ASSEMBLY, No. 226

STATE OF NEW JERSEY

214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

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SYNOPSIS

Directs Medicaid to establish medical home demonstration project.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel

AN ACT concerning the Medicaid program and supplementing P.L.1968, c.413 (C.30:4D-1 et seq.).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. The Division of Medical Assistance and Health Services in the Department of Human Services, subject to federal approval and the availability of federal financial participation under Title XIX of the Social Security Act, shall establish a three-year Medicaid medical home demonstration project as provided in this act. The demonstration project shall be developed in consultation and implemented with the managed care organizations that contract with the Medicaid program to provide health care services to Medicaid recipients.

The Medicaid program shall:

a. Restructure its payment system to support primary care providers that use a medical home model. The program shall consider payment methodologies that support care-coordination through multi-disciplinary teams, including payment for care of patients with chronic diseases and the elderly, and that encourage services such as: (1) patient or family education for patients with chronic diseases; (2) home-based services; (3) telephonic communication; (4) group care; and (5) culturally and linguistically appropriate care. In addition, the payment system shall be structured to reward quality and improved patient outcomes.

b. Develop a system to support primary care providers in developing an organizational structure necessary to provide a medical home.

c. Identify primary care providers for participation in the demonstration project that provide care to their patients using a medical home model, which at a minimum shall include primary care providers utilizing a multi-disciplinary team that provides patient-centered care coordination through the use of health information technology and chronic disease registries across the patient's life-span and across all domains of the health care system and the patient's community.

d. Nothing in this act shall be construed to limit the choice of a Medicaid recipient who is participating in a medical home demonstration project to directly access a qualified health care provider for family planning services who is not participating in the demonstration project.

e. As used in this act:

"Medicaid" means the Medicaid program established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.); and

"Primary care provider" includes, but is not limited to, a primary care professional medical practice, a federally qualified or

community health center, and a primary care outpatient clinic operated by a general hospital.

2. The Director of the Division of Medical Assistance and Health Services shall evaluate the demonstration project annually to assess: whether cost savings are achieved through implementation of the medical home project; the rates of health screening; and the outcomes and hospitalization rates for persons with chronic illnesses, and the hospitalization and readmission rates for the frail elderly.

3. The Director of the Division of Medical Assistance and Health Services shall report annually to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), on his findings and recommendations of the demonstration project.

4. The Commissioner of Human Services shall, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt such rules and regulations as the commissioner deems necessary to carry out the provisions of this act.

5. This act shall take effect on the 180th day after enactment and shall expire three years after the effective date, but the Commissioner of Human Services may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

STATEMENT

This bill directs the State Medicaid program, subject to federal approval and the availability of federal financial participation under Title XIX of the Social Security Act, to establish a three-year Medicaid medical home demonstration project. The demonstration project shall be developed in consultation and implemented with the managed care organizations that contract with the Medicaid program to provide health care services to Medicaid recipients.

The Medicaid program shall:

- restructure its payment system to support primary care providers that use a medical home model. The program shall consider payment methodologies that support care-coordination through multi-disciplinary teams, including payment for care of patients with chronic diseases and the elderly, and that encourage services such as: (1) patient or family education for patients with chronic diseases; (2) home-based services; (3) telephonic communication; (4) group care;

and (5) culturally and linguistically appropriate care. In addition, the payment system shall be structured to reward quality and improved patient outcomes;

- develop a system to support primary care providers in developing an organizational structure necessary to provide a medical home; and
- identify primary care providers for participation in the demonstration project that provide care to their patients using a medical home model, which at a minimum shall include primary care providers utilizing a multi-disciplinary team that provides patient-centered care coordination through the use of health information technology and chronic disease registries across the patient's life-span and across all domains of the health care system and the patient's community.

Under the bill, nothing in the bill is to be construed to limit the choice of a Medicaid recipient who is participating in a medical home demonstration project to directly access a qualified health care provider for family planning services who is not participating in the demonstration project.

The bill defines "primary care provider" to include, but not be limited to, a primary care professional medical practice, a federally qualified or community health center, and a primary care outpatient clinic operated by a general hospital a primary care.

The bill provides that the Director of the Division of Medical Assistance and Health Services, which administers the Medicaid program, shall evaluate the demonstration project annually to assess: (1) whether cost savings are achieved through implementation of the medical home project; (2) the rates of health screening; and (3) the outcomes and hospitalization rates for persons with chronic illnesses, and the hospitalization and readmission rates for the frail elderly.

The director shall report annually to the Governor, and to the Legislature on his findings and recommendations of the demonstration project.

The bill takes effect on the 180th day after enactment and expires three years after the effective date, but the Commissioner of Human Services is authorized to take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of the bill.