

# ASSEMBLY, No. 4069

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED SEPTEMBER 15, 2016

**Sponsored by:**

**Assemblyman TROY SINGLETON**

**District 7 (Burlington)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**SYNOPSIS**

Establishes payment incentive program for home health agencies and health care service firms.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 9/30/2016)**

1 AN ACT establishing an incentive program for home health agencies  
2 and health care service firms 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:*

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8 1. a. The Division of Medical Assistance and Health Services  
9 in the Department of Human Services shall establish a pay-for-  
10 performance program for licensed home health agencies and  
11 registered health care service firms providing services to NJ  
12 FamilyCare recipients enrolled in a Fully Integrated Dual Eligible  
13 Special Needs Plan. Participation in the pay-for-performance  
14 program shall be mandatory for home health agencies and health  
15 care service firms providing services to NJ FamilyCare recipients  
16 enrolled in a Fully Integrated Dual Eligible Special Needs Plan, and  
17 shall reward the home health agencies and health care service firms  
18 for achieving improved performance outcomes.

19 b. The division shall establish a system to measure improved  
20 performance outcomes for Fully Integrated Dual Eligible Special  
21 Needs Plan beneficiaries and rank participating home health  
22 agencies and health care service firms as determined by how well  
23 the agencies or firms meet seven “Outcome and Assessment  
24 Information Set” measures, as follows: 1) Incidence of Acute Care  
25 Hospitalization; 2) Incidence of Any Emergent Care; 3)  
26 Improvement in Bathing; 4) Improvement in Ambulation or  
27 Locomotion; 5) Improvement in Transferring; 6) Improvement in  
28 Management of Oral Medications; and 7) Improvement in Status of  
29 Surgical Wounds.

30 c. The division shall rank participating home health agencies  
31 and health care service firms by each Outcome and Assessment  
32 Information Set measure, as delineated in subsection b. of this  
33 section, in terms of absolute performance level and percentage  
34 improvement in performance relative to the base year. Base year  
35 shall be defined as the 12 month period immediately prior to the  
36 start of the pay for performance program.

37 d. Each Medicaid managed care organization in the State that is  
38 under contract with the Division of Medical Assistance and Health  
39 Services to participate in the Fully Integrated Dual Eligible Special  
40 Needs Plan Program and contracts with home health agencies and  
41 health care service firms to provide home health services to NJ  
42 FamilyCare recipients enrolled in a Fully Integrated Dual Eligible  
43 Special Needs Plan shall provide to the division all such data  
44 concerning home health services provided in the State as the  
45 division determines to be necessary for the purposes of establishing  
46 and evaluating the pay-for-performance program, including all such  
47 data as may be required to develop base year data and to compare

A4069 SINGLETON, VAINIERI HUTTLE

1 outcomes among home health agencies and health care service firms  
2 throughout the State.

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4 2. The Department of Human Services shall appropriate \$5  
5 million for distribution to home health agencies and health care  
6 service firms for the pay-for-performance program established  
7 pursuant to section 1 of P.L. , c. (C. ) (pending before the  
8 Legislature as this bill). The pay-for-performance appropriations  
9 shall be distributed as follows:

10 a. 75 percent of the appropriation for the pay-for-performance  
11 program shall be distributed to those home health agencies and  
12 health care service firms which are ranked by the division in the top  
13 20 percent for absolute performance level, as determined by the  
14 division pursuant to section 1 of P.L. , c. (C. ) (pending  
15 before the Legislature as this bill).

16 b. 25 percent of the appropriation for the pay-for-performance  
17 program shall be distributed to those home health agencies and  
18 health care service firms which are ranked in the top 20 percent for  
19 improvement in performance relative to base year, as determined by  
20 the division pursuant to section 1 of P.L. c. (C. ) (pending  
21 before the Legislature as this bill).

22

23 3. The division shall provide the data received pursuant to  
24 section 1 of P.L. , c. (C. ) (pending before the Legislature  
25 as this bill) and data reported by home health agencies and health  
26 care service firms concerning their participation in the pay-for-  
27 performance system to the Rutgers Center for State Health Policy  
28 for the purposes of evaluating the program with regard to patient  
29 outcomes, quality of patient care, cost savings, and such other  
30 metrics as the division shall require.

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32 4. No later than three years after the effective date of this act,  
33 the division shall report to the Legislature, pursuant to section 2 of  
34 P.L.1991, c.164 (C.52:14-19.1), on the projected benefits and costs  
35 of the pay-for-performance program.

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37 5. The Commissioner of Human Services shall apply for such  
38 State plan amendments or waivers as may be necessary to  
39 implement the provisions of this act and to secure federal financial  
40 participation for State Medicaid expenditures under the federal  
41 Medicaid program.

42

43 6. The Commissioner of Human Services shall adopt rules and  
44 regulations pursuant to the "Administrative Procedure Act,"  
45 P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of  
46 this act.

1       7. This act shall take effect on the first day of the sixth month  
2 next following enactment, except the commissioner may take any  
3 anticipatory administrative action in advance as shall be necessary  
4 for the implementation of this act.

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STATEMENT

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9       This bill will require the Division of Medical Assistance and  
10 Health Services in the Department of Human Services to establish a  
11 pay-for-performance program, which will be mandatory for licensed  
12 home health agencies and registered health care service firms  
13 providing services to NJ FamilyCare recipients enrolled in a Fully  
14 Integrated Dual Eligible Special Needs Plan.

15       The division will establish a system to measure improved  
16 performance outcomes for Fully Integrated Dual Eligible Special  
17 Needs Plan beneficiaries, and rank participating home health  
18 agencies and health care service firms as determined by how well  
19 the agencies or firms meet seven “Outcome and Assessment  
20 Information Set” measures. The measures include: 1) Incidence of  
21 Acute Care Hospitalization; 2) Incidence of Any Emergent Care; 3)  
22 Improvement in Bathing; 4) Improvement in Ambulation or  
23 Locomotion; 5) Improvement in Transferring; 6) Improvement in  
24 Management of Oral Medications; and 7) Improvement in Status of  
25 Surgical Wounds.

26       The division will rank participating home health agencies and  
27 health care service firms by each Outcome and Assessment  
28 Information Set measure, in terms of absolute performance level  
29 and percentage improvement in performance relative to the base  
30 year. Base year is defined as the 12 month period before the start of  
31 the program.

32       The requires the Department of Human Services to appropriate  
33 \$5 million for distribution to home health agencies and health care  
34 service firms for the pay-for-performance program. Furthermore,  
35 the bill instructs that the pay-for-performance appropriations are  
36 distributed as follows: 75 percent of the appropriation will be  
37 distributed to those home health agencies and health care service  
38 firms which are ranked by the division in the top 20 percent for  
39 absolute performance level; and 25 percent of the appropriation will  
40 be distributed to those home health agencies and health care service  
41 firms which are ranked in the top 20 percent for improvement in  
42 performance relative to base year.

43       The bill also provides for an evaluation of the program and an  
44 annual report to be submitted to the Legislature on the program no  
45 later than three years after the start of the program.