plan Covered Services**, including:
 - Outpatient Primary Care Screening and Monitoring
 - Attachment 3.1-A §3 (Laboratory Services);
 - Attachment 3.1-A §4.b (EPSDT screening and assessment);
 - Attachment 3.1-A §5.a (Physician Services); and
 - Attachment 3.1-A §6.d (Other Practitioner Services).
 - Medication Assisted Treatment (MAT) as part of Outpatient Mental Health and Substance Use Services
 - Supplement 1 to Attachment 3.1-B Section 1905(a)(29) MAT

All component services listed above that constitute the CCBHC service array are included in the monthly bundled payment.

Rate Type

The State uses a fixed monthly bundled payment methodology that reflects the expected cost of all qualifying CCBHC services provided by a State-certified CCBHC to a Medicaid beneficiary in a given month. The State reimburses CCBHC providers using a clinic-specific monthly bundled payment and is limited to one payment per month, per CCBHC, per beneficiary with a qualifying CCBHC visit (any month in which at least one qualifying CCBHC service is provided to a beneficiary). Separate monthly bundled payment rates are established for the standard population and State-defined special populations as described in the Initial Payment Rate section of this Attachment. Monthly bundled payment rates apply uniformly to governmental and private CCBHC providers unless otherwise specified.

Rate Methodology and Cost Report Elements

The payment rates for CCBHC services are based on the reporting period total annual allowable CCBHC costs divided by the total annual number of CCBHC visits as reported to the State using the CMS CCBHC Cost Report Template. Allowable costs include the salaries and benefits of CCBHC providers, the cost of services provided under agreement, and other direct costs such as insurance or supplies needed to provide CCBHC services. Indirect costs include site and administrative costs associated with providing CCBHC services.

For the purpose of calculating rates, CCBHC costs and visits include both Medicaid and non-Medicaid service costs and visits. Allowable costs are identified using CCBHC services covered under Attachment 3.1A/B, Item 13.d (pages 21 and 22) and requirements in 2 CFR §200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. CCBHCs must provide data on costs and visits to the State annually using the CMS CCBHC Cost Report Template. The State confirms that costs and visits used in the calculation of the CCBHC monthly bundled payment rate are drawn solely from submitted cost reports and are limited to those associated with the provision of CCBHC services comprising the monthly bundled payment, in alignment with the Federal Cost Principles at 2 CFR Part 200.

Cost Reporting Cadence

CCBHCs must provide data on costs and visits to the State annually using the State-defined standardized cost reporting template – the CMS CCBHC Cost Report. Annual CCBHC cost reports based on audited financials are due to the State within 180 days of the next state fiscal year. Upon receipt from the CCBHC, the cost reports are reviewed independently by the State or a qualified external vendor.

Initial Payment Rate

The State establishes separate monthly bundled payment rates for the standard population and four State-defined special populations: Serious Mental Illness (SMI), Serious Emotional Disturbance (SED), Substance Use Disorder (SUD), and Post-Traumatic Stress Disorder (PTSD). Special populations are determined by diagnosis code(s) based on definitions established by the State and reflected in the cost report. Each monthly bundled payment rate is calculated using costs and visits associated exclusively with that population; costs and visits are not duplicated across population rates. When a beneficiary has diagnoses spanning more than one special population category, the CCBHC uses clinical judgment to determine which population category applies for billing purposes, as reflected in the person and family-centered treatment plan. Only one monthly bundled payment is made to the CCBHC per beneficiary per month.

Initial rates for each population category are established as follows:

- Existing Demonstration CCBHCs
Effective October 1, 2025, the State will use the current SFY26 Demonstration monthly PPS rates for current CCBHCs to set first year monthly bundled payment rates for state plan CCBHC services. The SFY26 Demonstration rates do not include costs or visits for services outside the scope of state plan CCBHC services.
- New CCBHCs
For CCBHCs certified on or after October 1, 2025, the State will set initial rates using either a proxy rate or audited historical cost report data. The methodology used is determined by the availability of audited historical cost report data covering a full year of

CCBHC operations under the state plan or under demonstration authority with a scope of services consistent with state plan CCBHC services.

- *Option 1 (cost report-based rate):*

The State will establish provider-specific monthly bundled payment rates using audited historical cost report data from the most recently ended complete fiscal year when such data covers a complete state fiscal year during which the CCBHC provided the full scope of CCBHC services as required under this State Plan. The monthly bundled payment rate is calculated by dividing the total annual allowable costs of CCBHC services for all services covered under the CCBHC scope as listed above by the total annual number of CCBHC Medicaid and non-Medicaid visits and adjusted from the reporting period to the rate period using the Medicare Economic Index (MEI). When a newly certified CCBHC's historical cost report does not include costs and visits covering the full CCBHC service scope required under this State Plan—for example, because certain required CCBHC services were not yet being provided by the organization prior to State certification—the State will use Option 2 (the proxy rate) to establish the initial monthly bundled payment rate.
- *Option 2 (proxy rate):*

The State will use the average monthly bundled payment rate of current State-certified CCBHCs to set first year monthly bundled payment rates when audited historical cost report data from a complete fiscal year is not available. This includes both standard and any special population monthly bundled payment rates.

Rate Update Methodology

Upon acceptance of the CCBHC cost reports, the State sets the monthly bundled payment rates effective for the applicable rate year. The initial rate period begins October 1, 2025, and ends June 30, 2026. Subsequent rate years begin July 1 and end June 30, consistent with the State fiscal year, and each cost report will include one full year of cost and visit data, with a reporting period of the state fiscal year.

CCBHC monthly bundled payment rates are updated annually. Rebasing occurs after a full initial rate period for new CCBHCs, following a rate adjustment for a change in scope once a full fiscal year of actual cost and visit data reflecting the change is available and the cost report is accepted, and at least every three years following the last rebasing. In all other years, rates are updated by trending using the MEI. Each method is applied as follows:

Rebasing: Monthly bundled payment rates are rebased using actual annual cost and visit data from the most recent accepted cost report. Rebased rates are calculated separately for the standard population and each special population by dividing the total annual allowable costs of CCBHC services associated with each respective population by the total annual CCBHC visits for that population as reported in the accepted cost report. Costs and visits used to calculate each population-specific rebased rate are exclusive to that population and

are not included in the calculation of any other population rate. The resulting population-specific rate is then adjusted forward from the reporting period to the upcoming rate period using the Medicare Economic Index (MEI). Rebased rates take effect at the start of the state fiscal year immediately following the State's acceptance of the cost report used for rebasing.

- **Trending:** Monthly bundled payment rates are trended using the Medicare Economic Index (MEI) when rebasing does not occur. Trended rates are calculated by applying the MEI percentage change from the prior rate period to the current rate period and take effect at the start of the state fiscal year.

Initial Rate Rebasing for New CCBHCs

For CCBHCs certified on or after October 1, 2025, initial payment rates are rebased once the CCBHC submits the first cost report including a full year of actual cost and visit data for CCBHC services under the state plan. Upon review and acceptance of the cost report by the State, rebased rates take effect at the start of the following state fiscal year. For subsequent rate years, rates are adjusted following the process described in this section.

Prevention of Duplicate Payment and Reconciliation

Beneficiaries eligible for CCBHC services are eligible for all needed Medicaid covered services; however, duplicate payment is prohibited. The State assures that CCBHC services and payments will not duplicate other state plan or waiver services. The State will avoid duplication through claims processing edits, person-centered planning processes, and annual reconciliation to identify and recover any duplicate payments.

Change in Scope

CCBHC providers may request a rate adjustment for changes in scope expected to change individual CCBHC provider payment rates by 4.0 percent or more. A change in scope includes a change in the type, intensity, duration, or amount of CCBHC services required under the State Plan, or another State-approved change that materially affects the cost of furnishing covered CCBHC services.

The provider must submit information to the State regarding the change in scope, including the affected services, the expected cost of providing the new or modified services, any projected change in the number of visits resulting from the change, and the date on which the provider began, or will begin, furnishing the affected services. Projections are subject to review by the State.

Changes in scope that do not meet the 4.0 percent threshold will not receive an interim change-in-scope rate adjustment and will instead be reflected in the provider's rate at the next applicable rebasing based on accepted cost report data. A provider may submit a request for a change-in-scope rate adjustment no more than once per state fiscal year.

A provider may furnish the affected services before the rate adjustment is reflected in the monthly bundled payment rate. Costs and visits associated with approved changes in scope are incorporated

into the payment rate when the CCBHC submits, and the State accepts, the first cost report containing a full state fiscal year of actual cost and visit data reflecting the approved change. Provider-specific rate adjustments for approved changes in scope take effect at the start of the state fiscal year following State approval of the rate adjustment. Rates adjusted for a change in scope are rebased once the CCBHC submits the first accepted cost report with a full year of actual cost and visit data, including the approved change in scope. Rebased rates take effect at the start of the state fiscal year immediately following the State's acceptance of the cost report.

Outlier Payment Methodology

The State establishes cost outlier thresholds for each of the five populations to determine when CCBHCs exceed service costs and become eligible for outlier payments. Cost outlier thresholds are population-specific, fixed dollar amounts that apply uniformly to all CCBHCs.

The State identifies cost outliers by multiplying each CCBHC's cost-to-charge ratio by the total covered charges of the combined monthly claims for each beneficiary to estimate beneficiary-specific monthly costs. CCBHC-specific cost-to-charge ratios are calculated using cost report submissions and are updated annually during each annual rate setting cycle.

For each population, the State determines the fixed dollar outlier threshold amount using historical beneficiary-specific monthly estimated cost data for that population derived from accepted cost reports and claims data. The State calculates beneficiary-specific monthly estimated costs for each population and sets the population-specific fixed dollar cost outlier threshold amount at the 99th percentile of that population's monthly estimated cost distribution above which a beneficiary month is treated as a cost outlier. The same population-specific threshold applies uniformly to all CCBHCs serving that population.

The State makes a cost outlier payment to the CCBHC when the estimated cost exceeds the State-designated cost outlier threshold amount. The outlier payment calculation methodology is as follows: $\text{Outlier Payment Amount} = (\text{Estimated Monthly Cost} - \text{Applicable Population-Specific Threshold}) \times 75\%$. The amount of the cost outlier payment equals 75 percent of the estimated monthly cost in excess of the applicable population-specific threshold. The 75% marginal cost percentage applies to all CCBHCs and all populations, consistent with the standard outlier payment hospital reimbursement percentage used by the State.

The State makes cost outlier payments to the CCBHC in addition to the standard monthly bundled payment amount. Outlier payments are made on an annual basis and are paid within 13-15 months after the end of each state fiscal year. The 13–15-month lag in payment allows for timely submission of claims per 42 CFR 447.45.

Cost outlier thresholds are updated annually. In years when monthly bundled payment rates are trended, the State updates each population-specific outlier threshold by applying the MEI from the prior rate period to the current rate period. In years when monthly bundled payment rates are rebased, the State recalculates each population-specific outlier threshold using updated

beneficiary-specific monthly estimated cost distributions from the accepted cost reports and claims data.

Quality Incentive Payment Methodology

The State pays QIPs to eligible CCBHCs achieving performance improvement thresholds for State-mandated quality measures. All CCBHC providers adhering to the outlined reporting requirements are eligible to receive the QIP, and CCBHCs are individually evaluated on QIP benchmark performance.

The QIP performance period aligns with the calendar year (January 1 – December 31). The first performance period is calendar year 2026. The total pool amount available for QIP is 3% of total annual CCBHC monthly bundled payments made to all CCBHCs in the state (calculated as total monthly bundled payment visits in the state fiscal year multiplied by the average monthly bundled payment rate in the state fiscal year). The amount available for a given performance period is determined within 90 days after the start of the State's fiscal year. The State distributes allotted QIP funding to eligible CCBHCs within 28 months of the end of a performance year.

The QIP will be based on the following quality performance measures identified through functional descriptors and proportions of the total QIP funding pool:

Measure	Weight
Timely access to services	20%
Depression outcome improvement	15%
Child and adolescent post-hospital follow-up	15%
Adult post-hospital follow-up	15%
Substance use treatment initiation and engagement	10%
Physical health screening and monitoring integration	5%
Readmission reduction	20%

QIP benchmarks are uniform across all CCBHC providers, and the quality metrics evaluate performance based on data for Medicaid beneficiaries. To be QIP-eligible for a performance year, a CCBHC must report all required QIP measures within State-specified timelines and meet the minimum numerator and denominator requirements for all QIP measures for that performance year.

The QIP methodology uses a performance-based proportional distribution model. Each quality measure is allocated the corresponding proportion of the QIP funding pool shown above. For a performance year, a CCBHC's proportional visit share equals the CCBHC's total annual monthly bundled payment visits across all populations for the performance year divided by the total annual monthly bundled payment visits across all populations for all QIP-eligible CCBHCs in the State for the performance year.

For each quality measure, a QIP-eligible CCBHC that meets or exceeds the applicable benchmark receives an initial award amount equal to the amount allocated to that measure from the QIP funding pool multiplied by the CCBHC's proportional visit share. The maximum payment a CCBHC can receive for a given performance year is the sum of the CCBHC's award amounts for all measures on which the CCBHC met the benchmark.

If a QIP-eligible CCBHC does not attain performance on one or more quality measures, the dollars associated with that CCBHC's proportional visit share for the affected measure or measures are redistributed to QIP-eligible CCBHCs meeting the benchmark for the same measure in proportion to each such CCBHC's proportional visit share. If no CCBHCs meet the benchmark for a given quality measure, the funds originally allocated to that measure go back into the total QIP pool and are redistributed to other quality measures in proportion to their weights noted above.

QIP payments are made directly to CCBHCs as separate payments from the monthly bundled payment, based on achievement of quality measure thresholds as described above. QIP payments are not included in the calculation of the monthly bundled payment rates and are paid in addition to the monthly bundled payment.

The QIP methodology, including selected quality performance measures, measure stewards, benchmarks, distribution methodology, and technical specifications, is determined by the State and evaluated annually to ensure alignment with program priorities. The State will post updated technical specifications and benchmarks for each performance period no later than 90 days prior to the start of the applicable calendar year performance period. The quality performance measures, technical specifications, and benchmarks are effective October 1, 2025 and are maintained on the State's website at <https://www.nj.gov/humanservices/dmhas/resources/providers/ccbhc/>.