

[First Reprint]  
**SENATE, No. 1820**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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INTRODUCED FEBRUARY 8, 2018

**Sponsored by:**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**Senator DECLAN J. O'SCANLON, JR.**

**District 13 (Monmouth)**

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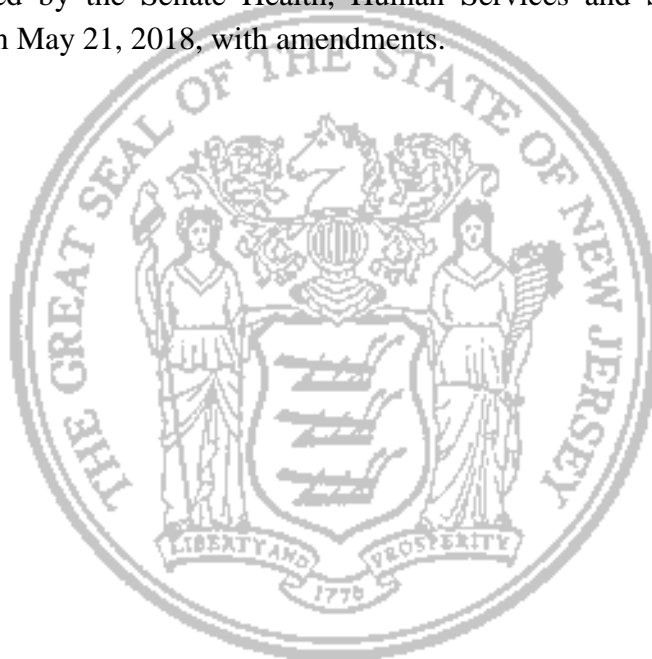
**Senator Madden**

**SYNOPSIS**

Makes certain changes to the hourly reimbursement rate for personal care services reimbursed by Medicaid.

**CURRENT VERSION OF TEXT**

As reported by the Senate Health, Human Services and Senior Citizens Committee on May 21, 2018, with amendments.



**(Sponsorship Updated As Of: 3/27/2018)**

1 AN ACT making certain changes to Medicaid reimbursement for  
2 personal care services and amending P.L.2017, c.239.

3

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

6

7 1. Section 1 of P.L.2017, c.239 (C.30:4D-7n) is amended to  
8 read as follows:

9 1. <sup>1</sup>**[a.]** The hourly reimbursement rate for personal care  
10 services within the Medicaid program established pursuant to  
11 P.L.1968, c.413 (C.30:4D-1 et seq.), whether the services are  
12 provided in the Medicaid fee-for-service delivery system or through  
13 a managed care delivery system, shall be no less than the  
14 established State Medicaid fee-for-service rate and no less than \$19  
15 per hour. [Any and all rate] Rate increases realized pursuant to  
16 this section<sup>1</sup>, less verifiable direct and indirect administrative costs  
17 of the employer related thereto, including, but not limited to,  
18 applicable payroll taxes and insurance costs,<sup>1</sup> shall be used solely to  
19 increase [wages for workers who directly provide personal care  
20 services] <sup>1</sup>**[the average direct care worker compensation rate]**  
21 wages for workers who directly provide personal care services<sup>1</sup>.

22 <sup>1</sup>**[b.** As used in this section, “direct care worker compensation”  
23 means all direct and indirect labor costs for personal care assistants  
24 and home health aides, including hourly pay rates, overtime hourly  
25 reimbursement rates; work-related travel costs; performance bonus  
26 payments; paid time off; paid time used for training purposes;  
27 payroll taxes; all relevant insurance costs, including workers’  
28 compensation, liability, health, disability, and life; and relevant  
29 retirement funding provided by the employer.

30 c. The average direct care worker compensation rate for each  
31 provider shall be calculated by the Division of Medical Assistance  
32 and Health Services in the Department of Human Services as  
33 provided pursuant to section 2 of P.L.2017, c.239 (C.30:4D-7o).]<sup>1</sup>  
34 (cf: P.L.2017, c.239, s.1)

35

36 2. Section 2 of P.L.2017, c.239 (C.30:4D-7o) is amended to  
37 read as follows:

38 2. <sup>1</sup>**[a.]** Every provider that receives reimbursement for  
39 personal care services pursuant to a Medicaid managed care  
40 contract <sup>1</sup>or a Medicaid fee-for-service delivery system<sup>1</sup> shall  
41 annually provide a report to the Division of Medical Assistance and  
42 Health Services in the Department of Human Services regarding the  
43 use of funds received as reimbursement for personal care services,  
44 including assurances that the increased funds received pursuant to

**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>Senate SHH committee amendments adopted May 21, 2018.

1 section 1 of P.L.2017, c.239 (C.30:4D-7n)<sup>1</sup>, less verifiable direct  
2 and indirect administrative costs of the employer related thereto,  
3 including, but not limited to, applicable payroll taxes and insurance  
4 costs,<sup>1</sup> are being used [exclusively] <sup>1</sup>[primarily] exclusively<sup>1</sup> for  
5 salary increases for workers who directly provide personal care  
6 services and detailed data on the salary increases resulting from  
7 section 1 of P.L.2017, c.239 (C.30:4D-7n); including the prior  
8 salary, current salary, and other changes to the salary of the workers  
9 who directly provide personal care services.

10 <sup>1</sup>[b. Every provider that receives reimbursement for personal  
11 care services pursuant to a Medicaid managed care contract shall  
12 provide a report to the Division of Medical Assistance and Health  
13 Services in the Department of Human Services detailing the  
14 provider's expenditures for direct care worker compensation, as  
15 defined in section 1 of P.L.2017, c.239 (C.30:4D-7n) for the  
16 previous three calendar years. This information shall be provided to  
17 the department no less than 60 days after the effective date of  
18 P.L. , c. (C. ) (pending before the Legislature as this bill).  
19 The department shall determine the average hourly rate for direct  
20 care worker compensation for personal care assistants and home  
21 health aides by calculating total expenditures for direct care worker  
22 compensation by the number of hours reimbursed for personal care  
23 assistants and home health aides over the previous three calendar  
24 years. This sum shall be used as the average direct care worker  
25 compensation rate pursuant to section 1 of P.L.2017, c.239  
26 (C.30:4D-7n).]<sup>1</sup>

27 (cf: P.L.2017, c.239, s.2)

28

29 3. The Commissioner of Human Services, pursuant to the  
30 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
31 seq.), shall adopt rules and regulations as the commissioner  
32 determines necessary to effectuate the purposes of this act.

33

34 4. This act shall take effect July 1, 2018, and shall apply to  
35 services provided on or after the effective date of this act and to any  
36 Medicaid managed care contract executed or renewed on or after  
37 the effective date of this act.