

## CHAPTER 393

**AN ACT** concerning pediatric rehabilitation hospitals, supplementing Titles 26 and 30 of the Revised Statutes.

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

C.30:4D-7g Findings, declarations relative to pediatric rehabilitation hospitals.

1. The Legislature finds and declares that:

a. Currently, there are two pediatric rehabilitation hospitals in the State that provide pediatric inpatient and ambulatory rehabilitation and pediatric long-term care services to children throughout the State. These hospitals offer a variety of medical, developmental and educational services to children with severe disabilities and chronic illnesses; and

b. There is a tremendous need in the State for the unique services provided by these facilities, and few providers within the health care community have the capability and expertise to properly treat the special needs of these children.

C.30:4D-7h Reimbursement by State Medicaid, program, rates.

2. A pediatric rehabilitation hospital licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) shall be reimbursed a prospective per diem rate by the State Medicaid program for Medicaid fee-for-service recipients.

The initial prospective per diem rate shall be based on the total allowable cost for Medicaid patients divided by the total Medicaid days from the calendar year 1999 Medicare/Medicaid cost report, and shall be considered the base year rate. If the hospital has been in operation less than two full years prior to fiscal year 1999, the prospective per diem rate will be set using its first finalized audited fiscal year 2000 Medicaid/Medicare cost report. The base year rate shall be updated each year by the economic factor specified in N.J.A.C.10:52-5.13.

The Commissioner of Human Services shall adopt regulations to permit a pediatric rehabilitation hospital to seek rate relief or to seek a new base year rate in the event the hospital can demonstrate that it is entitled to rate relief or a new base year pursuant to applicable Medicare Principles of Reimbursement.

C.30:4D-7i Exemption from close proximity requirements, notification as to off-site location.

3. A pediatric rehabilitation hospital licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) shall not be subject to the close proximity requirements established pursuant to N.J.A.C.10:52-1.3(b)(1) for the purposes of receiving Medicaid fee-for-service reimbursement for outpatient hospital services.

A pediatric rehabilitation hospital which establishes an off-site location to provide outpatient services shall notify the Division of Medical Assistance and Health Services in the Department of Human Services in accordance with the requirements of N.J.A.C.10:52-1.3.

4. The Commissioner of Health and Senior Services shall, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt regulations to carry out the purposes of this act.

5. This act shall take effect immediately.

Approved January 8, 2002.