CHAPTER 86

AN ACT establishing a Medicaid perinatal episode of care pilot program.

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

1.   As used in this act:

"Commencement date" means the date on which the perinatal episode of care pilot program is first implemented pursuant to this act, which shall be no later than January 1, 2021 unless a later date is recommended by the steering committee and is approved by the division.

"Division" means the Division of Medical Assistance and Health Services in the Department of Human Services.

"Perinatal episode of care" or "episode" means all pregnancy-related care, including prenatal care, labor and birth, and postpartum care, provided to a mother and infant, beginning 40 weeks prior to the delivery and ending 60 days after the delivery of the infant, or as otherwise defined by the perinatal episode of care steering committee and approved by the division.

"Perinatal episode of care steering committee or "steering committee" means the perinatal episode of care steering committee established pursuant to section 2 of this act.

"Perinatal episode of care payment model" means a provider reimbursement model based on target total cost of care for services provided within a perinatal episode of care.

"Medicaid" means the Medicaid program established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.).

"Participating provider" means an obstetrical provider or group of obstetrical providers approved to participate in the Medicaid program that meet a specified minimum volume of Medicaid live births per year, as defined by the steering committee and approved by the division, and that has entered into a voluntary provider agreement with one or more Medicaid managed care organizations to participate in the perinatal episode of care pilot program.

"Total cost of care" means all costs for a perinatal episode of care as calculated by claims data, with a risk adjustment for clinical factors that affect the cost of delivering an episode for specific patients.

2. a. The division shall establish a perinatal episode of care steering committee. The steering committee may be administered by the division, or, at the division's discretion, a designated entity that is well versed in alternative payment models. Any entity designated by the division to administer the steering committee shall enter into a data sharing agreement with the division in order to fulfill the provisions of this act.

The steering committee shall consist of 10 or more members with knowledge regarding alternative payment methodologies for pregnancy-related services within Medicaid, including, but not limited to: the Director of the Division of Medical Assistance and Health Services in the Department of Human Services, or the director's designee; representatives from each of the current Medicaid managed care organizations (MCOs) currently contracted with the division to provide Medicaid benefits; at least two representatives of federally qualified health centers, with at least one representative from a federally qualified health center located in the northern region of the State and at least one representative from a federally qualified health center located in the southern region of the State; and at least three maternity healthcare providers, representing northern, central, and southern New Jersey, approved to participate in Medicaid.

b.   The steering committee, as approved by the division, shall develop the parameters for a three-year perinatal episode of care pilot program within Medicaid. The purpose of this

pilot program is to improve perinatal health care outcomes and to reduce the cost of perinatal care. To effectuate the goals of the program, the steering committee shall design a perinatal episode of care payment model, which shall be approved by the division and implemented by MCOs, according to section 3 of this act.

c. The steering committee shall make recommendations on how the division shall:

(1) Identify the services to be covered under each episode, including any wraparound patient support services, such as childbirth education and community doula services for the mother;

(2) Establish patient volume minimums for participating providers;

(3) Identify quality metrics and quality metric targets to be included in the episode;

(4) Establish a methodology to calculate the target total cost of care for an episode and calculate any risk sharing payments between a MCO and a participating provider. Such methodology for shared savings shall align payments to a participating provider with the quality metrics and quality metric targets, as determined by the steering committee, regarding the provider's provision of care;

(5) Establish additional episode parameters, including the episode trigger, duration, principal accountable provider, exclusions, adjustments, and quality reporting methodology between providers and MCOs; and

(6) Define the scope of the pilot program, including whether implementation should be focused on selected geographic areas, populations, providers, health systems, or MCOs.

d. The steering committee shall report to the Governor, and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature, no later than four years following the commencement date, on the effectiveness of the perinatal episode of care pilot program in improving the quality and reducing the cost of maternity and infant care. The report shall include any recommendations that the steering committee deems appropriate to continue, revise, restrict, or expand the program. The division shall make copies of the steering committee's report available to the public on the Department of Human Services' website.

3. The division shall require at least one managed care organization that has contracted with the division to provide benefits under the Medicaid program to enter into a provider agreement with an obstetrical provider or group of obstetrical providers to implement the perinatal episode of care payment model, as established by the steering committee, and approved by the division, pursuant to section 2 of this act.

4. a. A participating provider shall submit all information required to fulfill the provisions of this act to the division, in a format and at a frequency to be determined by the steering committee and approved by the division.

b. A participating provider shall conduct a risk assessment for all episodes using the Perinatal Risk Assessment form, as used by the division, to determine each mother's level of need for State-sponsored support services. With the mother's consent, the provider shall forward the completed risk assessment form to the appropriate county central intake agency, which shall review the form and, if the form indicates a need for services, contact the mother to provide her with information and referrals to appropriate services. The services to which mothers may be referred pursuant to this subsection shall include, but shall not be limited to: home visitation programs; mental health and substance use disorder treatment; domestic violence support and intervention; transportation and housing assistance; and group prenatal counseling.

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

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

7.   This act shall take effect immediately, with the steering committee convening no later than July 1, 2019, and the pilot program commencing no later than January 1, 2021, unless a later date is recommended by the steering committee and approved by the division, and shall expire upon the submission of the report by the steering committee to the Governor and the Legislature pursuant to subsection d. of section 2 of this act.

Approved May 8, 2019.