

**SENATE, No. 2792**

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

INTRODUCED JUNE 6, 2022

**Sponsored by:**

**Senator M. TERESA RUIZ**

**District 29 (Essex)**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**SYNOPSIS**

Increases Medicaid reimbursement rates for primary care and mental health services according to Medicare payment rates for same services.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning primary care and mental health services  
2 reimbursed under Medicaid and supplementing Title 30 of the  
3 Revised Statutes.

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

7  
8 1. a. Commencing on July 1, 2022, and annually thereafter, the  
9 Medicaid reimbursement rate for primary care and mental health  
10 services shall be no less than 100 percent of the payment rate that  
11 applies to such services under part B of Medicare.

12 b. Primary care services as used in subsection a. of this section  
13 shall include those services furnished by:

14 (1) a physician with a primary specialty designation of family  
15 medicine, general internal medicine, general pediatric medicine, or  
16 obstetrics and gynecology;

17 (2) a health care professional, including but not limited to an  
18 advance practice nurse or a physician assistant, who is working in  
19 the area of family medicine, general internal medicine, general  
20 pediatric medicine, or obstetrics and gynecology; or

21 (3) a certified nurse-midwife.

22 c. Mental health services as used in subsection a. of this  
23 section shall include those services furnished by a provider listed in  
24 paragraphs (1), (2), or (3) of subsection b. of this section or a health  
25 care provider with one of the following specialty designations:  
26 licensed clinical social worker, psychologist, licensed professional  
27 counselor, licensed marriage and family therapist, or psychiatrist.

28 d. The provisions of this section shall not be construed to  
29 require any decrease in the Medicaid reimbursement rate for a  
30 primary care or mental health service from the previous fiscal  
31 year's reimbursement level for the same service.

32 e. The provisions of this section shall apply to primary care  
33 and mental health services:

34 (1) reimbursed under the Medicaid fee-for-service delivery  
35 system or through the Medicaid managed care delivery system, and

36 (2) delivered by an approved Medicaid provider.

37 f. No later than July 1, 2024, the Commissioner of Human  
38 Services shall submit a report to the Governor and to the  
39 Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
40 19.1), providing information on the implementation of this section,  
41 including data indicating any changes regarding access to primary  
42 care and mental health services, as well as quality of care of these  
43 services, for Medicaid beneficiaries following any rate increases  
44 required under this section. The report shall also include any  
45 recommendations for further enhancements to the Medicaid rates  
46 for these services to improve provider access and quality of care for  
47 Medicaid beneficiaries in underserved areas of the State.

1 g. As used in this section:

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

4 “Medicare” means the federal program established pursuant to  
5 Pub.L.89-97 (42 U.S.C. s.1395 et seq.) as amended, or its successor  
6 plan or plans.

7 “Mental health services” means procedures or services rendered  
8 by a health care provider, in a traditional setting as well in an  
9 integrated behavioral health setting or via a collaborative care  
10 program, for the treatment of mental illness, emotional disorders, or  
11 drug or alcohol abuse.

12 “Primary care services” means the same as defined in section  
13 1202 of the federal “Health Care and Education Reconciliation Act of  
14 2010,” Pub.L. 111-152.

15

16 2. The Commissioner of Human Services shall apply for such  
17 State plan amendments or waivers as may be necessary to  
18 implement the provisions of this act and to secure federal financial  
19 participation for State Medicaid expenditures under the federal  
20 Medicaid program.

21

22 3. The Commissioner of Human Services, pursuant to the  
23 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
24 seq.), shall adopt rules and regulations necessary to implement the  
25 provisions of this act.

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27 4. This act shall take effect immediately.

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#### STATEMENT

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32 This bill increases the Medicaid reimbursement rates for primary  
33 care and mental health services according to the Medicare payment  
34 rate for the same services. Under the bill, primary care services  
35 means the same as defined under section 1202 of the federal “Health  
36 Care and Education Reconciliation Act of 2010,” and includes  
37 evaluation and management services, which cover the non-  
38 procedural services patients receive from a provider, and services  
39 related to immunization administration. Mental health services  
40 means procedures or services rendered by a health care provider, in  
41 a traditional setting as well in an integrated behavioral health  
42 setting or via a collaborative care program, for the treatment of  
43 mental illness, emotional disorders, or drug or alcohol abuse. It is  
44 the sponsor’s goal to leverage higher reimbursement rates for  
45 Medicaid primary care and mental health services to improve  
46 beneficiaries’ access to essential services and quality of health care.

47 Specifically, under the bill, commencing on July 1, 2022, and  
48 annually thereafter, the Medicaid reimbursement rate for primary

1 care and mental health services is required to be no less than 100  
2 percent of the payment rate that applies to such services under part  
3 B of the federal Medicare program. Primary care and mental health  
4 services include those services furnished by:

5 (1) a physician with a primary specialty designation of family  
6 medicine, general internal medicine, general pediatric medicine, or  
7 obstetrics and gynecology;

8 (2) a health care professional, including but not limited to an  
9 advance practice nurse or a physician assistant, who is working in  
10 the area of family medicine, general internal medicine, general  
11 pediatric medicine, or obstetrics and gynecology; or

12 (3) a certified nurse-midwife.

13 Mental health services additionally include those services  
14 furnished by a health care provider with one of the following  
15 specialty designations: licensed clinical social worker, psychologist,  
16 licensed professional counselor, licensed marriage and family  
17 therapist, or psychiatrist.

18 The provisions of the bill are not be construed to require any  
19 decrease in the Medicaid reimbursement rate for a primary care or  
20 mental health service from the previous fiscal year's reimbursement  
21 level for the same service. Moreover, the requirements established  
22 under the bill apply whether the services are reimbursed under the  
23 Medicaid fee-for-service delivery system or the Medicaid managed  
24 care delivery system, and only to services delivered by approved  
25 Medicaid providers.

26 The bill directs the Commissioner of Human Services, no later  
27 than July 1, 2024, to submit a report to the Governor and to the  
28 Legislature providing information on the implementation of the bill,  
29 including data indicating any changes regarding access to primary  
30 care and mental health services, as well as quality of care of these  
31 services, for Medicaid beneficiaries following any rate increases  
32 associated with the bill. The report is also to include any  
33 recommendations for further enhancements to the Medicaid rates  
34 for these services to improve provider access and quality of care for  
35 Medicaid beneficiaries in underserved areas of the State.  
36 Furthermore, the commissioner is to apply for such State plan  
37 amendments or waivers as may be necessary to implement the  
38 provisions of the bill and to secure federal financial participation  
39 for State Medicaid expenditures under the federal Medicaid  
40 program. The commissioner is also to adopt rules and regulations  
41 necessary to implement the provisions of the bill.

42 Historically, the Medicaid program has reimbursed providers at  
43 lower rates than either private insurance or the Medicare program  
44 for the same services. For example, a study by the Urban Institute  
45 indicated that New Jersey's 2016 Medicaid primary care  
46 reimbursement rates were only 42 percent of the Medicare rates for  
47 the same services. As a result, too few physicians in New Jersey  
48 choose to accept Medicaid, which creates barriers to healthcare

1 accessibility and equity for the 2 million beneficiaries of the  
2 program. Furthermore, closing the provider pay gap that makes  
3 Medicaid less attractive to providers will help reduce health care  
4 disparities in the State, as 66.6 percent of non-elderly Medicaid  
5 enrollees identify as Black, Latino, Asian, or mixed race .

6       Additionally, as a population prone to chronic health conditions,  
7 the availability of primary and mental health care is particularly  
8 important to Medicaid recipients. Health care providers offer  
9 services critical to an individual's overall health, such as  
10 preventative care and screenings to avoid costly illnesses and  
11 emergency room admissions and care coordination with medical  
12 specialists to ensure that the patient receives the most effective and  
13 appropriate treatment. Increasing Medicaid service rates will have  
14 beneficial outcomes on the quality and efficiency of care under  
15 program, leading to long-term improved health care outcomes for  
16 beneficiaries and cost savings for the State.