

[Second Reprint]

**ASSEMBLY, No. 3334**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED MARCH 7, 2022

**Sponsored by:**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Burlington and Camden)**

**Assemblywoman ANGELICA M. JIMENEZ**

**District 32 (Bergen and Hudson)**

**Assemblyman REGINALD W. ATKINS**

**District 20 (Union)**

**Senator VIN GOPAL**

**District 11 (Monmouth)**

**Senator M. TERESA RUIZ**

**District 29 (Essex)**

**Co-Sponsored by:**

**Assemblyman Benson, Assemblywomen Lampitt, Speight, McKnight,  
Assemblyman Wimberly, Assemblywomen Murphy, Lopez, Senators  
Durr, Singleton and Turner**

**SYNOPSIS**

Requires Medicaid reimbursement for covered behavioral health services provided by local education agency to student who is eligible Medicaid beneficiary.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on June 22, 2023, with amendments.

(Sponsorship Updated As Of: 6/30/2023)

1 AN ACT concerning school-based Medicaid claims and  
2 supplementing Title 30 of the Revised Statutes.

3

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

6

7 1. a. As used in this section:

8 “Division” means the Division of Medical Assistance and Health  
9 Services in the Department of Human Services.

10 “Local education agency” means a public authority legally  
11 constituted by the State as an administrative agency to provide  
12 control of and direction for kindergarten through grade 12 public  
13 educational institutions.

14 “Medicaid” means the program established pursuant to P.L.1968,  
15 c.413 (C.30:4D-1 et seq.).

16 b. The division, or a managed care organization contracted  
17 with the division to provide benefits to Medicaid beneficiaries, shall  
18 reimburse a local education agency for behavioral health services  
19 covered under Medicaid, delivered in-person or via telehealth, and  
20 provided to a student who is an eligible Medicaid beneficiary.  
21 Services provided under this subsection shall be:

22 (1) reimbursable by Medicaid regardless of the following:  
23 whether the student participates in an Individualized Education  
24 program, 504 Accommodation Plan, Individualized Health Care  
25 Plan, or Individualized Family Service Plan; or whether the covered  
26 services are provided at no charge to the student; and

27 (2) provided by a licensed medical practitioner approved as a  
28 Medicaid provider or a local education agency approved as a  
29 Medicaid provider.

30 c. Any local education agency claiming reimbursement under  
31 this section shall take all reasonable measures to ascertain and  
32 pursue any claims for reimbursement for services under this section  
33 against legally liable third parties in accordance with section  
34 1902(a)(25) of the federal Social Security Act  
35 (42 U.S.C.s.1396a(a)(25)). If there is no response to a claim  
36 submitted by a local educational agency to a legally liable third  
37 party within 45 days, the local educational agency may bill  
38 Medicaid. The local educational agency shall retain a copy of the  
39 claim submitted to the legally liable third party for a period of three  
40 years.

41 d. A local education <sup>1</sup>**[authority]** agency<sup>1</sup> shall utilize  
42 Medicaid reimbursement payments issued under this section to  
43 provide behavioral health services for students and their families<sup>1</sup>**[**,  
44 which may include behavioral health assessment, case management,  
45 health education, and social emotional learning<sup>1</sup>**]**.

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup>Assembly AED committee amendments adopted March 16, 2023.

<sup>2</sup>Assembly AAP committee amendments adopted June 22, 2023.

- 1 e. <sup>1</sup>The provisions of this section shall not be construed to:
- 2 (1) prohibit a Medicaid beneficiary from receiving behavioral
- 3 health services covered under Medicaid from a Medicaid provider
- 4 who is not a local education agency, provided that the services
- 5 provided comply with all State and federal laws and regulations;
- 6 and
- 7 (2) require Medicaid reimbursement for behavioral health
- 8 services covered under Medicaid provided to a Medicaid
- 9 beneficiary by a local education agency in tandem with duplicative
- 10 behavioral health services provided by another approved Medicaid
- 11 provider located in the community to the same beneficiary, to the
- 12 extent that State or federal law or regulation prohibit the provision
- 13 of such duplicative services.
- 14 f.<sup>1</sup> The division, in conjunction with the Department of
- 15 Education and the Department of the Treasury, shall assist a local
- 16 education agency in implementing a plan to submit Medicaid claims
- 17 for covered behavioral health services and obtain Medicaid
- 18 reimbursements under this section. To the extent possible, this
- 19 system shall overlap with the claims <sup>1</sup>[and] <sup>1</sup>reimbursement <sup>1</sup>, and
- 20 administrative<sup>1</sup> procedures associated with the Special Education
- 21 Medicaid Initiative, as a means to streamline all school-based
- 22 Medicaid claims <sup>1</sup>, which system shall include the requirement for a
- 23 local education <sup>2</sup>[authority] agency<sup>2</sup> to obtain parental or guardian
- 24 consent prior to billing Medicaid for any service provided under
- 25 this section<sup>1</sup>. A local education <sup>1</sup>[authority] agency<sup>1</sup> may enter
- 26 into an agreement with one or more other local education
- 27 <sup>1</sup>[authorities] agencies<sup>1</sup> in the State for the purposes of contracting
- 28 with a third party entity to process and submit Medicaid claims for
- 29 covered behavioral health services provided under this section.
- 30
- 31 2. The Commissioner of Human Services shall apply for such
- 32 State plan amendments or waivers as may be necessary to implement
- 33 the provisions of this act and to secure federal financial participation
- 34 for State Medicaid expenditures under the federal Medicaid program.
- 35
- 36 3. The Commissioner of Human Services shall adopt rules and
- 37 regulations pursuant to the "Administrative Procedure Act," P.L.1968,
- 38 c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.
- 39
- 40 4. This act shall take effect on the first day of the sixth month
- 41 next following any federal approval necessary to secure federal
- 42 financial participation for State Medicaid expenditures under this act,
- 43 except that the Commissioner of Human Services may take any
- 44 administrative action in advance thereof as shall be necessary to
- 45 implement the provisions of this act.