

ASSEMBLY HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5082

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 8, 2023

The Assembly Human Services Committee reports favorably and with committee amendments Assembly Bill No. 5082.

As amended by the committee, this bill sets a Medicaid fee-for-service (FFS) and managed care per diem rate for pediatric medical day care services and provides a supplemental appropriation to support the fiscal year (FY) 2023 rate established under the bill.

Providers of pediatric medical day care services deliver complex medical, developmental, educational and other socialization services to medically fragile children, thereby supporting a more normal developmental process for these children. These providers also allow parents of medically fragile children to participate in the workforce and to avoid the expense of a private duty nurse.

Currently, the FFS per diem rate for pediatric medical day care services is \$330.81; however, this rate, along with the proprietary rates provided under managed care have not been sufficient to support providers of this service. As a result, several pediatric medical day care facilities have closed, and many more have not reopened for on-site services following the issuance of the Department of Health's Executive Directive No. 22-001 on April 6, 2022, which rescinded the moratorium on on-site pediatric medical day care programs imposed by the department on March 20, 2020 at the start of the coronavirus 2019 pandemic.

This bill would increase the FY 2023 per diem rate to \$390.00, effectively immediately upon the bill's adoption, for pediatric medical day care services delivered by a pediatric medical day care provider offering on-site services. Additionally, as amended, the bill directs that providers which reopened for on-site services on or before September 30, 2022 are to receive a retroactive per diem reimbursement for services delivered from July 1, 2022 through June 30, 2023 that is to be equal to \$390.00, less the per diem amount the provider has been reimbursed for those services rendered during this period of time. The bill makes a supplemental appropriation of \$3.6 million to the Department of Human Services for this increase in the reimbursement rate.

Additionally, beginning FY 2024, and annually adjusted in each subsequent fiscal year, the bill would establish a Medicaid per diem

rate for pediatric medical day care services delivered by a pediatric medical day care provider offering on-site services equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities. Currently, in FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is equal to \$390.50.

COMMITTEE AMENDMENTS

The committee amendments stipulate that providers which reopened for on-site services on or before September 30, 2022 are to receive a retroactive per diem reimbursement for services delivered from July 1, 2022 through June 30, 2023. Currently the bill requires that providers receive the retroactive reimbursement from July 1, 2022 through the effective date of the bill.