

## CHAPTER 517

**AN ACT** concerning the establishment of a Regional Health Hub Program as a replacement to the Accountable Care Organization Demonstration Project, and supplementing Title 30 of the Revised Statutes.

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

C.30:4D-8.16 Findings, declarations relative to the establishment of a Regional Health Hub Program.

1. The Legislature finds and declares that:

a. Significant State resources are invested in both the health and social service sectors in New Jersey, and the development of improvements in how Medicaid benefits and payment models interact with social services would provide a benefit to all New Jersey residents.

b. A more regional approach to care, involving the coordinated provision of person-centered health care in combination with robust connections to social services and community resources, is required at both the patient and organizational levels.

c. It is in New Jersey's best interest to establish a regional network of non-profit organizations that partner with Medicaid and State agencies to reduce health disparities and improve health outcomes and the delivery of care for Medicaid recipients in the State. Such non-profit organizations have the capacity to become local innovation engines that use real-time actionable data and diverse stakeholder input to develop and implement innovative models for the delivery of effective, person-centered care.

d. It is both reasonable and appropriate for the Department of Human Services to designate and recognize existing accountable care organizations as Regional Health Hubs, and to establish new Regional Health Hubs in appropriate areas of the State, as provided by this act, in order to enable the State to:

(1) identify existing and emerging threats to health and wellbeing, and problems with the State's regional health care delivery systems, and identify and determine how to implement solutions to those problems;

(2) promote and facilitate cooperation, coordination, innovation, and goal setting by and among relevant stakeholders;

(3) evaluate the progress that has been made in achieving identified goals and priorities; and

(4) otherwise encourage and enable the overall improvement of the health of New Jersey residents and the delivery of health care throughout the State.

C.30:4D-8.17 Definitions relative to Regional Health Hubs.

2. As used in this act:

"Commissioner" means the Commissioner of Human Services.

"Core region" means the geographic area of responsibility for a Regional Health Hub.

"Data catchment area" means the zip codes in New Jersey for which a Regional Health Hub receives NJ FamilyCare claims data.

"Department" means the Department of Human Services.

"Existing Regional Health Hub" means those four organizations designated as Regional Health Hubs by the FY20 New Jersey State Budget, P.L.2019, c.150 and identified in subsection b. of section 3 of this act.

"Health information platform" means a Health Information Exchange (HIE) or other electronic platform that is used to run population-level analytics or exchange health information among various organizations.

“New Regional Health Hub” means an entity that is designated by the commissioner as a Regional Health Hub after the effective date of, and as provided by, this act.

“Prospective service region” or “prospective region” means a geographical area that is designated by the commissioner, pursuant to subsection a. of section 4 of this act, as being in need of a Regional Health Hub.

“Regional Health Hub” means any entity that is designated as a Regional Health Hub, as provided by this act, including an existing Regional Health Hub or a new Regional Health Hub.

C.30:4D-8.18 Regional Health Hub Program.

3. a. The Department of Human Services shall establish a Regional Health Hub Program, and shall designate Regional Health Hubs in appropriate areas of the State, as provided by this act. The Regional Health Hub Program shall replace the Medicaid Accountable Care Organization Demonstration Project established pursuant to P.L.2011, c.114 (C.30:4D-8.1 et seq.), which is now subject to expiration by law.

b. The following certified accountable care organizations and accountable care look-alike organizations, which are operating in this State as of the effective date of this act, shall be grandfathered into the Regional Health Hub Program, and shall be automatically designated as Regional Health Hubs, for the purposes of this act:

- (1) the Healthy Greater Newark ACO;
- (2) the Trenton Health Team;
- (3) the Camden Coalition of Health Care Providers; and
- (4) the Health Coalition of Passaic County.

c. The Department of Human Services, in consultation with the Department of Health, shall be authorized to designate additional non-profit organizations to operate as Regional Health Hubs under the Regional Health Hub Program, pursuant to section 4 of this act, as determined to be appropriate.

C.30:4D-8.19 Designation, delineation of boundaries.

4. a. The commissioner, in consultation with the Commissioner of Health, shall designate and delineate the boundaries of regions of the State that are in need of new Regional Health Hubs within six months of the effective date of this act.

b. The commissioner’s designation and delineation of prospective service regions for new Regional Health Hubs shall be based on the following factors:

- (1) the availability of State and federal funding necessary to support the new Regional Health Hub, and the State’s ability to provide necessary funding;
- (2) the number and density of Medicaid beneficiaries in the region;
- (3) the existence, in the region, of multiple health and social service systems of care that are in need of convening and coordination; and
- (4) the volume, in the region, of avoidable inpatient hospital admissions and emergency department visits.

c. Based on the analysis of factors identified in subsection b. of this section, the commissioner may designate any county, zip code, or group of zip codes in the State as a prospective service region. The boundaries of any prospective service region designated under this section shall not overlap with any portion of a core region served by another Regional Health Hub.

d. Once an area has been designated by the commissioner as a prospective service region, the commissioner shall evaluate organizations for designation as the new Regional

Health Hub for the prospective service region. The commissioner shall only designate an organization as a new Regional Health Hub if the organization:

(1) is a registered New Jersey non-profit organization exempt from federal taxation under 26 U.S.C. s.501(c)3;

(2) submits a request identifying the proposed boundaries of the Regional Health Hub's anticipated core region, which boundaries shall include the total area of a prospective service region designated by the commissioner, and shall not include any area that is already included in another Regional Health Hub's core region;

(3) submits a request identifying the proposed boundaries of the Regional Health Hub's anticipated data catchment area; and

(4) demonstrates, to the commissioner's satisfaction, the ability to perform the mandatory functions of a Regional Health Hub, as described in subsection a. of section 6 of this act.

e. Within 180 days after an organization is approved to operate as a Regional Health Hub, the organization shall:

(1) establish and maintain a headquarters within the boundaries of the core region;

(2) establish and convene an advisory committee of persons who reside or work in the core region, which committee shall include community members and representatives from organizations that exemplify the diversity of geography, gender, disability, age, sexual orientation, veterans' status, and prevalent health conditions in the core region. The following types of persons may be included in an advisory committee established under this paragraph: (a) community members having lived experience with the health care system; (b) Medicaid beneficiaries; (c) representatives from school districts; (d) representatives of local government; (e) representatives of housing organizations; and (f) representatives of the faith-based community; and

(3) establish and convene a governing board that includes members from a majority of the following groups and entities, to the extent that such groups and entities are present in the core region: (a) hospitals or hospital systems; (b) Federally Qualified Health Centers; (c) private clinicians, including physicians and nurses; (d) community-based organizations such as behavioral health providers and social service agencies; (e) managed care organizations; (f) the advisory committee established pursuant to paragraph (2) of this subsection; and (g) health care consumers.

f. If more than one organization meets the criteria for designation as a Regional Health Hub in a prospective service region, the commissioner, in the commissioner's discretion, shall designate the organization that the commissioner determines will be best able to meet the needs of, and fulfill the purposes of this act within, the prospective service region.

g. Before designating a Regional Health Hub under this section, the commissioner shall review each of the boundary requests submitted by the organization under paragraph (2) of subsection d. of this section, and shall either approve the requests, as submitted by the organization, or require the organization to make appropriate modifications to the boundary requests as a precondition to their approval. If a boundary request cannot be modified as necessary to comply with the provisions of this act, the commissioner may select another organization to serve as the Regional Health Hub in the proposed service region.

h. A designated Regional Health Hub may submit an application to the commissioner, at any time, requesting the expansion of its core region. The commissioner may approve the requested expansion if:

(1) the boundaries of the expanded core region will not overlap with the core region of another Regional Health Hub;

(2) the area would otherwise qualify for designation as a prospective service region under subsection b. of this section; and

(3) the applicant demonstrates, to the commissioner's satisfaction, the applicant's ability to perform, in the requested expansion area, and within one year following submission of the application, the mandatory activities of a Regional Health Hub, as described in subsection a. of section 6 of this act.

C.30:4D-8.20 Revocation of status.

5. a. The commissioner may revoke an organization's status as a Regional Health Hub if the organization fails to perform the mandatory activities of a Regional Health Hub, as described in subsection a. of section 6 of this act.

b. Before revoking an organization's status as a Regional Health Hub, the commissioner shall notify the organization of the potential revocation and provide a reasonable timeframe for corrective action.

c. The commissioner's revocation of Regional Health Hub status shall be a final agency action for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

d. After revoking an organization's status as a Regional Health Hub, the commissioner shall immediately determine whether a new Regional Health Hub is needed in the area where status was revoked. If such need is determined to exist, the commissioner shall designate a new Regional Health Hub to serve the area, as provided by subsection d. of section 4 of this act.

C.30:4D-8.21 Mandatory activities.

6. a. Each designated Regional Health Hub shall engage in the following mandatory activities:

(1) establish, operate, and maintain a health information platform that allows for population-level views and analytics, and patient-level health interventions. Unless annually exempted by the commissioner, each Regional Health Hub's health information platform shall, to the extent practicable, be interoperable with all other Regional Health Hubs' platforms, and with any other Statewide health information platform designated by the commissioner;

(2) convene and obtain relevant input from community stakeholders within the Regional Health Hub's core region. At a minimum, convening activities shall include quarterly opportunities for the active engagement and interaction of relevant stakeholders, including, but not limited to, managed care organizations, local and State government entities, health care and social service providers, community-based organizations, and local consumers of health care;

(3) upon request, provide the department and other State agencies, including the Departments of Health, Children and Families, and Community Affairs, with information and feedback to assist the departments in program design, population analysis, strategic planning, and other appropriate functions; and

(4) engage in any other activity that the commissioner deems necessary to achieve the goals of this act.

b. Each designated Regional Health Hub shall be authorized to engage in the following activities as necessary either to further the Regional Health Hub's goals or to comport with the provisions of the proposal submitted by the Regional Health Hub to the department pursuant to section 7 of this act:

(1) plan and execute population-level and patient-level health interventions;

(2) establish, operate, and maintain, or partner with a third-party who will establish, operate, and maintain, a community resource inventory that is capable of referring and tracking the referral of community members to appropriate services;

(3) perform a health needs assessment on all or part of the population in the Regional Health Hub's core region;

(4) perform quality improvement activities based on population-level data and health needs assessment findings;

(5) develop screening protocols that provide for a comprehensive risk assessment to determine a patient's need for follow-up and wrap-around services related to the social determinants of health;

(6) facilitate the coordination, within the Regional Health Hub's core region, of health care and ancillary services related to the social determinants of health, including, but not limited to, food assistance services, legal services, and other social services, for high-need populations;

(7) provide care management services to the entire population, or to underserved sub-populations, in the Regional Health Hub's core region;

(8) submit reports to the commissioner describing the health needs in the Regional Health Hub's core region, identifying the Regional Health Hub's near and long-term health goals for the core region, and describing the activities that have been undertaken, and the progress that has been made, over the preceding year, by the Regional Health Hub and relevant stakeholders in the core region to improve the effectiveness or efficiency of the core region's health care system; and

(9) engage in any other appropriate activity that the commissioner or Regional Health Hub deems relevant to the attainment of the Regional Health Hub's goals.

c. Nothing in this section shall be deemed to limit the activities that a Regional Health Hub may conduct on behalf of other State departments or funders.

#### C.30:4D-8.22 Submission of annual proposal.

7. a. Each Regional Health Hub shall annually submit a proposal to the department, describing the Regional Health Hub's annual goals, and the elective activities that the Regional Health Hub will undertake during the upcoming fiscal year.

b. In order to become effective, each Regional Health Hub's proposal shall be approved by the department in consultation with the Department of Health. Approval shall be at the sole discretion of the department in consultation with the Department of Health, and the department may request that the Regional Health Hub modify and resubmit a proposal, in order to receive approval.

c. In order to facilitate the development of proposals under this section, the department shall annually provide each Regional Health Hub with a list of the department's goals, projects, or priorities for the upcoming fiscal year.

d. When finalizing a proposal under this section, the department and relevant Regional Health Hub shall negotiate joint goals, projects, and priorities for the upcoming fiscal year, and agree upon the associated funding that will be needed to accomplish those joint goals, projects, and priorities.

e. Each proposal approved pursuant to this section shall include, at a minimum:

(1) a description of the joint goals, projects, and priorities agreed upon by the Regional Health Hub and the department for the upcoming fiscal year pursuant to subsection d. of this section;

(2) an indication of the amount of funding that will be needed to attain each joint goal, project, and priority identified in the proposal, and an indication of the total amount of funding, overall, that will be needed to execute the proposal;

(3) a description of the clear deliverables and performance metrics that will be used to evaluate and measure success in relation to the achievement of the goals, projects, and priorities described in the proposal; and

(4) a description of performance-based payments, which shall be tied to the achievement of the clear deliverables and performance metrics described in paragraph (3) of this subsection. Each year, at least 10 percent, but no more than 25 percent of the total funding provided by the department to each Regional Health Hub to undertake the activities described in section 6 of this act shall be contingent upon the Regional Health Hub's achievement of such deliverables and performance metrics. Determination of whether a Regional Health Hub has achieved such deliverables and performance metrics shall be at the sole discretion of the department.

#### C.30:4D-8.23 Funding for Regional Health Hub.

8. a. A Regional Health Hub may be funded in part by the department, in accordance with the provisions of the annual appropriations act. As described in paragraph (4) of subsection e. of section 7 of this act, a portion of such funding shall be contingent on the Regional Health Hub's achievement of deliverables and performance metrics, as specified in the Regional Health Hub's approved proposal each year.

b. In addition to funding described in subsection a. of this section, the commissioner shall have the discretion to support a Regional Health Hub's innovation projects that advance Medicaid priorities using other available dollars as appropriate.

c. A Regional Health Hub shall not receive funding provided for under this section until the Regional Health Hub has submitted an annual proposal, as described in section 7 of this act.

#### C.30:4D-8.24 Health information platform.

9. a. A health information platform operated pursuant to paragraph (1) of subsection a. of section 6 of this act shall contain detailed health data from the Regional Health Hub's core region, including macro-level analytics of broad population trends, and micro-level analytics of both individual health data, and disease trends by category of disease, age group, or other subset.

b. Each Regional Health Hub shall maintain a data sharing use and reciprocal support agreement, and any applicable use case agreement, with any Statewide health information platform designated by the commissioner in order to promote interoperability.

c. The department shall, consistent with federal and State law, make available NJ FamilyCare claims data to the Regional Health Hubs, as needed for the Regional Health Hub's population health work or other tasks, and enter into appropriate data sharing agreements for the exchange of such data. The department shall share with each Regional Health Hub the NJ FamilyCare claims data for beneficiaries residing within the Regional Health Hub's data catchment area, as mutually agreed to by the Regional Health Hub and the department. The data catchment area shall include, but need not be limited to, the Regional Health Hub's core region, and may overlap with the data catchment areas for other Regional Health Hubs.

d. The Departments of Human Services, Health, Children and Families, and Community Affairs shall be authorized, to the extent permissible by federal and State law or regulation, to share with the health information platforms established, or the Regional Health Hubs

designated, pursuant to this act, any available health data that is maintained by the departments.

C.30:4D-8.25 Consultations relative to pilot program.

10. Any State department that implements a pilot program related to health care delivery shall be encouraged to consult with the Regional Health Hubs operating in the regions of the State that will be affected by the pilot program, in order to ensure that all relevant considerations have been accounted for, and that the pilot program is effectively and efficiently implemented with the assistance of all relevant stakeholders.

C.30:4D-8.26 Application for amendments, waivers.

11. In addition to utilizing any State-appropriated funding that supports Regional Health Hubs, 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 federal Medicaid program, and shall take such additional steps as may be necessary to secure, on behalf of participating Regional Health Hubs, such waivers, exemptions, or advisory opinions to ensure that such Regional Health Hubs are in compliance with applicable provisions of State and federal law related to fraud and abuse, including, but not limited to, anti-kickback, self-referral, false claim, and civil monetary penalty provisions.

C.30:4D-8.27 Rules, regulations.

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

13. This act shall take effect immediately; however, funding appropriated for the Regional Health Hub Project in the Fiscal Year 2020 annual appropriations act, P.L.2019, c.150, shall not be subject to the provisions of this act.

Approved January 21, 2020.