

LEGISLATIVE FISCAL ESTIMATE:

Yes

VETO MESSAGE:

No

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

RWH/JA

P.L. 2019, CHAPTER 246, *approved August 23, 2019*
Senate, No. 499 (*Second Reprint*)

1 AN ACT concerning eligibility determination for Medicaid and
2 supplementing Title 30 of the Revised Statutes.

3

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

6

7 1. a. The Commissioner of Human Services shall ²[, in
8 consultation with the Office of Information Technology,]² develop
9 an information technology platform for use by the State, county
10 welfare agencies, and State contractors for the purpose of intake,
11 processing, and tracking of applications for benefits under the
12 Medicaid program established pursuant to P.L.1968, c.413
13 (C.30:4D-1 et seq.) and the NJ FamilyCare program established
14 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.). The goals of the
15 system shall be: to simplify the applications and eligibility
16 determination processes for both applicants and eligibility
17 determination staff; to standardize the application of eligibility
18 policy across the various agencies responsible for eligibility
19 determination; to allow for real-time tracking of the status of
20 applications; to allow the rapid exchange of data relevant to
21 applications among various State and county agencies and
22 contractors; and to provide a platform to expand the system to
23 encompass other social service program applications and eligibility
24 determinations as the technology permits.

25 b. The Commissioner of Human Services shall establish a
26 system to evaluate the performance of all entities responsible for
27 intake and processing of applications for the Medicaid and NJ
28 FamilyCare programs, including all county welfare agencies and the
29 State's contracted health benefits coordinator. The system shall
30 allow for the measurement of a set of relevant common metrics,
31 including but not limited to: the number of complete and incomplete
32 applications of each type received; the time between receipt of
33 completed applications and the completion of the eligibility
34 determination; ¹the time between receipt of an application and the
35 request for ²[verification letters] supporting documentation² sent to
36 the applicant; the number of ²[extensions granted to an applicant in
37 order to permit the applicant an opportunity to provide additional

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:

¹Senate SBA committee amendments adopted September 13, 2018.

²Senate floor amendments adopted September 27, 2018.

1 documentation; the number of fair hearings requested, including the
2 specific determination or action that gave rise to the request for a
3 fair hearing;¹] applicants granted extensions; and² the accuracy of
4 eligibility determinations ²[; and corrective actions taken to correct
5 errors in eligibility determination]².

6 ¹Nothing in this section shall be construed to permit a county
7 welfare agency to deny an application for which an applicant
8 requires additional time to provide information or documentation to
9 a county welfare agency, and a county welfare agency shall
10 ²[liberally]² grant extensions ², as appropriate,² when needed ²[in
11 the spirit of cooperation and assistance]².

12 The Commissioner shall annually publish on the Department of
13 Human Services website, the results, including those for each of the
14 common metrics and by individual entity, of the performance
15 evaluation system to be established pursuant to this section.¹

16 c. The Commissioner of Human Services shall establish a
17 system of rewards and penalties for all entities responsible for
18 intake ²[and] ², processing of applications ², and processing of
19 redetermination applications² that provides incentives for
20 performance on the metrics established pursuant to subsection b. of
21 this section. This system shall include incentives for county
22 welfare agencies to ²[provide extended hours of operation for in-
23 person intake of applications and information requests, and to
24 provide in-person navigators to assist applicants with their
25 applications when necessary. The system shall further provide
26 incentive for the use of administrative renewals that do not require a
27 beneficiary to file a renewal application, when such administrative
28 renewals are permissible under State and federal law and can be
29 completed with information from tax records and clinical and
30 financial determinations made by other public entities] streamline
31 their processes and utilize the information technology platform
32 required by subsection a. of this section².

33 d. The Commissioner of Human Services shall designate ²[an
34 ombudsperson, who shall be an employee] a customer service
35 liaison team, which shall be composed of employees² of the
36 Department of Human Services, to receive complaints that result
37 from the eligibility application process. The ²[ombudsperson]
38 customer service liaison team² shall have authority to review all
39 records of the cases about which complaints are submitted; to
40 interview individuals who submit complaints, the individuals who
41 have assisted with their applications, and the State and county staff
42 who have worked on their cases; and to recommend corrective
43 actions to State and county agencies to address specific complaints
44 and reduce future complaints.

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

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

11
12 4. This act shall take effect ²**[immediately]** on the first day of
13 the sixth month next following enactment².

14
15
16
17
18 _____
19 Provides for improved system for eligibility determination for
Medicaid and NJ FamilyCare.

SENATE, No. 499

STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

SYNOPSIS

Provides for improved system for eligibility determination for Medicaid and NJ FamilyCare.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 3/6/2018)

1 AN ACT concerning eligibility determination for Medicaid and
2 supplementing Title 30 of the Revised Statutes.

3

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

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7 1. a. The Commissioner of Human Services shall, in
8 consultation with the Office of Information Technology, develop an
9 information technology platform for use by the State, county
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11 processing, and tracking of applications for benefits under the
12 Medicaid program established pursuant to P.L.1968, c.413
13 (C.30:4D-1 et seq.) and the NJ FamilyCare program established
14 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.). The goals of the
15 system shall be: to simplify the applications and eligibility
16 determination processes for both applicants and eligibility
17 determination staff; to standardize application of eligibility policy
18 across the various agencies responsible for eligibility determination;
19 to allow for real-time tracking of the status of applications; to allow
20 the rapid exchange of data relevant to applications among various
21 State and county agencies and contractors; and to provide a
22 platform to expand the system to encompass other social service
23 program applications and eligibility determinations as the
24 technology permits.

25 b. The Commissioner of Human Services shall establish a
26 system to evaluate the performance of all entities responsible for
27 intake and processing of applications for the Medicaid and NJ
28 FamilyCare programs, including all county welfare agencies and the
29 State's contracted health benefits coordinator. The system shall
30 allow for the measurement of a set of relevant common metrics,
31 including but not limited to: the number of complete and
32 incomplete applications of each type received; the time between
33 receipt of completed applications and the completion of the
34 eligibility determination; the accuracy of eligibility determinations;
35 and corrective actions taken to correct errors in eligibility
36 determination.

37 c. The Commissioner of Human Services shall establish a
38 system of rewards and penalties for all entities responsible for
39 intake and processing of applications that provides incentives for
40 performance on the metrics established pursuant to subsection b. of
41 this section. This system shall include incentives for county
42 welfare agencies to provide extended hours of operation for in-
43 person intake of applications and information requests, and to
44 provide in-person navigators to assist applicants with their
45 applications when necessary. The system shall further provide
46 incentive for the use of administrative renewals that do not require a
47 beneficiary to file a renewal application, when such administrative
48 renewals are permissible under State and federal law and can be

- 1 completed with information from tax records and clinical and
2 financial determinations made by other public entities.
- 3 d. The Commissioner of Human Services shall designate an
4 ombudsperson, who shall be an employee of the Department of
5 Human Services, to receive complaints that result from the
6 eligibility application process. The ombudsperson shall have
7 authority to review all records of the cases about which complaints
8 are submitted; to interview individuals who submit complaints, the
9 individuals who have assisted with their applications, and the State
10 and county staff who have worked on their cases; and to
11 recommend corrective actions to State and county agencies to
12 address specific complaints and reduce future complaints.
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- 14 2. The Commissioner of Human Services shall apply for such
15 State plan amendments or waivers as may be necessary to
16 implement the provisions of this act and to secure federal financial
17 participation for State expenditures under the federal Medicaid
18 program or any other federal program.
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- 20 3. The Commissioner of Human Services shall adopt rules and
21 regulations pursuant to the "Administrative Procedure Act,"
22 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of
23 this act.
24
- 25 4. This act shall take effect immediately.
26
27

28 STATEMENT
29

30 This bill provides for an improved system for eligibility
31 determination for the Medicaid and NJ FamilyCare programs,
32 implementing a recommendation of the New Jersey Health Care
33 Quality Institute's report "Medicaid 2.0: Blueprint for the Future."
34 Specifically, the bill requires the Commissioner of Human
35 Services, in consultation with the Office of Information
36 Technology, to develop an information technology platform for the
37 intake, processing, and tracking of applications for benefits under
38 the Medicaid and NJ FamilyCare programs. The goals of the
39 system will be: to simplify the applications and eligibility
40 determination processes for both applicants and eligibility
41 determination staff; to standardize application of eligibility policy
42 across the various agencies responsible for eligibility determination;
43 to allow for real-time tracking of the status of applications; to allow
44 the rapid exchange of data relevant to applications among various
45 State and county agencies and contractors; and to provide a
46 platform to expand the system to encompass other social service
47 program applications and eligibility determinations as the
48 technology permits.

1 The bill also requires the commissioner to establish a system to
2 evaluate the performance of all entities responsible for intake and
3 processing of applications for the Medicaid and NJ FamilyCare
4 programs, including all county welfare agencies and the State's
5 contracted health benefits coordinator. The system will allow for
6 the measurement of a set of relevant common metrics related to
7 applications intake and eligibility determination.

8 The commissioner will establish a system of rewards and
9 penalties for all entities responsible for intake and processing of
10 applications that provides incentives for performance on these
11 metrics. This system will provide incentives for county welfare
12 agencies to provide extended hours of operation for in-person intake
13 of applications and information requests, and to provide in-person
14 navigators to assist applicants with their applications when
15 necessary. The system will further provide incentive for the use of
16 administrative renewals that do not require a beneficiary to file a
17 renewal application, when such administrative renewals are
18 permissible under State and federal law and can be completed with
19 information from tax records and clinical and financial
20 determinations made by other public entities.

21 Finally, the bill requires the commissioner to designate an
22 ombudsperson to receive complaints that result from the eligibility
23 application process. The ombudsperson will have authority to
24 review all records of the cases about which complaints are
25 submitted; to interview individuals who submit complaints, the
26 individuals who have assisted with their applications, and the State
27 and county staff who have worked on their cases; and to
28 recommend corrective actions to State and county agencies to
29 address specific complaints and reduce future complaints.

ASSEMBLY HUMAN SERVICES COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 499

STATE OF NEW JERSEY

DATED: MARCH 11, 2019

The Assembly Human Services Committee reports favorably Senate Bill No. 499 (2R).

This bill provides for an improved system for eligibility determinations under the Medicaid and NJ FamilyCare programs, implementing a recommendation contained in the New Jersey Health Care Quality Institute's report, "Medicaid 2.0: Blueprint for the Future."

This bill requires the Commissioner of Human Services to develop an information technology platform for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs. The goals of the system will be: to simplify the applications and eligibility determination processes for both applicants and eligibility determination staff; to standardize the application of eligibility policy across the various agencies responsible for eligibility determination; to allow for real-time tracking of the status of applications; to allow the rapid exchange of data relevant to applications among various State and county agencies and contractors; and to provide a platform to expand the system to encompass other social service program applications and eligibility determinations as the technology permits.

The bill requires the commissioner to establish a system to evaluate the performance of all entities responsible for intake and processing of applications for the Medicaid and NJ FamilyCare programs, including all county welfare agencies and the State's contracted health benefits coordinator. The system will allow for the measurement of a set of relevant common metrics related to applications intake and eligibility determination.

The bill requires the commissioner to annually publish on the Department of Human Services website, the results, including those for each of the common metrics established by the bill and by individual entity, that were obtained from the performance evaluation system.

The bill also provides for the commissioner to establish a system of rewards and penalties for all entities responsible for intake, processing of applications, and processing of redetermination

applications. The rewards and penalties system is to provide incentives for high performance on the bill's metrics, including incentives for county welfare agencies to streamline their processes and utilize the information technology platform required by the bill.

The bill also requires the commissioner to designate a customer service liaison team, composed of employees of the department, to receive complaints that result from the eligibility application process. The customer service liaison team will have authority to review all records of the cases about which complaints are submitted; to interview individuals who submit complaints, as well as the individuals who have assisted with their applications, and the State and county staff who have worked on their cases; and to recommend corrective actions to State and county agencies to address specific complaints and reduce future complaints.

As reported by the committee, this bill is identical to Assembly Bill No. 4569 (Downey/Houghtaling/Zwicker), which the committee also reported on this date.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 499

STATE OF NEW JERSEY

DATED: JUNE 13, 2019

The Assembly Appropriations Committee reports favorably Senate Bill No. 499 (2R).

This bill provides for an improved system for eligibility determination for the Medicaid and NJ FamilyCare programs, implementing a recommendation of the New Jersey Health Care Quality Institute's report "Medicaid 2.0: Blueprint for the Future."

The bill requires the Commissioner of Human Services, in consultation with the Office of Information Technology, to develop an information technology platform for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs. The goals of the system will be: to simplify the applications and eligibility determination processes for both applicants and eligibility determination staff; to standardize application of eligibility policy across the various agencies responsible for eligibility determination; to allow for real-time tracking of the status of applications; to allow the rapid exchange of data relevant to applications among various State and county agencies and contractors; and to provide a platform to expand the system to encompass other social service program applications and eligibility determinations as the technology permits.

The bill requires the commissioner to establish a system to evaluate the performance of all entities responsible for intake and processing of applications for the Medicaid and NJ FamilyCare programs, including all county welfare agencies and the State's contracted health benefits coordinator. The system will allow for the measurement of a set of relevant common metrics related to applications intake and eligibility determination.

The bill requires the commissioner to annually publish on the Department of Human Services website, the results, including those for each of the common metrics and by individual entity, of the performance system.

The commissioner will establish a system of rewards and penalties for all entities responsible for intake and processing of applications that provides incentives for performance on these metrics. This system will provide incentives for county welfare agencies to provide extended hours of operation for in-person intake of applications and

information requests, and to provide in-person navigators to assist applicants with their applications when necessary. The system will further provide incentive for the use of administrative renewals that do not require a beneficiary to file a renewal application, when such administrative renewals are permissible under State and federal law and can be completed with information from tax records and clinical and financial determinations made by other public entities.

The bill requires the commissioner to designate an ombudsperson to receive complaints that result from the eligibility application process. The ombudsperson will have authority to review all records of the cases about which complaints are submitted; to interview individuals who submit complaints, the individuals who have assisted with their applications, and the State and county staff who have worked on their cases; and to recommend corrective actions to State and county agencies to address specific complaints and reduce future complaints.

As reported, this bill is identical to Assembly Bill No. 4569, as also reported by the committee on this date.

FISCAL IMPACT:

The OLS estimates that this bill will increase annual State expenditures incurred by the DHS by an indeterminate amount due to the establishment and operation of certain systems and programs related to eligibility determinations for the Medicaid and NJ FamilyCare programs. The additional expenditures will likely be offset in part by federal Medicaid matching funds. The OLS also anticipates that this bill will have an indeterminate impact on annual county expenditures and revenues. The direction and magnitude of the county impacts in any given fiscal year will depend on the effects on each CWA of the systems the DHS is to implement.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO

SENATE, No. 499

STATE OF NEW JERSEY

DATED: MARCH 5, 2018

The Senate Health, Human Services and Senior Citizens Committee reports favorably Senate Bill No. 499.

This bill provides for an improved system for eligibility determination for the Medicaid and NJ FamilyCare programs, implementing a recommendation of the New Jersey Health Care Quality Institute's report "Medicaid 2.0: Blueprint for the Future."

Specifically, the bill requires the Commissioner of Human Services, in consultation with the Office of Information Technology, to develop an information technology platform for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs. The goals of the system will be: to simplify the applications and eligibility determination processes for both applicants and eligibility determination staff; to standardize the application of eligibility policy across the various agencies responsible for eligibility determination; to allow for real-time tracking of the status of applications; to allow the rapid exchange of data relevant to applications among various State and county agencies and contractors; and to provide a platform to expand the system to encompass other social service program applications and eligibility determinations as the technology permits.

The bill also requires the commissioner to establish a system to evaluate the performance of all entities responsible for intake and processing of applications for the Medicaid and NJ FamilyCare programs, including all county welfare agencies and the State's contracted health benefits coordinator. The system will allow for the measurement of a set of relevant common metrics related to applications intake and eligibility determination.

The commissioner will establish a system of rewards and penalties for all entities responsible for intake and processing of applications that provides incentives for performance on these metrics. This system will provide incentives for county welfare agencies to provide extended hours of operation for in-person intake of applications and information requests, and to provide in-person navigators to assist applicants with their applications when necessary. The system will further provide incentive for the use of administrative renewals that do not require a beneficiary to file a renewal application, when such

administrative renewals are permissible under State and federal law and can be completed with information from tax records and clinical and financial determinations made by other public entities.

Finally, the bill requires the commissioner to designate an ombudsperson to receive complaints that result from the eligibility application process. The ombudsperson will have authority to review all records of the cases about which complaints are submitted; to interview individuals who submit complaints, the individuals who have assisted with their applications, and the State and county staff who have worked on their cases; and to recommend corrective actions to State and county agencies to address specific complaints and reduce future complaints.

This bill was pre-filed for introduction in the 2018-2019 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 499

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 499, with committee amendments.

As amended, this bill provides for an improved system for eligibility determination for the Medicaid and NJ FamilyCare programs, implementing a recommendation of the New Jersey Health Care Quality Institute's report "Medicaid 2.0: Blueprint for the Future."

The bill requires the Commissioner of Human Services, in consultation with the Office of Information Technology, to develop an information technology platform for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs. The goals of the system will be: to simplify the applications and eligibility determination processes for both applicants and eligibility determination staff; to standardize application of eligibility policy across the various agencies responsible for eligibility determination; to allow for real-time tracking of the status of applications; to allow the rapid exchange of data relevant to applications among various State and county agencies and contractors; and to provide a platform to expand the system to encompass other social service program applications and eligibility determinations as the technology permits.

The bill requires the commissioner to establish a system to evaluate the performance of all entities responsible for intake and processing of applications for the Medicaid and NJ FamilyCare programs, including all county welfare agencies and the State's contracted health benefits coordinator. The system will allow for the measurement of a set of relevant common metrics related to applications intake and eligibility determination.

The bill requires the commissioner to annually publish on the Department of Human Services website, the results, including those for each of the common metrics and by individual entity, of the performance system.

The commissioner will establish a system of rewards and penalties for all entities responsible for intake and processing of applications that provides incentives for performance on these metrics. This system will provide incentives for county welfare

agencies to provide extended hours of operation for in-person intake of applications and information requests, and to provide in-person navigators to assist applicants with their applications when necessary. The system will further provide incentive for the use of administrative renewals that do not require a beneficiary to file a renewal application, when such administrative renewals are permissible under State and federal law and can be completed with information from tax records and clinical and financial determinations made by other public entities.

The bill requires the commissioner to designate an ombudsperson to receive complaints that result from the eligibility application process. The ombudsperson will have authority to review all records of the cases about which complaints are submitted; to interview individuals who submit complaints, the individuals who have assisted with their applications, and the State and county staff who have worked on their cases; and to recommend corrective actions to State and county agencies to address specific complaints and reduce future complaints.

COMMITTEE AMENDMENTS:

The amendments add specific metrics to those that are to be included in the performance evaluation system established by the bill.

The amendments direct that the results of the performance evaluation system be annually published on the department's website.

The amendments clarify that extensions for applicants who require additional time to provide information or documentation are to be liberally granted.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill will increase State expenditures incurred by the Department of Human Services (DHS) due to the establishment of eligibility determination systems for the Medicaid and NJ FamilyCare programs, as well as certain personnel costs, as required under the bill. However, the OLS is unable to determine the extent to which existing efforts to improve these systems may overlap with the provisions of the bill, thereby minimizing certain costs.

Furthermore, the OLS notes that the administrative expenses incurred under the bill that are not absorbed by the current initiatives may be offset by federal Medicaid matching funds.

STATEMENT TO
[First Reprint]
SENATE, No. 499

with Senate Floor Amendments
(Proposed by Senators VITALE and MADDEN)

ADOPTED: SEPTEMBER 27, 2018

The floor amendments revise, based on input from the Department of Human Services, the metrics that are to be included in the performance measurement system to be established pursuant to the bill, and additionally clarify that the system is to include incentives for county welfare agencies to streamline their processes and utilize the information technology platform required by the bill. The amendments also provide that the Commissioner of Human Services is to designate a customer service liaison team composed of employees of the department, instead of designating an ombudsperson, and that the commissioner is to develop the information technology platform, without requiring consultation with the Office of Information Technology.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 499

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: OCTOBER 17, 2018

SUMMARY

- Synopsis:** Provides for improved system for eligibility determination for Medicaid and NJ FamilyCare.
- Types of Impact:** Annual State expenditure increase, partially offset by enhanced federal Medicaid funds. Annual indeterminate impact on county expenditures and revenues.
- Agencies Affected:** Department of Human Services. County Governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Expenditure Increase	Indeterminate
State Revenue Increase	Indeterminate
County Expenditure Impact	Indeterminate
County Revenue Impact	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will increase annual State expenditures incurred by the Department of Human Services (DHS) by an indeterminate amount due to the establishment and operation of certain systems and programs related to eligibility determinations for the Medicaid and NJ FamilyCare programs. Any additional expenditure will likely be offset in part by federal Medicaid matching funds.
- Existing DHS efforts to create an information technology platform for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs overlap with related provisions of the bill. Therefore, the OLS assumes that the requirement under the bill that such a system be established will not alter DHS expenditures under current law, which already include the cost of developing the information technology platform.
- The OLS anticipates that this bill will have an indeterminate impact on annual county expenditures and revenues. The direction and magnitude of the county impacts in any given

fiscal year will depend on the effects on each county welfare agency (CWA) of the systems the DHS is to implement under the bill.

BILL DESCRIPTION

This bill streamlines the system for eligibility determination for the Medicaid and NJ FamilyCare programs. Specifically, the bill requires the DHS to develop an information technology platform for use by the State, CWAs, and the State's contracted health benefits coordinator for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs. The bill also requires the department to establish a system to evaluate the performance of entities responsible for Medicaid and NJ FamilyCare application intake and processing, including CWAs and the State's contracted health benefits coordinator; and to annually publish certain performance metrics on the DHS website. The DHS is also to establish a system of rewards and penalties for entities responsible for application intake and processing that provides incentives for performance on these metrics and for CWAs to streamline their processes and to use the information technology platform to be developed under the bill. Finally, the bill requires the DHS to designate a customer service liaison team to review eligibility determination complaints.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will increase annual State expenditures incurred by the DHS by an indeterminate amount due to the establishment and operation of certain systems and programs related to eligibility determinations for the Medicaid and NJ FamilyCare programs. The additional expenditures will likely be offset in part by federal Medicaid matching funds. The OLS also anticipates that this bill will have an indeterminate impact on annual county expenditures and revenues. The direction and magnitude of the county impacts in any given fiscal year will depend on the effects on each CWA of the systems the DHS is to implement.

State Government Impacts: The State costs of the bill can be summarized as: 1) one-time expenses related to the development of an eligibility determination performance evaluation system and a system of rewards and penalties designed to strengthen the performance of CWAs; and 2) annual expenses in maintaining and operating these systems, publishing information gathered by the performance evaluation system, and establishing and sustaining a customer service liaison team. The OLS, however, cannot quantify these costs without more information from the DHS, which will have substantial discretion in implementing the systems and programs required under the bill. Any additional expenditure, however, will likely be offset in part by federal Medicaid matching funds.

The OLS notes that existing DHS efforts to create an information technology platform for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs overlap with related provisions of the bill. Therefore, the OLS assumes

that the requirement under the bill that such a system be established will not alter DHS expenditures under current law, which already include the cost of developing the information technology platform. Nevertheless, the bill requirement could increase State expenditures if absent the bill the DHS were to abandon or scale back the current project.

According to the department's response to a FY 2019 OLS Discussion Point, the DHS is currently building the NJ FamilyCare Integrated Eligibility System (IES), which supports the Modified Adjusted Gross Income Medicaid program and the Aged Blind and Disabled (ABD) Medicaid program. The system has two main portals. The client portal allows for: 1) online applications; 2) automated address verification to improve success rate for mail sent to beneficiaries; and 3) smartphone-friendly access for registered users to check status, upload documents, and receive electronic notifications. The worker portal, in turn, allows CWAs and the contracted State health benefits coordinator to: 1) determine eligibility for electronic applications; 2) automate asset verification for the ABD program; and 3) connect to the federal data hub to automate the verification of identity, citizenship, date of birth, and Social Security number. For 2018, the major focus for the IES was to fully automate remaining eligibility and enrollment processes for the CWAs. These enhancements would automate the entry of data from paper applications and eligibility redeterminations. The CWAs would be able to use the automated verification technology built into the worker portal for all applications whether they are submitted electronically or on paper. Automating redeterminations, in turn, would streamline the annual process that requires NJ FamilyCare beneficiaries to confirm that they continue to meet eligibility requirements.

The FY 2019 Appropriations Act includes \$86.1 million for Medicaid Eligibility and Enrollment Services, of which \$26.7 million represents State funds and the remaining \$59.4 million federal funds. The appropriation funds payments to the contracted State health benefits coordinator (currently, Conduent) and CWAs responsible for making initial NJ FamilyCare eligibility determinations and annual eligibility redeterminations.

County Government Impacts: Under the bill, CWAs will likely experience certain recurring efficiencies, and therefore decreased recurring operating expenditures, due to the DHS' establishment of certain systems related to eligibility determinations for the Medicaid and NJ FamilyCare programs. Such recurring savings, however, may initially be offset by one-time expenditures associated with the implementation of the systems and any related staff training.

In addition, revenues counties receive from the State may increase or decrease as a result of the bill's envisioned system of DHS-determined rewards and penalties for entities responsible for application intake and processing if the rewards and penalties are monetary in nature.

The OLS, however, cannot quantify the potential fiscal impacts of the bill on county governments without more information from the DHS, which will have substantial discretion in implementing the systems and programs required under the bill.

Section: Human Services

*Analyst: Sarah Schmidt
Associate Research Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 4569

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED OCTOBER 15, 2018

Sponsored by:

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Assemblyman ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

Assemblywomen Tucker, Mosquera, Lampitt and McKnight

SYNOPSIS

Provides for improved system for eligibility determination for Medicaid and NJ FamilyCare.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/21/2019)

1 AN ACT concerning eligibility determination for Medicaid and
2 supplementing Title 30 of the Revised Statutes.

3

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

6

7 1. a. The Commissioner of Human Services shall develop an
8 information technology platform for use by the State, county
9 welfare agencies, and State contractors for the purpose of intake,
10 processing, and tracking of applications for benefits under the
11 Medicaid program established pursuant to P.L.1968, c.413
12 (C.30:4D-1 et seq.) and the NJ FamilyCare program established
13 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.). The goals of the
14 system shall be: to simplify the applications and eligibility
15 determination processes for both applicants and eligibility
16 determination staff; to standardize the application of eligibility
17 policy across the various agencies responsible for eligibility
18 determination; to allow for real-time tracking of the status of
19 applications; to allow the rapid exchange of data relevant to
20 applications among various State and county agencies and
21 contractors; and to provide a platform to expand the system to
22 encompass other social service program applications and eligibility
23 determinations as the technology permits.

24 b. The Commissioner of Human Services shall establish a
25 system to evaluate the performance of all entities responsible for
26 intake and processing of applications for the Medicaid and NJ
27 FamilyCare programs, including all county welfare agencies and the
28 State's contracted health benefits coordinator. The system shall
29 allow for the measurement of a set of relevant common metrics,
30 including but not limited to: the number of complete and incomplete
31 applications of each type received; the time between receipt of
32 completed applications and the completion of the eligibility
33 determination; the time between receipt of an application and the
34 request for supporting documentation sent to the applicant; the
35 number of applicants granted extensions; and the accuracy of
36 eligibility determinations.

37 Nothing in this section shall be construed to permit a county
38 welfare agency to deny an application for which an applicant
39 requires additional time to provide information or documentation to
40 a county welfare agency, and a county welfare agency shall grant
41 extensions, as appropriate, when needed.

42 The Commissioner shall annually publish on the Department of
43 Human Services website, the results, including those for each of the
44 common metrics and by individual entity, of the performance
45 evaluation system to be established pursuant to this section.

46 c. The Commissioner of Human Services shall establish a
47 system of rewards and penalties for all entities responsible for
48 intake, processing of applications, and processing of

1 redetermination applications that provides incentives for
2 performance on the metrics established pursuant to subsection b. of
3 this section. This system shall include incentives for county
4 welfare agencies to streamline their processes and utilize the
5 information technology platform required by subsection a. of this
6 section.

7 d. The Commissioner of Human Services shall designate a
8 customer service liaison team, which shall be composed of
9 employees of the Department of Human Services, to receive
10 complaints that result from the eligibility application process. The
11 customer service liaison team shall have authority to review all
12 records of the cases about which complaints are submitted; to
13 interview individuals who submit complaints, the individuals who
14 have assisted with their applications, and the State and county staff
15 who have worked on their cases; and to recommend corrective
16 actions to State and county agencies to address specific complaints
17 and reduce future complaints.

18

19 2. The Commissioner of Human Services shall apply for such
20 State plan amendments or waivers as may be necessary to
21 implement the provisions of this act and to secure federal financial
22 participation for State expenditures under the federal Medicaid
23 program or any other federal program.

24

25 3. The Commissioner of Human Services shall adopt rules and
26 regulations pursuant to the "Administrative Procedure Act,"
27 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of
28 this act.

29

30 4. This act shall take effect on the first day of the sixth month
31 next following enactment.

32

33

34

STATEMENT

35

36 This bill requires the Commissioner of Human Services to
37 develop an information technology platform for the intake,
38 processing, and tracking of applications for benefits under the
39 Medicaid and NJ FamilyCare programs. The goals of the system
40 will be: to simplify the applications and eligibility determination
41 processes for both applicants and eligibility determination staff; to
42 standardize application of eligibility policy across the various
43 agencies responsible for eligibility determination; to allow for real-
44 time tracking of the status of applications; to allow the rapid
45 exchange of data relevant to applications among various State and
46 county agencies and contractors; and to provide a platform to
47 expand the system to encompass other social service program

1 applications and eligibility determinations as the technology
2 permits.

3 The bill requires the commissioner to establish a system to
4 evaluate the performance of all entities responsible for intake and
5 processing of applications for the Medicaid and NJ FamilyCare
6 programs, including all county welfare agencies and the State's
7 contracted health benefits coordinator. The system will allow for
8 the measurement of a set of relevant common metrics related to
9 applications intake and eligibility determination.

10 The bill requires the commissioner to annually publish on the
11 Department of Human Services website, the results, including those
12 for each of the common metrics and by individual entity, of the
13 performance system.

14 The commissioner is to establish a system of rewards and
15 penalties for all entities responsible for intake, processing of
16 applications, and processing of redetermination applications that
17 provides incentives for performance on these metrics. This system
18 will provide incentives for county welfare agencies to streamline
19 their processes and utilize the information technology platform
20 required by the bill.

21 The bill also requires the commissioner to designate a customer
22 service liaison team, to be composed of employees of the
23 department, to receive complaints that result from the eligibility
24 application process. The customer service liaison team will have
25 authority to review all records of the cases about which complaints
26 are submitted; to interview individuals who submit complaints, the
27 individuals who have assisted with their applications, and the State
28 and county staff who have worked on their cases; and to
29 recommend corrective actions to State and county agencies to
30 address specific complaints and reduce future complaints.

31 The bill would take effect on the first day of the sixth month next
32 following enactment.

ASSEMBLY HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4569

STATE OF NEW JERSEY

DATED: MARCH 11, 2019

The Assembly Human Services Committee reports favorably Assembly Bill No. 4569.

This bill provides for an improved system for eligibility determinations under the Medicaid and NJ FamilyCare programs, implementing a recommendation contained in the New Jersey Health Care Quality Institute's report, "Medicaid 2.0: Blueprint for the Future."

This bill requires the Commissioner of Human Services to develop an information technology platform for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs. The goals of the system will be: to simplify the applications and eligibility determination processes for both applicants and eligibility determination staff; to standardize the application of eligibility policy across the various agencies responsible for eligibility determination; to allow for real-time tracking of the status of applications; to allow the rapid exchange of data relevant to applications among various State and county agencies and contractors; and to provide a platform to expand the system to encompass other social service program applications and eligibility determinations as the technology permits.

The bill requires the commissioner to establish a system to evaluate the performance of all entities responsible for intake and processing of applications for the Medicaid and NJ FamilyCare programs, including all county welfare agencies and the State's contracted health benefits coordinator. The system will allow for the measurement of a set of relevant common metrics related to applications intake and eligibility determination.

The bill requires the commissioner to annually publish on the Department of Human Services website, the results, including those for each of the common metrics established by the bill and by individual entity, that were obtained from the performance evaluation system.

The bill also provides for the commissioner to establish a system of rewards and penalties for all entities responsible for intake, processing of applications, and processing of redetermination applications. The rewards and penalties system is to provide incentives for high performance on the bill's metrics, including

incentives for county welfare agencies to streamline their processes and utilize the information technology platform required by the bill.

The bill also requires the commissioner to designate a customer service liaison team, composed of employees of the department, to receive complaints that result from the eligibility application process. The customer service liaison team will have authority to review all records of the cases about which complaints are submitted; to interview individuals who submit complaints, as well as the individuals who have assisted with their applications, and the State and county staff who have worked on their cases; and to recommend corrective actions to State and county agencies to address specific complaints and reduce future complaints.

As reported by the committee, this bill is identical to Senate Bill No. 499 (2R) (Vitale/Madden), which the committee also reported on this date.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4569

STATE OF NEW JERSEY

DATED: JUNE 13, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4569.

This bill provides for an improved system for eligibility determinations under the Medicaid and NJ FamilyCare programs, implementing a recommendation contained in the New Jersey Health Care Quality Institute's report, "Medicaid 2.0: Blueprint for the Future."

This bill requires the Commissioner of Human Services to develop an information technology platform for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs. The goals of the system will be: to simplify the applications and eligibility determination processes for both applicants and eligibility determination staff; to standardize the application of eligibility policy across the various agencies responsible for eligibility determination; to allow for real-time tracking of the status of applications; to allow the rapid exchange of data relevant to applications among various State and county agencies and contractors; and to provide a platform to expand the system to encompass other social service program applications and eligibility determinations as the technology permits.

The bill requires the commissioner to establish a system to evaluate the performance of all entities responsible for intake and processing of applications for the Medicaid and NJ FamilyCare programs, including all county welfare agencies and the State's contracted health benefits coordinator. The system will allow for the measurement of a set of relevant common metrics related to applications intake and eligibility determination.

The bill requires the commissioner to annually publish on the Department of Human Services website, the results, including those for each of the common metrics established by the bill and by individual entity, that were obtained from the performance evaluation system.

The bill also provides for the commissioner to establish a system of rewards and penalties for all entities responsible for intake, processing of applications, and processing of redetermination applications. The rewards and penalties system is to provide incentives for high performance on the bill's metrics, including

incentives for county welfare agencies to streamline their processes and utilize the information technology platform required by the bill.

The bill also requires the commissioner to designate a customer service liaison team, composed of employees of the department, to receive complaints that result from the eligibility application process. The customer service liaison team will have authority to review all records of the cases about which complaints are submitted; to interview individuals who submit complaints, as well as the individuals who have assisted with their applications, and the State and county staff who have worked on their cases; and to recommend corrective actions to State and county agencies to address specific complaints and reduce future complaints.

As reported by the committee, this bill is identical to Senate Bill No. 499 (2R) which the committee also reported on this date.

FISCAL NOTE:

The OLS estimates that this bill will increase annual State expenditures incurred by the DHS by an indeterminate amount due to the establishment and operation of certain systems and programs related to eligibility determinations for the Medicaid and NJ FamilyCare programs. The additional expenditures will likely be offset in part by federal Medicaid matching funds. The OLS also anticipates that this bill will have an indeterminate impact on annual county expenditures and revenues. The direction and magnitude of the county impacts in any given fiscal year will depend on the effects on each CWA of the systems the DHS is to implement.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4569
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JUNE 11, 2019

SUMMARY

- Synopsis:** Provides for improved system for eligibility determination for Medicaid and NJ FamilyCare.
- Types of Impact:** Annual State expenditure increase, partially offset by enhanced federal Medicaid funds. Annual indeterminate impact on county expenditures and revenues.
- Agencies Affected:** Department of Human Services. County Governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Expenditure Increase	Indeterminate
State Revenue Increase	Indeterminate
County Expenditure Impact	Indeterminate
County Revenue Impact	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will increase annual State expenditures incurred by the Department of Human Services (DHS) by an indeterminate amount due to the establishment and operation of certain systems and programs related to eligibility determinations for the Medicaid and NJ FamilyCare programs. Any additional expenditure will likely be offset in part by federal Medicaid matching funds.
- The DHS efforts to create an information technology platform for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs overlap with related provisions of the bill. Therefore, the OLS assumes that the requirement under the bill that such a system be established will not alter DHS expenditures under current law, which already include the cost of developing the information technology platform.
- The OLS anticipates that this bill will have an indeterminate impact on annual county expenditures and revenues. The direction and magnitude of the county impacts in any given fiscal year will depend on the effects on each county welfare agency (CWA) of the systems the DHS is to implement under the bill.

BILL DESCRIPTION

This bill streamlines the system for eligibility determination for the Medicaid and NJ FamilyCare programs. Specifically, the bill requires the DHS to develop an information technology platform for use by the State, CWAs, and the State's contracted health benefits coordinator for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs. The bill also requires the department to establish a system to evaluate the performance of entities responsible for Medicaid and NJ FamilyCare application intake and processing, including CWAs and the State's contracted health benefits coordinator; and to annually publish certain performance metrics on the DHS website. The DHS is also to establish a system of rewards and penalties for entities responsible for application intake and processing that provides incentives for performance on these metrics and for CWAs to streamline their processes and to use the information technology platform to be developed under the bill. Finally, the bill requires the DHS to designate a customer service liaison team to review eligibility determination complaints.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will increase annual State expenditures incurred by the DHS by an indeterminate amount due to the establishment and operation of certain systems and programs related to eligibility determinations for the Medicaid and NJ FamilyCare programs. The additional expenditures will likely be offset in part by federal Medicaid matching funds. The OLS also anticipates that this bill will have an indeterminate impact on annual county expenditures and revenues. The direction and magnitude of the county impacts in any given fiscal year will depend on the effects on each CWA of the systems the DHS is to implement.

State Government Impacts: The State costs of the bill can be summarized as: 1) one-time expenses related to the development of an eligibility determination performance evaluation system and a system of rewards and penalties designed to strengthen the performance of CWAs; and 2) annual expenses in maintaining and operating these systems, publishing information gathered by the performance evaluation system, and establishing and sustaining a customer service liaison team. The OLS, however, cannot quantify these costs without more information from the DHS, which will have substantial discretion in implementing the systems and programs required under the bill. Any additional expenditure, however, will likely be offset in part by federal Medicaid matching funds.

The OLS notes that the efforts of the DHS to create an information technology platform for the intake, processing, and tracking of applications for benefits under the Medicaid and NJ FamilyCare programs overlap with related provisions of the bill. Therefore, the OLS assumes that the requirement under the bill that such a system be established will not alter DHS expenditures under current law, which already include the cost of developing the information technology platform. Nevertheless, the bill requirement could increase State expenditures, if absent the bill, the DHS were to abandon or scale back the current project.

According to the department's response to a FY 2019 OLS Discussion Point, the DHS was in the process of building the NJ FamilyCare Integrated Eligibility System (IES), which supports the Modified Adjusted Gross Income Medicaid program and the Aged Blind and Disabled (ABD) Medicaid program. The system has two main portals. The client portal allows for: 1) online applications; 2) automated address verification to improve success rate for mail sent to beneficiaries; and 3) smartphone-friendly access for registered users to check status, upload documents, and receive electronic notifications. The worker portal, in turn, allows CWAs and the contracted State health benefits coordinator to: 1) determine eligibility for electronic applications; 2) automate asset verification for the ABD program; and 3) connect to the federal data hub to automate the verification of identity, citizenship, date of birth, and Social Security number. For 2018, the major focus for the IES was to fully automate remaining eligibility and enrollment processes for the CWAs. These enhancements would automate the entry of data from paper applications and eligibility redeterminations. The CWAs would be able to use the automated verification technology built into the worker portal for all applications whether they are submitted electronically or on paper. Automating redeterminations, in turn, would streamline the annual process that requires NJ FamilyCare beneficiaries to confirm that they continue to meet eligibility requirements. The OLS is unaware of the current status of this project.

The FY 2019 Appropriations Act includes \$86.1 million for Medicaid Eligibility and Enrollment Services. As of June 5, 2019, of the \$26.7 million representing State funds, \$6.0 million is uncommitted, while, of the remaining \$59.4 million in federal funds, \$13.3 million is uncommitted. The appropriation funds payments to the contracted State health benefits coordinator (currently, Conduent) and CWAs responsible for making initial NJ FamilyCare eligibility determinations and annual eligibility redeterminations. The FY 2020 Budget proposal recommends \$24.8 million in State funds and \$56.1 million in federal funds for Medicaid Eligibility and Enrollment Services, for a total appropriation of \$80.9 million.

County Government Impacts: Under the bill, CWAs will likely experience certain recurring efficiencies, and therefore decreased recurring operating expenditures, due to the DHS' establishment of certain systems related to eligibility determinations for the Medicaid and NJ FamilyCare programs. Such recurring savings, however, may initially be offset by one-time expenditures associated with the implementation of the systems and any related staff training.

In addition, revenues counties receive from the State may increase or decrease as a result of the bill's envisioned system of DHS-determined rewards and penalties for entities responsible for application intake and processing if the rewards and penalties are monetary in nature.

The OLS, however, cannot quantify the potential fiscal impacts of the bill on county governments without more information from the DHS, which will have substantial discretion in implementing the systems and programs required under the bill.

Section: Human Services

*Analyst: Sarah Schmidt
Senior Research Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

**GOVERNOR'S STATEMENT UPON SIGNING
SENATE BILL NO. 499
(Second Reprint)**

Today I am pleased to sign Senate Bill No. 499 (Second Reprint), which will streamline the process for determining Medicaid eligibility. I applaud the sponsors of this bill for recognizing the importance of creating a consumer-friendly platform that will encourage increased enrollment, foster continuity of care for the Medicaid population and allow for more efficient data tracking. The Department of Human Services (the "Department") has already undertaken efforts to modernize the enrollment process, and this bill will enable the Department to develop a more comprehensive solution moving forward.

My signature today follows my approval of P.L.2019, C.141, which enabled the creation of a state-based exchange and will require integration between the exchange and the Medicaid eligibility platform. As I stated when I signed that legislation in June of this year, a state exchange is a critical and necessary step towards improving access to affordable health care for New Jerseyans. Therefore, it is my intention that the bill be implemented in conjunction with ongoing efforts to establish a state-based exchange and that the exchange and Medicaid coordinate, as required under the exchange law.

I am confident that the exchange law, along with this bill, will help maximize Medicaid enrollment and guarantee that every resident has access to the care they deserve. I encourage the Departments of Human Services and Banking and Insurance to continue coordinating efforts to ensure streamlined access to programs and health care coverage.

Date: August 23, 2019

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor