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LAW/RWH

SENATE, No. 3055

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED NOVEMBER 23, 2009

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator JIM WHELAN

District 2 (Atlantic)

Assemblywoman LINDA STENDER

District 22 (Middlesex, Somerset and Union)

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington and Camden)

Co-Sponsored by:

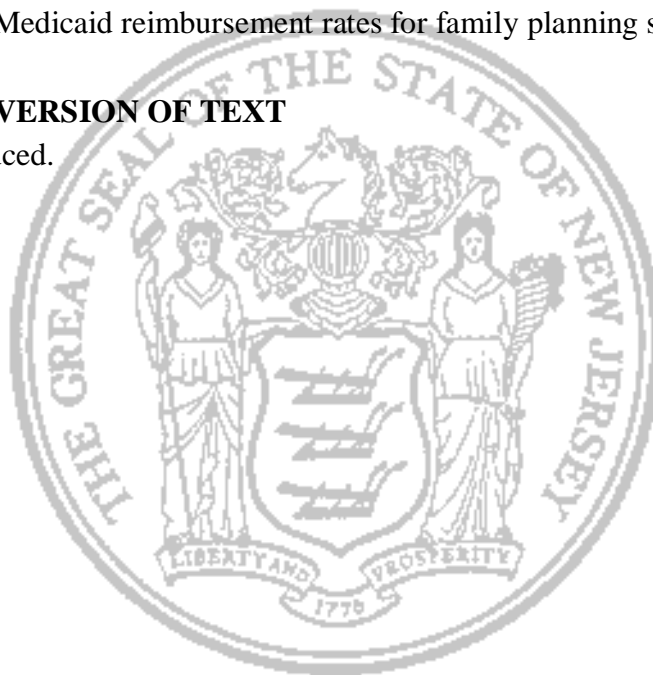
Senator Weinberg and Assemblyman Diegnan

SYNOPSIS

Increases Medicaid reimbursement rates for family planning services.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/8/2010)

1 AN ACT concerning family planning services and supplementing
2 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 reimbursement rate for an office visit for family
8 planning services billed by a health care facility, which is licensed
9 pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) and receives
10 funding under Title X of the Public Health Service Act (42 U.S.C.
11 s.300 et seq.), to the State Medicaid program shall be an amount
12 that equals at least 90% of the amount of the actual cost of services
13 provided during an office visit, as such rate is in effect on the date
14 of enactment of this act.

15 b. As used in this section:

16 "Family planning services" means comprehensive reproductive
17 health care services, including: contraception; pregnancy detection;
18 options counseling; diagnosis or treatment, or both, of sexually
19 transmitted diseases; routine gynecological and cancer screening
20 services; health promotion activities; and Level I infertility services
21 such as an interview, education, physical examination, laboratory
22 testing, counseling, and appropriate referral. The term does not
23 include termination of pregnancy.

24 Family planning services may also include: prenatal and
25 postpartum care; other gynecological services, including
26 colposcopy and cryotherapy; menopausal services; Level II
27 infertility services, which include semen analysis, assessment of
28 ovulatory function, and post coital testing; and Level III infertility
29 services, which include more sophisticated and complex infertility
30 testing and procedures than Levels I and II.

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

33 "Office visit" means a procedure billed under a common
34 procedure terminology code that includes a family planning
35 modifier in the description of the code.

36

37 2. The Department of Health and Senior Services shall adjust
38 the Family Planning Services Grant-in-Aid appropriation and
39 transfer the appropriate amount of State funds to the Division of
40 Medical Assistance and Health Services in the Department of
41 Human Services to facilitate the implementation of section 1 of this
42 act. The Department of Health and Senior Services shall notify the
43 Legislative Budget and Finance Officer as to the amount that is
44 transferred.

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46 3. This act shall take effect immediately and shall apply to
47 office visits rendered on or after the effective date.

STATEMENT

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The bill also provides that the Department of Health and Senior Services shall adjust the Family Planning Services Grant-in-Aid appropriation and transfer the appropriate amount of State funds to the Division of Medical Assistance and Health Services in the Department of Human Services to facilitate the implementation of the reimbursement increase. Additionally, the Department of Health and Senior Services must notify the Legislative Budget and Finance Officer as to the amount that is transferred.

A recent comparison of the Medicaid reimbursement rates for family planning services and the actual cost for these services in New Jersey indicates that current reimbursement rates are significantly less than the cost of providing these services. For example, in the case of initial and annual office visits for family planning services, the reimbursement rates in New Jersey are less than one-half the cost of these visits. In the case of prolonged routine follow-up visits, also known as "problem visits," New Jersey's Medicaid reimbursement rate currently is about one-third of the cost.

Since New Jersey's Medicaid expenditures for Title X family planning services are reimbursed at the favorable rate of 90%, any increase in the Medicaid amounts paid by New Jersey under this bill will only cost New Jersey 10% of the increased expenditure.

For many women for whom private health care has been unavailable, family planning services are their first, and perhaps the least expensive, entry point into comprehensive health care.

"Family planning services" are defined in the bill as comprehensive reproductive health care services, including: contraception; pregnancy detection; options counseling; diagnosis or treatment, or both, of sexually transmitted diseases; routine gynecological and cancer screening services; health promotion activities; and Level I infertility services such as an interview, education, physical examination, laboratory testing, counseling, and appropriate referral. The term does not include termination of pregnancy.

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S3055 VITALE, WHELAN

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2 services, which include more sophisticated and complex infertility
3 testing and procedures than Levels I and II.

4 The bill take effect immediately and applies to office visits that
5 are made on or after the effective date.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO

SENATE, No. 3055

STATE OF NEW JERSEY

DATED: DECEMBER 7, 2009

The Senate Health, Human Services and Senior Citizens Committee reports favorably Senate Bill No. 3055.

This bill increases reimbursement for family planning services under the State Medicaid program, by providing that the reimbursement rate for an office visit for family planning services, which are billed by a licensed health care facility that receives funding under Title X of the Public Health Service Act, (42 U.S.C. s.300 et seq.), shall be an amount that equals at least 90% of the amount of the actual cost of services provided during an office visit, as such rate is in effect on the date of enactment of the bill.

The bill also provides that the Department of Health and Senior Services shall adjust the Family Planning Services Grant-in-Aid appropriation and transfer the appropriate amount of State funds to the Division of Medical Assistance and Health Services in the Department of Human Services to facilitate the implementation of the reimbursement increase. Additionally, the Department of Health and Senior Services must notify the Legislative Budget and Finance Officer as to the amount that is transferred.

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"Family planning services" are defined in the bill as comprehensive reproductive health care services, including: contraception; pregnancy detection; options counseling; diagnosis or treatment, or both, of sexually transmitted diseases; routine gynecological and cancer screening services; health promotion activities; and Level I infertility services such as an interview, education, physical examination, laboratory testing, counseling, and appropriate referral. The term does not include termination of pregnancy.

Family planning services may also include: prenatal and postpartum care; other gynecological services, including colposcopy and cryotherapy; menopausal services; Level II infertility services, which include semen analysis, assessment of ovulatory function, and post coital testing; and Level III infertility services, which include more sophisticated and complex infertility testing and procedures than Levels I and II.

The bill take effect immediately and applies to office visits that are made on or after the effective date.

This bill is identical to Assembly Bill No. 4230 (Stender/Conaway), which is pending before the Assembly Appropriations Committee.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3055

STATE OF NEW JERSEY

DATED: JANUARY 4, 2010

The Assembly Appropriations Committee reports favorably Senate Bill No. 3055

The bill increases reimbursement for family planning services under the State Medicaid program, by providing that the reimbursement rate for an office visit for family planning services, which are billed by a licensed health care facility that receives funding under Title X of the federal Public Health Service Act, (42 U.S.C. s.300 et seq.) is to be an amount that equals at least 90 percent of the amount of the actual cost of services provided during an office visit, as such rate is in effect on the date the bill is enacted.

The bill requires the Department of Health and Senior Services to adjust the Family Planning Services Grant-in-Aid appropriation and to transfer the appropriate amount of State funds to the Division of Medical Assistance and Health Services in the Department of Human Services to facilitate the implementation of the reimbursement increase. Additionally, the bill requires the Department of Health and Senior Services to notify the Legislative Budget and Finance Officer as to the amount that is transferred.

Under the bill, "family planning services" are defined as comprehensive reproductive health care services, including: contraception; pregnancy detection; options counseling; diagnosis or treatment, or both, of sexually transmitted diseases; routine gynecological and cancer screening services; health promotion activities; and Level I infertility services such as an interview, education, physical examination, laboratory testing, counseling, and appropriate referral. The term does not include termination of pregnancy.

Family planning services may also include: prenatal and postpartum care; other gynecological services, including colposcopy and cryotherapy; menopausal services; Level II infertility services, which include semen analysis, assessment of ovulatory function, and post coital testing; and Level III infertility services, which include more sophisticated and complex infertility testing and procedures than Levels I and II.

A recent comparison of Medicaid reimbursement rates for family planning services and the actual cost for these services in New Jersey indicates that current reimbursement rates are significantly less than

the cost of providing these services. For example, in the case of initial and annual office visits for family planning services, the reimbursement rates in New Jersey are less than one-half the cost of these visits. In the case of prolonged routine follow-up visits, "problem visits," New Jersey's Medicaid reimbursement rate is about one-third of the cost.

Since New Jersey's Medicaid expenditures for Title X family planning services are matched by the federal government at a 90 percent rate, any increase in the Medicaid amounts paid by New Jersey under the bill will cost New Jersey 10 percent of the increased expenditure.

For many women for whom private health care has been unavailable, family planning services are their first, perhaps least expensive entry point into comprehensive health care.

This bill is identical to Assembly Bill No. 4230, as also reported by the committee.

FISCAL IMPACT:

The Executive has indicated that the gross cost of this bill is approximately \$1.5 million, which will require the expenditure of roughly \$150,000 in State funds.

The Office of Legislative Services (OLS) estimates, however, that there will be no net State cost. Under the bill, increased State funding associated with increasing Medicaid reimbursement for family planning services will be transferred from other appropriations to the Department of Health and Senior Services for family planning services to the Division of Medical Assistance and Health Services in the Department of Human Services for payment to providers.

The OLS assumes that the Family Planning Services appropriation for FY 2011 and subsequent fiscal years will reflect the transfer of funds to the Department of Human Services to implement the increase in Medicaid reimbursement.

The OLS also notes that annual grant funding for family planning services is not assured after FY 2010.

FISCAL NOTE
SENATE, No. 3055
STATE OF NEW JERSEY
213th LEGISLATURE

DATED: DECEMBER 17, 2009

SUMMARY

Synopsis: Increases Medicaid reimbursement rates for family planning services

Type of Impact: Increased Medicaid reimbursement rates for family planning services.

Agencies Affected: Departments of Health and Senior Services and Human Services.

Executive Estimate (\$000)

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure	\$149,000	\$0	\$0

Office of Legislative Services Estimate (\$000)

Fiscal Impact	<u>Years 1 - 3</u>
State Expenditure	No net increase - See comments below

- The Office of Legislative Services (OLS) estimates that there will be no net State cost associated with the legislation. Under the provisions of the bill, increased State funding associated with increasing Medicaid reimbursement for family planning services will be transferred from other appropriations to the Department of Health and Senior Services for family planning services to the Division of Medical Assistance and Health Services in the Department of Human Services for payment to providers.
- The OLS assumes that the Family Planning Services appropriations for FY 2011 and subsequent fiscal years will reflect the transfer of funds to the Department of Human Services to implement the increase in Medicaid reimbursement. The OLS notes that annual grant funding for family planning services not assured after FY 2010.

BILL DESCRIPTION

Senate Bill No. 3055 of 2009 increases reimbursement for family planning services under the State Medicaid program. Medicaid reimbursement for an office visit for family planning

services, billed by a licensed health care facility that receives funding under Title X of the Public Health Service Act (42 U.S.C. §300 et. seq.) will be equal to at least 90 percent of the amount of the actual cost of services provided during an office visit, as such rate is in effect on the date of enactment of the legislation. The 10 percent State share of the cost of increasing Medicaid reimbursement will come from reducing the Department of Health and Senior Services Family Planning Services Grant-in-Aid appropriation and transferring that amount to the Division of Medical Assistance and Health Services in the Department of Human Services. The Department of Health and Senior Services is to notify the Legislative Budget and Finance Officer as to the amount that is to be transferred to the Department of Human Services to implement the increase in Medicaid reimbursement.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Office of Management and Budget and the Department of Human Services have indicated that the gross cost of the legislation is approximately \$1.5 million, which would require about \$150,000 in State funds.

OFFICE OF LEGISLATIVE SERVICES

As the federal government reimburses states 90 percent of the cost of providing family planning services, New Jersey must provide a 10 percent match for family planning services provided through the Medicaid program.

There is no cost associated with the legislation as the 10 percent State share of costs associated with an increase in Medicaid reimbursement for family planning services will be funded by:

- Reducing the Department of Health and Senior Services Grant-in-Aid appropriation for Family Planning Services; and
- Transferring that amount to the Department of Human Services, Division of Medical Assistance and Health Services.

Though the Department of Human Services and the Office of Management and Budget have indicated that the gross cost of the legislation would be approximately \$1.5 million, the Administration has provided no data to substantiate this estimate. No information has been provided as to the number of family planning claims that are currently processed, the average cost per claim or what an increase “to at least 90 percent of the actual cost of services provided during an office visit” equates to.

Under the bill, the Department of Health and Senior Services will notify the Legislative Budget and Finance Officer as to the amount to be transferred to the Department of Human Services from the Family Planning Services account to fund the 10 percent State share of costs associated with an increase in Medicaid reimbursement.

The OLS assumes that the Family Planning Services account in the Department of Health and Senior Services for Fiscal Year 2011 and subsequent fiscal years will be adjusted by either the Department of Health and Senior Services or the Legislature to reflect the amount to be transferred to the Department of Human Services to facilitate an increase in Medicaid reimbursement rates for family planning services.

The OLS notes that the overall family planning system will realize additional federal revenues as a result of an increase in Medicaid reimbursement. For example, if the overall cost of increasing Medicaid reimbursement “to at least 90 percent of the actual cost of services provided during an office visit” is \$1.0 million, the \$0.1 million in State funds transferred from the Department of Health and Senior Services to the Department of Human Services will generate \$0.9 million in new federal Medicaid revenues.

The OLS also notes that Medicaid reimbursement for family planning services during the July - September 2009 period totaled about \$950,000 (gross). Of that amount, clinics provided approximately \$430,000 (gross) in services.

Section: Human Services

*Analyst: Jay Hershberg
Principal Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

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

ASSEMBLY, No. 4230

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED NOVEMBER 23, 2009

Sponsored by:

Assemblywoman LINDA STENDER

District 22 (Middlesex, Somerset and Union)

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington and Camden)

Co-Sponsored by:

Assemblyman Diegnan

SYNOPSIS

Increases Medicaid reimbursement rates for family planning services.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/5/2010)

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2 Title 30 of the Revised Statutes.

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11 s.300 et seq.), to the State Medicaid program shall be an amount
12 that equals at least 90% of the amount of the actual cost of services
13 provided during an office visit, as such rate is in effect on the date
14 of enactment of this act.

15 b. As used in this section:

16 "Family planning services" means comprehensive reproductive
17 health care services, including: contraception; pregnancy detection;
18 options counseling; diagnosis or treatment, or both, of sexually
19 transmitted diseases; routine gynecological and cancer screening
20 services; health promotion activities; and Level I infertility services
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22 testing, counseling, and appropriate referral. The term does not
23 include termination of pregnancy.

24 Family planning services may also include: prenatal and
25 postpartum care; other gynecological services, including
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27 infertility services, which include semen analysis, assessment of
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33 "Office visit" means a procedure billed under a common
34 procedure terminology code that includes a family planning
35 modifier in the description of the code.

36

37 2. The Department of Health and Senior Services shall adjust the
38 Family Planning Services Grant-in-Aid appropriation and transfer
39 the appropriate amount of State funds to the Division of Medical
40 Assistance and Health Services in the Department of Human
41 Services to facilitate the implementation of section 1 of this act.
42 The Department of Health and Senior Services shall notify the
43 Legislative Budget and Finance Officer as to the amount that is
44 transferred.

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46 3. This act shall take effect immediately and shall apply to
47 office visits rendered on or after the effective date.

STATEMENT

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The bill also provides that the Department of Health and Senior Services shall adjust the Family Planning Services Grant-in-Aid appropriation and transfer the appropriate amount of State funds to the Division of Medical Assistance and Health Services in the Department of Human Services to facilitate the implementation of the reimbursement increase. Additionally, the Department of Health and Senior Services must notify the Legislative Budget and Finance Officer as to the amount that is transferred.

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2 services, which include more sophisticated and complex infertility
3 testing and procedures than Levels I and II.

4 The bill take effect immediately and applies to office visits that
5 are made on or after the effective date.

ASSEMBLY HEALTH AND SENIOR SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4230

STATE OF NEW JERSEY

DATED: NOVEMBER 23, 2009

The Assembly Health and Senior Services Committee reports favorably Assembly Bill No. 4230.

This bill increases reimbursement for family planning services under the State Medicaid program, by providing that the reimbursement rate for an office visit for family planning services, which are billed by a licensed health care facility that receives funding under Title X of the federal Public Health Service Act, (42 U.S.C. s.300 et seq.) is to be an amount that equals at least 90% of the amount of the actual cost of services provided during an office visit, as such rate is in effect on the date of enactment of the bill.

The bill requires the Department of Health and Senior Services to adjust the Family Planning Services Grant-in-Aid appropriation and transfer the appropriate amount of State funds to the Division of Medical Assistance and Health Services in the Department of Human Services to facilitate the implementation of the reimbursement increase. Additionally, the Department of Health and Senior Services must notify the Legislative Budget and Finance Officer as to the amount that is transferred.

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The bill takes effect immediately and applies to office visits that are made on or after the effective date.

MINORITY STATEMENT

Submitted by Assemblywomen Munoz and Angelini and
Assemblyman Polistina

This bill provides for the transfer of funds from the Department of Health and Senior Services to the Department of Human Services to increase Medicaid reimbursement for family planning services. However, at this time, the amount of money to be transferred as well as the overall fiscal impact of the bill is unclear.

The State is facing very serious financial difficulties. Revenues are falling substantially below budgeted projections, meaning that the State will not even have sufficient funds to cover amounts appropriated in the FY 2010 budget. The Governor has ordered his cabinet officers to recommend reductions in spending, and both he and the Governor-elect have announced means of addressing the dire fiscal circumstances that include moratoria on incurring any additional spending obligations. It would be irresponsible for the Legislature to disregard both the incumbent Governor and the incoming Governor on the most pressing issue facing the State and its taxpayers.

For this reason, at this time we cannot support the advancement of this legislation due to its budgetary impact.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4230

STATE OF NEW JERSEY

DATED: JANUARY 4, 2010

The Assembly Appropriations Committee reports favorably on Assembly Bill No. 4230.

The bill increases reimbursement for family planning services under the State Medicaid program, by providing that the reimbursement rate for an office visit for family planning services, which are billed by a licensed health care facility that receives funding under Title X of the federal Public Health Service Act, (42 U.S.C. s.300 et seq.) is to be an amount that equals at least 90 percent of the amount of the actual cost of services provided during an office visit, as such rate is in effect on the date the bill is enacted.

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For many women for whom private health care has been unavailable, family planning services are their first, perhaps least expensive entry point into comprehensive health care.

This bill is identical to Senate Bill No. 3055, as also reported by the committee.

FISCAL IMPACT:

The Executive has indicated that the gross cost of this bill is approximately \$1.5 million, which will require the expenditure of roughly \$150,000 in State funds.

The Office of Legislative Services (OLS) estimates, however, that there will be no net State cost. Under the bill, increased State funding associated with increasing Medicaid reimbursement for family planning services will be transferred from other appropriations to the Department of Health and Senior Services for family planning services to the Division of Medical Assistance and Health Services in the Department of Human Services for payment to providers.

The OLS assumes that the Family Planning Services appropriation for FY 2011 and subsequent fiscal years will reflect the transfer of funds to the Department of Human Services to implement the increase in Medicaid reimbursement.

The OLS also notes that annual grant funding for family planning services is not assured after FY 2010.

FISCAL NOTE
ASSEMBLY, No. 4230
STATE OF NEW JERSEY
213th LEGISLATURE

DATED: DECEMBER 17, 2009

SUMMARY

Synopsis: Increases Medicaid reimbursement rates for family planning services

Type of Impact: Increased Medicaid reimbursement rates for family planning services.

Agencies Affected: Departments of Health and Senior Services and Human Services.

Executive Estimate (\$000)

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure	\$149,000	\$0	\$0

Office of Legislative Services Estimate (\$000)

Fiscal Impact	<u>Years 1 - 3</u>
State Expenditure	No net increase - See comments below

- The Office of Legislative Services (OLS) estimates that there will be no net State cost associated with the legislation. Under the provisions of the bill, increased State funding associated with increasing Medicaid reimbursement for family planning services will be transferred from other appropriations to the Department of Health and Senior Services for family planning services to the Division of Medical Assistance and Health Services in the Department of Human Services for payment to providers.
- The OLS assumes that the Family Planning Services appropriations for FY 2011 and subsequent fiscal years will reflect the transfer of funds to the Department of Human Services to implement the increase in Medicaid reimbursement. The OLS notes that annual grant funding for family planning services not assured after FY 2010.

BILL DESCRIPTION

Assembly Bill No. 4230 of 2009 increases reimbursement for family planning services under the State Medicaid program. Medicaid reimbursement for an office visit for family planning

services, billed by a licensed health care facility that receives funding under Title X of the Public Health Service Act (42 U.S.C. §300 et. seq.) will be equal to at least 90 percent of the amount of the actual cost of services provided during an office visit, as such rate is in effect on the date of enactment of the legislation. The 10 percent State share of the cost of increasing Medicaid reimbursement will come from reducing the Department of Health and Senior Services Family Planning Services Grant-in-Aid appropriation and transferring that amount to the Division of Medical Assistance and Health Services in the Department of Human Services. The Department of Health and Senior Services is to notify the Legislative Budget and Finance Officer as to the amount that is to be transferred to the Department of Human Services to implement the increase in Medicaid reimbursement.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Office of Management and Budget and the Department of Human Services have indicated that the gross cost of the legislation is approximately \$1.5 million, which would require about \$150,000 in State funds.

OFFICE OF LEGISLATIVE SERVICES

As the federal government reimburses states 90 percent of the cost of providing family planning services, New Jersey must provide a 10 percent match for family planning services provided through the Medicaid program.

There is no cost associated with the legislation as the 10 percent State share of costs associated with an increase in Medicaid reimbursement for family planning services will be funded by:

- Reducing the Department of Health and Senior Services Grant-in-Aid appropriation for Family Planning Services; and
- Transferring that amount to the Department of Human Services, Division of Medical Assistance and Health Services.

Though the Department of Human Services and the Office of Management and Budget have indicated that the gross cost of the legislation would be approximately \$1.5 million, the Administration has provided no data to substantiate this estimate. No information has been provided as to the number of family planning claims that are currently processed, the average cost per claim or what an increase “to at least 90 percent of the actual cost of services provided during an office visit” equates to.

Under the bill, the Department of Health and Senior Services will notify the Legislative Budget and Finance Officer as to the amount to be transferred to the Department of Human Services from the Family Planning Services account to fund the 10 percent State share of costs associated with an increase in Medicaid reimbursement.

The OLS assumes that the Family Planning Services account in the Department of Health and Senior Services for Fiscal Year 2011 and subsequent fiscal years will be adjusted by either the Department of Health and Senior Services or the Legislature to reflect the amount to be transferred to the Department of Human Services to facilitate an increase in Medicaid reimbursement rates for family planning services.

The OLS notes that the overall family planning system will realize additional federal revenues as a result of an increase in Medicaid reimbursement. For example, if the overall cost of increasing Medicaid reimbursement “to at least 90 percent of the actual cost of services provided during an office visit” is \$1.0 million, the \$0.1 million in State funds transferred from the Department of Health and Senior Services to the Department of Human Services will generate \$0.9 million in new federal Medicaid revenues.

The OLS also notes that Medicaid reimbursement for family planning services during the July - September 2009 period totaled about \$950,000 (gross). Of that amount, clinics provided approximately \$430,000 (gross) in services.

Section: Human Services

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