

SENATE, No. 3742

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 30, 2023

Sponsored by:

Senator HOLLY T. SCHEPISI

District 39 (Bergen and Passaic)

SYNOPSIS

Establishes annual cost of living adjustment, based on Consumer Price Index, to base Medicaid per diem rates for assisted living programs; makes appropriation.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning assisted living program Medicaid rates,
2 supplementing Title 30 of the Revised Statutes, and making an
3 appropriation.
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 next following the effective date
9 of this act, and annually thereafter, the Division of Medical
10 Assistance and Health Services in the Department of Human
11 Services shall increase the base per diem reimbursement rates paid
12 to assisted living facilities, comprehensive personal care homes, and
13 assisted living programs for each Medicaid beneficiary under their
14 care to include, at a minimum, a cost of living adjustment. The cost
15 of living adjustment shall be based on the Consumer Price Index
16 data published by the United States Department of Labor in the
17 previous January regarding any increase in the all items index over
18 the immediately preceding 12-month period.

19 b. As used in this section, "Medicaid" means the Medicaid
20 program established pursuant to P.L.1968, c.413 (C.30:4D-1 et
21 seq.).
22

23 2. The Commissioner of Human Services shall apply for such
24 State plan amendments or waivers as may be necessary to implement
25 the provisions of this act and to secure federal financial participation
26 for State Medicaid expenditures under the federal Medicaid program.
27

28 3. The Commissioner of Human Services, pursuant to the
29 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.),
30 shall adopt rules and regulations necessary to implement the
31 provisions of this act.
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33 4. There is appropriated from the General Fund to the Division
34 of Medical Assistance and Health Services in the Department of
35 Human Services such sums as are necessary to effectuate the
36 provisions of this act.
37

38 5. The act shall take effect immediately.
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40

41 STATEMENT

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43 This bill establishes an annual cost of living adjustment, based on
44 Consumer Price Index, to the base per diem reimbursement rates
45 paid to assisted living facilities, comprehensive personal care
46 homes, and assisted living programs for each Medicaid beneficiary
47 under their care. The cost of living adjustment is to be
48 implemented on July 1 of each year and to be based on the

1 Consumer Price Index data published by the United States
2 Department of Labor in the previous January regarding any increase
3 in the all items index over the immediately preceding 12-month
4 period. The Consumer Price Index is a measure of the average
5 change over time in the prices paid by urban consumers for a
6 market basket of consumer goods and services.

7 For reference, the base FY 2023 per diem rates for assisted living
8 facilities, comprehensive personal care homes, and assisted living
9 programs are \$89.50, \$79.50, and \$69.50, respectively. Moreover,
10 Consumer price index data released in January of 2023 showed that
11 prices for a range of goods and services rose by 6.4 percent over the
12 previous 12-month period. Applying this increase to the existing
13 per diem rates results in those rates being increased by the
14 following: \$5.73, \$5.09, and \$4.45, respectively.

15 The bill requires the Commissioner of Human Services to apply for
16 such State plan amendments or waivers as may be necessary to
17 implement the provisions of the bill and to secure federal financial
18 participation for State Medicaid expenditures under the federal
19 Medicaid program. The bill also appropriates from the General Fund
20 to the Division of Medical Assistance and Health Services such
21 sums as are necessary to effectuate the provisions of the bill.