

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2369

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 2369 (1R).

As amended by the committee, this bill increases the per diem reimbursement rate for certain nursing facilities under the NJ FamilyCare program and provides for an appropriation from the General Fund, in such amount as is necessary, to support the rate increase. The NJ FamilyCare program is the State's public health insurance program for low-income individuals and families, and includes the State's Medicaid Program and the Children's Health Insurance Program.

First, the bill establishes a minimum NJ FamilyCare reimbursement rate for traumatic brain injury special care nursing facilities. A special care nursing facility is a State-licensed nursing facility that has been approved by the Department of Human Services to provide care to NJ FamilyCare beneficiaries who require specialized health care services beyond the scope of conventional nursing facility services. The bill would specifically apply to special care nursing facilities providing services related to an acquired injury to the brain, also known as a traumatic brain injury.

Under the bill, the Division of Medical Assistance and Health Services (division) in the Department of Human Services will be required to reimburse a special care nursing facility for services provided to a NJ FamilyCare beneficiary residing in a traumatic brain injury unit at a base per diem reimbursement that is \$400 above the special care nursing facility's FY 2022 base per diem reimbursement rate in order to cover the higher staffing ratios required, and abundance of therapy services provided, in a traumatic brain injury unit. The increased reimbursement rate established under bill will be contingent on the special care nursing facility being in compliance with all applicable State and federal laws and regulations concerning licensure, patient safety, and quality of care. The FY 2022 reimbursement rate for a special care nursing facility providing traumatic brain injury care was \$340.01. Under the bill, the rate would increase to \$740.01 per diem. This rate increase will align the reimbursement rate for

traumatic brain injury special care nursing facilities with the reimbursement rate for other special care nursing facilities, which range from \$402.84 to \$946.51 per diem, with an average rate of \$649.72 per diem.

Second, this bill establishes an enhanced NJ FamilyCare reimbursement rate for nursing facilities that voluntarily delicense beds in order to create single occupancy rooms. Currently, approximately 322 nursing facilities participate in NJ FamilyCare, with the majority receiving a per diem reimbursement rate in FY 2023 ranging from \$235 to \$275. Under this bill, the per diem reimbursement rate for qualifying facilities would increase to a range of approximately \$350 to \$415.

Under the bill, the division will be required to reimburse a nursing facility for services provided to a NJ FamilyCare beneficiary residing in a single occupancy room at an enhanced per diem reimbursement rate equal to 150 percent of the nursing facility's base per diem reimbursement rate, provided that, on any date after the effective date of the bill, the nursing facility voluntarily delicensed beds in order to establish the single occupancy room in which the beneficiary resides. Reimbursements received by a nursing facility under the bill that are in excess of the facility's base rate are to be utilized by the facility for: 1) renovation costs to convert multiple occupancy rooms to single occupancy rooms; 2) the establishment and implementation of infection control policies and infrastructure, particularly for any remaining multiple occupancy rooms; and 3) compensation for revenue losses resulting from the facility's decreased census.

Issuance of the enhanced reimbursement per diem rate established under the bill is contingent upon: 1) the nursing facility submitting and receiving approval for a plan to voluntarily delicense beds, including a description of the facility's use of reimbursement payments received under the bill in excess of the facility's base rate; and 2) the nursing facility being in compliance with all applicable State and federal laws and regulations concerning licensure, patient safety, and quality of care.

The bill directs the Commissioners of Human Services and Health to establish a method and manner for nursing facilities to submit proposed plans, as required under the bill. The evaluation of a nursing facility's plan is to include metrics for ensuring that the voluntary delicensing of beds at a nursing facility does not negatively affect the ability of the NJ FamilyCare program to provide nursing facility services to enrollees.

COMMITTEE AMENDMENTS:

The committee amendments provide that the Commissioner of Human Services, in consultation with the Commissioner of Health,

will be required to develop rules and regulations to implement the provisions of the bill. Prior to amendment, the commissioners were required to jointly develop the rules and regulations.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.