

30:4D-6

LEGISLATIVE HISTORY CHECKLIST

NJSA: 30:4D-6 (Medicaid - drug abuse treatment services - provide coverage)

LAWS OF: 1984

CHAPTER: 86

Bill No: A160

Sponsor(s): Visotcky, Hollenbeck and Pelly

Date Introduced: Pre-filed

Committee: **Assembly:** Corrections, Health and Human Services

Senate: /////

Amended during passage: Yes Substituted for S331 (not attached since identical to A160)

Date of Passage: **Assembly:** May 7, 1984

Senate: May 21, 1984

Date of Approval: July 18, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes

Senate No

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

7-18-84

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 160

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Assemblymen VISOTCKY, HOLLENBECK and PELLY

AN ACT to amend the "New Jersey Medical Assistance and Health Services Act," approved January 15, 1969 (P. L. 1968, c. 413).

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

1 1. Section 6 of P. L. 1968, c. 413 (C. 30:4D-6) is amended to read
 2 as follows:

3 6. a. Subject to the requirements of Title XIX of the **[Federal]**
 4 *federal* Social Security Act, the limitations imposed by this act and
 5 by the rules and regulations promulgated pursuant thereto, the de-
 6 partment shall provide medical assistance to qualified applicants
 7 including authorized services within each of the following classi-
 7A fications:

- 8 (1) Inpatient hospital services;
 9 (2) Outpatient hospital services;
 10 (3) Other laboratory and X-ray services;
 11 (4) (a) Skilled nursing or intermediate care facility services;
 12 (b) Such early and periodic screening and diagnosis of individ-
 13 uals who are eligible under the program and are under age 21 to
 14 ascertain their physical or mental defects and such health care,
 15 treatment, and other measures to correct or ameliorate defects and
 16 chronic conditions discovered thereby, as may be provided in regula-
 17 tions of the Secretary of the **[Federal]** *federal* Department of
 18 Health**[, Education]** and **[Welfare]** *Human Services* and approved
 18A by the commissioner;
 19 (5) Physicians' services furnished in the office, the patient's
 20 home, a hospital, a skilled nursing or intermediate care facility or
 21 elsewhere***[;]*** **

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendments adopted April 30, 1984.

22 *[(6) Services in connection with the inpatient or outpatient
 23 treatment or care of drug abuse when the treatment is prescribed
 24 by a physician and provided in a licensed hospital or in a narcotic
 25 and drug abuse treatment center approved by the Department of
 26 Health pursuant to P. L. 1970, c. 334 (C. 26:2G-21 et seq.) and
 27 whose staff includes a medical director:.]*

28 b. Subject to the limitations imposed by federal law, by this act,
 29 and by the rules and regulations promulgated pursuant thereto, the
 30 medical assistance program may be expanded to include authorized
 31 services within each of the following classifications:

32 (1) Medical care not included in subsection a. (5) above, or any
 33 other type of remedial care recognized under State law, furnished
 34 by licensed practitioners within the scope of their practice as
 35 defined by State law;

36 (2) Home health care services;

37 (3) Clinic services;

38 (4) Dental services;

39 (5) Physical therapy and related services;

40 (6) Prescribed drugs, dentures, and prosthetic devices; and eye-
 41 glasses prescribed by a physician skilled in diseases of the eye or
 42 by an optometrist, whichever the individual may select;

43 (7) Optometric services;

44 (8) Podiatric services;

45 (9) Chiropractic services;

46 (10) Psychological services;

47 (11) Inpatient psychiatric hospital services for individuals under
 48 21 years of age, or under age 22 if they are receiving such services
 49 immediately before attaining age 21;

50 (12) Other diagnostic, screening, preventive, and rehabilitative
 51 services, and other remedial care;

52 (13) Inpatient hospital services, skilled nursing facility services
 53 and intermediate care facility services for individuals 65 years of
 54 age or over in an institution for mental diseases;

55 (14) Intermediate care facility services;

56 (15) Transportation services;

56A *(16) Services in connection with the inpatient or outpatient
 56B treatment or care of drug abuse when the treatment is prescribed
 56C by a physician and provided in a licensed hospital or in a narcotic
 56D and drug abuse treatment center approved by the Department of
 56E Health pursuant to P. L. 1970, c. 334 (C. 26:2G-21 et seq.) and
 56F whose staff includes a medical director, and limited to those services
 56G eligible for federal financial participation under Title XIX of the
 56H federal Social Security Act;*

57 . . . *[(16)]* *17* Any other medical care and any other type of
 58 remedial care recognized under State law, specified by the Secre-
 59 tary of the [(Federal)] *federal* Department of Health[, Education]
 60 and [(Welfare)] *Human Services*, and approved by the commis-
 60A sioner.

61 c. Payments for the foregoing services, goods and supplies fur-
 62 nished pursuant to this act shall be made to the extent authorized
 63 by this act, the rules and regulations promulgated pursuant thereto
 64 and, where applicable, subject to the agreement of insurance pro-
 65 vided for under this act. Said payments shall constitute payment
 66 in full to the provider on behalf of the recipient. Every provider
 67 making a claim for payment pursuant to this act shall certify in
 68 writing on the claim submitted that no additional amount will be
 69 charged to the recipient, his family, his representative or others on
 70 his behalf for the services, goods and supplies furnished pursuant
 71 to this act.

72 No provider whose claim for payment pursuant to this act has
 73 been denied because the services, goods or supplies were determined
 74 to be medically unnecessary shall seek reimbursement from the
 75 recipient, his family, his representative or others on his behalf for
 76 such services, goods and supplies provided pursuant to this act;
 77 provided, however, a provider may seek reimbursement from a
 78 recipient for services, goods or supplies not authorized by this act,
 79 if the recipient elected to receive the services, goods or supplies
 80 with the knowledge that they were not authorized.

81 d. Any individual eligible for medical assistance (including
 82 drugs) may obtain such assistance from any person qualified to
 83 perform the service or services required (including an organiza-
 84 tion which provides such services, or arranges for their avail-
 85 ability on a prepayment basis), who undertakes to provide him
 86 such services.

87 e. Anything in this act to the contrary notwithstanding, no pay-
 88 ments for medical assistance shall be made under this act with
 89 respect to care or services for any individual who:

90 (1) Is an inmate of a public institution (except as a patient in a
 91 medical institution); provided, however, that an individual who is
 92 otherwise eligible may continue to receive services for the month
 93 in which he becomes an inmate, should the commissioner determine
 94 to expand the scope of Medicaid eligibility to include such an in-
 95 dividual subject to the limitations imposed by federal law and
 96 regulations, or

97 (2) Has not attained 65 years of age and who is a patient in an
 98 institution for mental diseases, or

99 (3) Is over 21 years of age and who is receiving inpatient
100 psychiatric hospital services in a psychiatric facility; provided,
101 however, that an individual who was receiving such services im-
102 mediately prior to attaining age 21 may continue to receive such
103 services until he reaches age 22. Nothing in this subsection shall
104 prohibit the commissioner from extending medical assistance to
105 all eligible persons receiving inpatient psychiatric services pro-
106 vided that there is federal financial participation available.

107 f. Any provision in a contract of insurance, will, trust agreement
108 or other instrument which reduces or excludes coverage or payment
109 for goods and services to an individual because of that individual's
110 eligibility for or receipt of Medicaid benefits shall be null and void,
111 and no payments shall be made under this act as a result of any
112 such provision.

1 2. This act shall take effect immediately.

107 f. Any provision in a contract of insurance, will, trust agreement
 108 or other instrument which reduces or excludes coverage or payment
 109 for goods and services to an individual because of that individual's
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STATEMENT

Drug dependency and abuse is a serious health and social problem which has significant costs for our economy and our criminal justice system and which affects all of our society.

Drug abuse is now widely recognized as an illness, and the State Department of Health is attempting to bring services for the care and treatment of drug abuse into the mainstream of our health care delivery system so that it can be treated as any other illness.

This bill supports that concept by amending the "New Jersey Medical Assistance and Health Services Act," P. L. 1968, c. 413 (C. 30:4D-1 et seq.) to mandate Medicaid coverage of inpatient or outpatient drug abuse treatment services that are prescribed by a physician and provided in a licensed hospital or in a State-approved residential or day treatment center.

This bill will provide an important new source of support for the drug abuse treatment effort in New Jersey by making federal Medicaid dollars available to cover these services at a time when the State has suffered significant reductions in funding for treatment and prevention programs.

A160 (1984)

ASSEMBLY CORRECTIONS, HEALTH AND
HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 160

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: APRIL 26, 1984

As amended by committee, this bill mandates Medicaid coverage of inpatient and outpatient drug abuse treatment services eligible for federal financial participation under Title XIX of the Social Security Act that are prescribed by a physician and provided in a licensed hospital or State approved drug treatment center.

Presently, Medicaid only provides coverage for drug detoxification services provided to an inpatient in a hospital. Medicaid does not pay for drug abuse treatment services provided in free-standing or outpatient treatment centers. One effect of this bill, therefore, will be to divert some Medicaid eligible drug abuse treatment patients from more costly inpatient hospital care to less costly free-standing treatment centers. Also, this bill will bring in more federal money to the State (through Medicaid) for drug treatment and help the State use its drug treatment funds more effectively to serve more persons in need of treatment.

In order to ensure that the Department of Human Services will not incur additional costs as a result of the provisions of this bill, the Department of Health has agreed to provide the required Medicaid State match out of its appropriation for drug treatment programs.

The committee amended the bill at the recommendation of the departments of Health and Human Services to clarify that Medicaid will cover drug treatment costs only for those services eligible for federal financial participation under Title XIX of the Social Security Act. This amendment will insure that the State Medicaid program will not incur additional (non-reimbursable) costs as a result of expanding its coverage for drug treatment. Federal financial participation is not available to cover room, board and other residential services. The amendments also move the new subsection authorizing coverage for drug treatment from the list of federally mandated services to the list of services that may be provided at the State's option, since State coverage for drug treatment services is optional but not required, under federal law.