NEW JERSEY HUMAN SERVICES

Meeting of the Medical Assistance Advisory Council

October 29, 2026

Agenda

- Welcome, Call to Order, and Introductions – **Dr. Deborah Spitalnik**
- Key Considerations for Lasting Health System Change – **Tara Oakman**
- Enrollment and Eligibility Updates – **Gregory Woods**
- H.R. 1 Updates – **Gregory Woods, Itir Cole**, and **Jon Tew**
  - Non-Citizen Eligibility Changes
  - Work Requirements – Key Implementation Updates
  - Member Outreach and Communications
  - Impact on Members: Scenarios

Agenda, Continued

- Policy Updates – **Jon Tew** and **Gregory Woods**
  - 1115 Demonstration Renewal
  - Behavioral Health Integration with Managed Care Update
  - Rural Health Transformation Program (RHTP) Update
  - Legislative Implementations
    - Coverage of Preventative Behavioral and Developmental Healthcare for Children
    - Medicaid Employer Responsibility Fee
    - Applied Behavioral Analysis (ABA)
- MCO Contract Changes – **Gregory Woods**
- Public Comment Period – Facilitated by **Karen Enoch** and **Sam Krauss**
- Planning for the Next Meeting – **Dr. Deborah Spitalnik**
- Adjournment – **Dr. Deborah Spitalnik**

Key Considerations for Lasting Health System Change

What problems are we trying to solve?

- Our healthcare system is not working for anyone: patients, providers, employers, or taxpayers.
- Federal changes are making it harder than it already is for people to get and afford health care and coverage.
- Providers and insurers are also under significant pressure.
- H.R. 1 alone may result in an estimated $6B impact on New Jersey's healthcare system and more than 300,000 people losing coverage.

Key Health Transformation Considerations

Primary Care Access/Health

- Too many New Jerseyans continue to face barriers to timely primary care
- Limited access to primary care contributes to delayed treatment and avoidable use of higher-cost settings
- Primary care spending in NJ is way behind national benchmarks (3.4% versus 5.1% in 2022)

Contain Costs of Care, Admin Costs, & Complexity

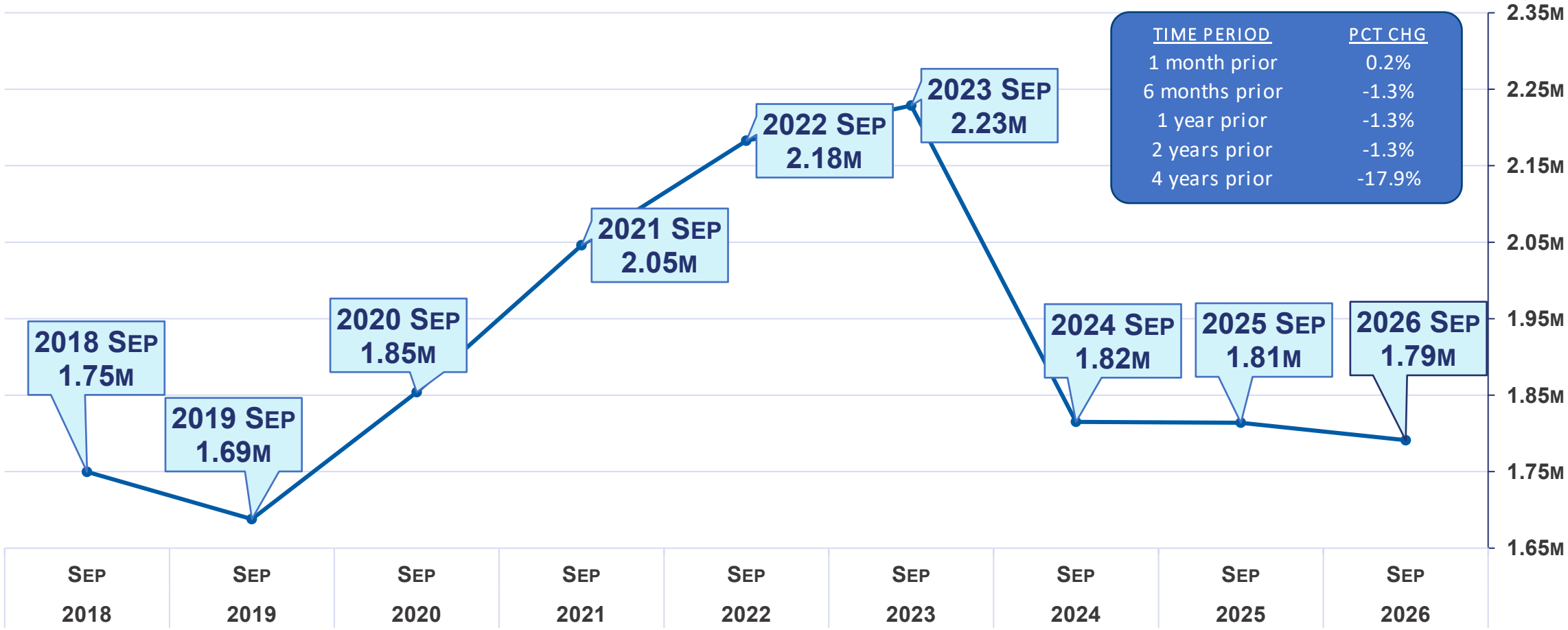
- Healthcare spending continues to rise faster than inflation
- Current payment arrangements do not often reward prevention, coordination or accountability for overall cost or health
- Administrative requirements cause delays, burdens and unnecessary costs; 25% of healthcare dollars

Preserve/Expand Coverage

- NJ has made substantial progress in expanding coverage, but federal changes are expected to increase uninsurance
- Coverage is becoming less affordable even for those who remain insured

NJ FamilyCare Enrollment and Processing Statistics

NJ FamilyCare Enrollment



Eligibility Determining Agency – Performance Scorecards

Updated performance scorecards posted at the News, Publications, Reports & Resources.

- Scorecards show (1) **new applications** that are pending beyond certain statutory timeliness thresholds, and (2) total volume of pending **renewal applications**.
- Data is broken out into Modified Adjusted Gross Income (**MAGI**) and Aged Blind Disabled (**ABD**) eligibility groups.
  - Two counties (Morris and Camden) do not process MAGI applications and are excluded from MAGI metrics.
  - Performance is **normalized based on CSSA caseload** (per 1,000 members) to allow meaningful comparisons between counties of different size.

Scorecards now contain data for state vendor (Conduent) as well as counties.

- State vendor processes MAGI applications only.
- State vendor statistics are currently reported differently than county statistics (household instead of member) so comparison to counties is not exact.

SEPTEMBER 2026 PERFORMANCE METRIC SCORECARD

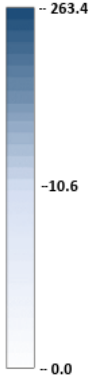
MAGI New Applications >45 Days per 1,000 Members: Historical Trend

	Sep '25	Mar '26	Jun '26	Sep '26
Burlington	0.0	0.0	0.0	0.0
Cape May	0.0	0.0	0.0	0.0
Salem	0.4	0.0	0.8	0.0
Somerset	0.0	0.0	0.0	0.0
Sussex	0.0	0.0	0.0	0.0
Warren	0.0	0.0	0.0	0.0
Gloucester	0.1	0.2	0.2	0.0
Cumberland	0.8	0.6	0.6	0.0
Hunterdon	1.4	1.0	1.9	0.0
Ocean	0.1	0.0	0.0	0.0
Mercer	0.0	0.0	0.0	0.1
Union	1.2	0.8	0.4	0.1
Middlesex	0.3	0.6	0.0	0.2
Bergen	0.1	0.4	0.2	0.4
Hudson	8.6	3.6	4.4	0.4
Essex	0.9	1.1	1.5	0.5
HBC				0.6
Passaic	0.9	0.7	0.5	0.7
Monmouth	4.7	2.5	3.8	0.8
Atlantic	0.4	1.2	1.3	1.2
Statewide Avg.	**1.5**	**0.9**	**1.0**	**0.5**



MAGI Pending Renewals per 1,000 Members: Historical Trend

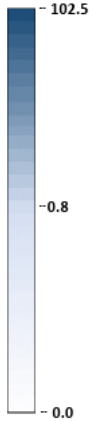
	Sep '25	Mar '26	Jun '26	Sep '26
Warren	6.2	11.1	0.3	0.0
Gloucester	7.5	10.1	0.5	0.2
Hudson	22.2	17.0	0.1	0.4
Hunterdon	5.7	15.0	1.9	0.5
Burlington	128.0	10.6	0.1	0.9
Cumberland	46.4	19.7	3.9	1.3
Essex	27.0	16.7	1.8	1.9
Atlantic	13.3	20.9	1.4	2.0
Cape May	20.4	16.4	1.1	2.1
Union	55.1	21.7	3.2	2.4
Sussex	34.1	24.2	4.2	2.4
Middlesex	166.5	131.4	55.2	2.5
Somerset	12.0	16.9	5.2	3.0
Mercer	16.5	15.6	2.7	3.2
Bergen	7.7	9.6	0.7	4.0
Salem	7.1	15.2	3.4	6.7
Passaic	221.1	72.9	21.4	14.4
Ocean	119.9	81.5	41.8	17.3
HBC				30.6
Monmouth	263.4	201.0	139.4	119.5
Statewide Avg.	**81.5**	**47.5**	**19.6**	**23.2**



Notes: Camden and Morris are excluded from above tables (counties do not process MAGI cases). HBC does not have historical data in this format at this time

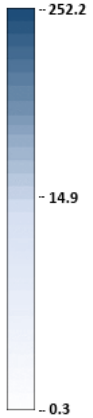
ABD New Applications >90 Days per 1,000 Members: Historical Trend

	Sep '25	Mar '26	Jun '26	Sep '26
Cape May	0.0	0.0	0.0	0.0
Hunterdon	0.0	0.0	0.0	0.0
Somerset	0.0	0.0	0.0	0.0
Warren	0.0	0.4	0.4	0.0
Gloucester	0.4	0.4	0.0	0.0
Cumberland	0.7	0.8	0.8	0.1
Middlesex	55.3	0.6	1.5	0.2
Mercer	0.3	0.1	0.2	0.3
Ocean	1.3	1.0	0.4	0.4
Morris	0.2	0.3	0.0	0.5
Salem	0.3	1.9	0.6	0.6
Essex	1.0	1.4	0.4	0.8
Bergen	0.9	1.6	1.1	1.3
Sussex	0.0	3.6	5.6	2.4
Burlington	41.2	22.7	8.4	3.9
Hudson	81.1	49.3	24.8	4.9
Passaic	39.0	24.3	14.1	13.7
Union	10.2	19.1	19.5	16.4
Atlantic	5.3	14.1	20.3	26.7
Camden	102.5	101.4	84.1	50.8
Monmouth	76.3	100.1	81.2	91.5
Statewide Avg.	**31.4**	**23.4**	**17.1**	**12.2**



ABD Pending Renewals per 1,000 Members: Historical Trend

	Sep '25	Mar '26	Jun '26	Sep '26
Gloucester	2.6	6.8	0.5	0.3
Essex	6.1	12.4	0.7	0.6
Morris	14.7	31.3	7.5	1.9
Somerset	8.1	12.4	0.3	1.9
Mercer	9.0	17.6	1.7	1.9
Warren	5.9	8.2	0.4	2.2
Hunterdon	7.9	12.6	2.1	3.2
Bergen	6.6	25.2	2.5	3.8
Cape May	15.5	17.3	1.3	6.8
Middlesex	34.6	15.2	1.6	7.3
Salem	6.3	13.6	2.8	7.8
Cumberland	15.2	20.6	12.7	8.2
Sussex	10.9	29.5	2.8	10.5
Ocean	87.1	74.5	69.5	21.7
Union	68.8	70.4	44.7	31.8
Passaic	119.8	121.3	55.2	53.0
Camden	107.7	120.4	107.9	77.3
Burlington	154.7	149.2	121.7	79.3
Atlantic	48.0	86.0	75.5	83.7
Hudson	123.4	163.3	122.5	102.2
Monmouth	252.2	233.7	152.9	140.8
Statewide Avg.	**65.7**	**72.9**	**47.9**	**38.5**



Note: HBC is excluded from above tables (does not process ABD cases)

Overdue New Applications are defined as new applications per household past processing due date (>90 days for ABD, >45 days for MAGI)

Pending Renewals are defined as pending renewals per member past redetermination date (90 days after the beginning of the initiation month)

H.R. 1 (“One Big Beautiful Bill Act”) Topics

Non-Citizen Eligibility Changes

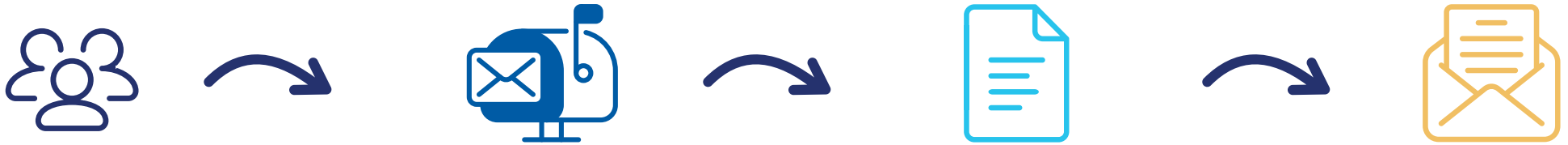
October 1 Non-Citizen Eligibility Changes

New restrictions on immigration eligibility for federal funding for Medicaid and CHIP went into effect **October 1, 2026**.

As of that date, the **only groups of adults who are eligible for full Medicaid coverage** are:

- U.S. citizens and U.S. nationals
- Lawful Permanent Residents (i.e., Green Card holders)
- Cuban/Haitian entrants
- Citizens of certain small Pacific island nations (“COFA migrants”)

Non-citizen outreach process and disenrollment outcomes



DMAHS identified roughly 24,000 potentially impacted non-citizen members.

- Members who DMAHS was able to confirm a qualifying immigration status (under new rules) for were excluded from this list

DMAHS sent notices (via vendor HMS) in July to potentially impacted members, which:

- Explained they may lose coverage on Oct. 1 due to federal regulatory change
- Listed still-eligible groups (e.g., Cuban entrants)
- Directed members who believe they remain eligible to submit documents by a deadline

DMAHS continues to review immigration documents provided by members and validated immigration status against federal databases

- DMAHS is still reviewing documentation for members who responded by September 30, and have been entered into a Reasonable Opportunity Period
- Coverage is extended for these members until eligibility is determined

DMAHS sent final termination notice in mid-September to members who did not respond to request to send immigration documents

- Final notice and ineligible outcome letters provided Fair Hearing rights
- As of September 30, members who did not respond or who had been found ineligible were disenrolled from NJ FamilyCare

Non-Citizen Eligibility: Snapshot of Outcomes (October 2026)

Approximately **24,500** members were outreached to request additional documentation of citizenship / immigration status

- **~8,000** have responded and have been found eligible
- **~1,100** have responded and are still having their cases reviewed
- **~10,200** were disenrolled on September 30
  - **~1,700** responded and were found ineligible
  - **~8,500** did not respond
- Remainder (**~5,200** members) had eligibility updated outside of dedicated non-citizen eligibility review
  - **For example**: Regular annual eligibility redetermination superseded special non-citizen process

Reconsideration and Reasonable Opportunity Periods

Members terminated for non-response may have coverage **reinstated** if they **submit documentation** and are found eligible

- Reconsideration period runs until December 31, 2026
- Members receive retroactive coverage back to the date of disenrollment if they have an eligible immigration status and remain eligible on all other grounds
- Members terminated for non-response should:
  - Submit requested documentation **as soon as possible**
  - Respond before **December 31, 2026** to help avoid a coverage gap

Members who have responded may be granted a **"Reasonable Opportunity Period" (ROP)** to maintain coverage while their information is reviewed

- Applies to members who have submitted information but are **awaiting State review** and/or have been requested to provide **additional immigration documentation**
- During ROP, members who submitted documentation before September 30th can continue to **access care as normal**

Resources and Reminders

Key Reminders:

- Most non-citizen members are **not affected** by this change
- Even if this change affects one member of a household, other household members **may still be eligible**
- Members who failed to submit documentation **still have an opportunity do so**

Member Resources:

- **Immigration Document Guide**: identifies acceptable documents to verify eligibility; available in 9 languages
- **FAQs**: answers common questions; also in 9 languages

Stakeholder Resources:

- **Stakeholder Guide**: detailed guidance on eligibility changes and the disenrollment process
- **Frontline Staff Guide**: 1-page guide for assisting members
- **Outreach Communications Toolkit**: ready-to-use stakeholder and member communications

Work Requirements – Key Implementation Updates

Work Requirements Go Live on January 1, 2027

This is only the beginning

- The State has been working to prepare policies, operations, data and systems, eligibility workers, counties, vendors, stakeholders and members for January 1st go-live
- Implementation timeline has been **extremely tight**, particularly given federal policy changes included in June 2026 release of Interim Final Rule (IFR)

January 1, 2027 go-live is **not the end state**.
We will continue to **refine and improve** our approach throughout 2027.

Key Updates for Today

- How is New Jersey ensuring **eligibility workers will be prepared** for the launch of work requirements in January?
- What progress has the State made on **updating and testing critical IT systems**?
- What changes will be made to **member experience** to make it easier to satisfy work requirements **on January 1, 2027**? What changes does the State expect to implement **after January 1st**?
- How will New Jersey define and assess “**medical frailty**”?
- What steps is New Jersey taking to **educate members and stakeholders** about work requirements?





How is New Jersey ensuring eligibility workers will be prepared for the launch of work requirements in January?

Eligibility Worker Preparedness



Reminder: NJ FamilyCare eligibility determinations are divided in New Jersey.

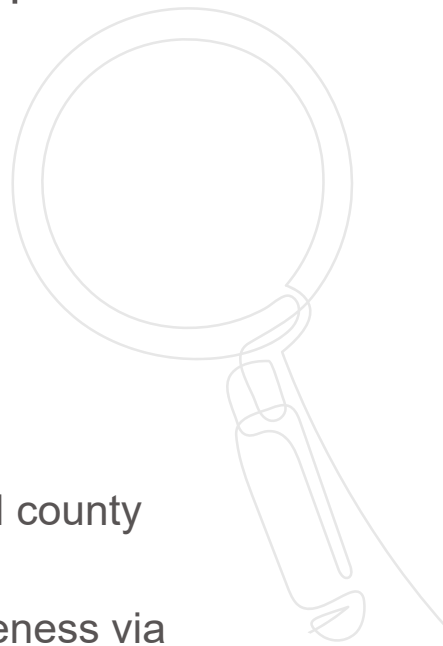
1. Approximately half of cases are the responsibility of **twenty-one County Social Service Agencies**
2. Remaining half of cases are the responsibility of the State, which is supported by a **Health Benefits Coordinator** vendor (**Conduent**)

New Jersey has taken **extensive steps** to ensure readiness for both County and State/vendor cases.

County Readiness Assessment

Counties are reviewed on **readiness** and **escalated** as needed

- Every month, counties are scored on readiness (**red** / **yellow** / **green**) based on performance on four sets of metrics:
  1. **Medicaid renewal timeliness**
  2. **Medicaid new application timeliness**
  3. **SNAP timeliness**
     - Ensure focus on new Medicaid requirements does not cause performance to deteriorate elsewhere
  4. **Process measures**
     - Measured through scheduled check-ins, direct State testing (“secret shopper” style), and county attestation
     - Focus on completion of key milestones, including staff trainings, and member responsiveness via phone and e-mail



County Readiness Assessment (cont.)

Each rating triggers **different levels of DMAHS/DHS engagement**, which include leadership meetings and corrective action plans

- **Red** counties must complete and implement **Corrective Action Plans (CAPs)** outlining steps to reduce backlog of milestones at risk (e.g., staff increase, burndown plan)
  - Most counties in **red** status have shown meaningful improvement.
  - Counties unable to improve performance may have cases transferred elsewhere.
- As of September (based on August data), **14 of 21** counties were in **green** status

Vendor (Conduent) Readiness Process

DMAHS has taken numerous steps to ensure readiness for Health Benefits Coordinator vendor (Conduent)

Operational amendment:	Conduent contract updated in June to support **surge staffing** when demand is high, improve key processes, and **strengthen accountability** via **performance incentives**
Training:	DMAHS is preparing **training materials** to ensure that vendor eligibility workers and call center staff are **prepared for new workflows** and **new member inquiries**
Staffing:	Conduent has **increased** its baseline **staffing levels**, and new roles (like county liaisons) have been staffed
Systems Changes:	DMAHS and New Jersey Innovation Authority are coordinating closely with Conduent on **systems changes** needed to implement work requirements
Monitoring and Oversight:	DMAHS is holding several working team meetings per week with Conduent and tracking **key performance metrics** on a weekly basis

Eligibility Worker Readiness: Next Steps

Continue monthly readiness checks for counties and corrective action plans for lagging counties, along with **regular monitoring of key Conduent performance metrics**

Transfers have already begun among **four pairs of counties**

Finish training eligibility workers and get written confirmation from each county and Conduent that their staff are ready

Hold regular best-practice sharing sessions between counties where staff from high-performing counties share what processes are working well

Transfer cases from lagging counties to highest-performing ones, so processing stays on track statewide

Establish recurring post-go-live monitoring, including regular reporting and routine quality checks to quickly identify and address issues



What progress has the State made on updating and testing critical IT systems?

Background: IT Systems Involved in Implementing Work Requirements

Integrated Eligibility System (IES)

- Supports online member applications
- Used by county eligibility workers to process applications and renewals

Benepath

- Proprietary system used by Conduent workers to process applications and renewals

Shared Data Warehouse (SDW)

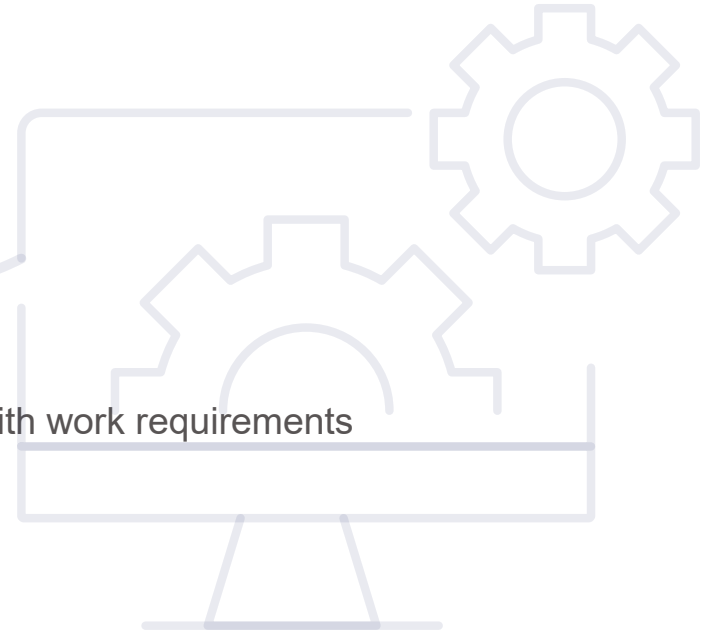
- Repository of Medicaid claims data
- Used as a data source to determine multiple exclusions, including “medical frailty”

Community Engagement Compliance Engine (CECE)

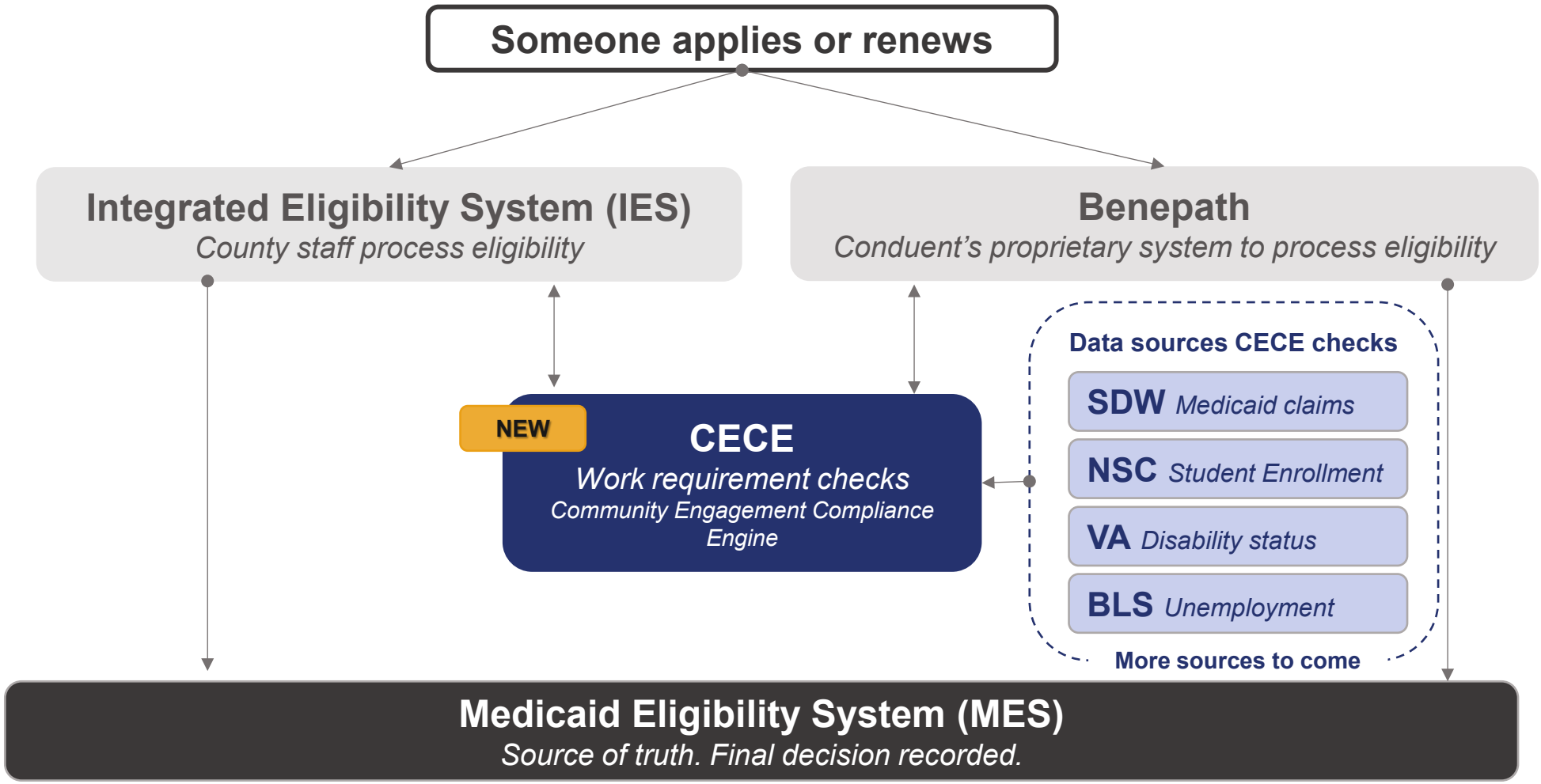
- New system, being developed by New Jersey Innovation Authority (NJIA) to determine compliance with work requirements
- Will “plug in” to IES and Benepath

Medicaid Eligibility System (MES)

- Records final outcome of NJ FamilyCare eligibility determinations



Systems Involved in Implementing Work Requirements



The State built and is testing a system to fairly decide who meets community engagement requirements

- What it does: CECE checks whether adults aged 19-64 in the expansion group qualify (80+ combined hours a month of work, volunteering, or school) or have an exemption.
- **CECE gives five possible answers:**

1	**Compliant**	**Doing enough of a qualifying activity (or multiple qualifying activities).**	**Keeps coverage**
2	**Excluded**	**Never has to meet the requirement (e.g., pregnant, medically frail).**	**Keeps coverage**
3	**Excepted**	**Excused for the review period (e.g., disaster area, hospital stay).**	**Keeps coverage**
4	**Needs information**	**Nothing on file qualifies them yet, so we ask the member.**	**Outcome depends on response**
5	**Not compliant**	**Asked, responded, and still doesn't qualify.**	**Coverage ends after notice period**

Safeguard: No one loses coverage without first being asked and given a chance to respond.

State is testing the system against real member journeys

In progress	Auto renewal (ex parte)	Renewing coverage using information State already has	15 scenarios
In progress	New applications	Someone applying for coverage for the first time	28 scenarios
In progress	Manual renewal	Members who must send in information to renew	21 scenarios
Not yet started	Change in circumstance	A member reports a life change, such as a new job	3 scenarios
Not yet started	Presumptive eligibility	Temporary coverage while an application is processed	1 scenario
Not yet started	Retroactive coverage	Coverage for past months	12 scenarios

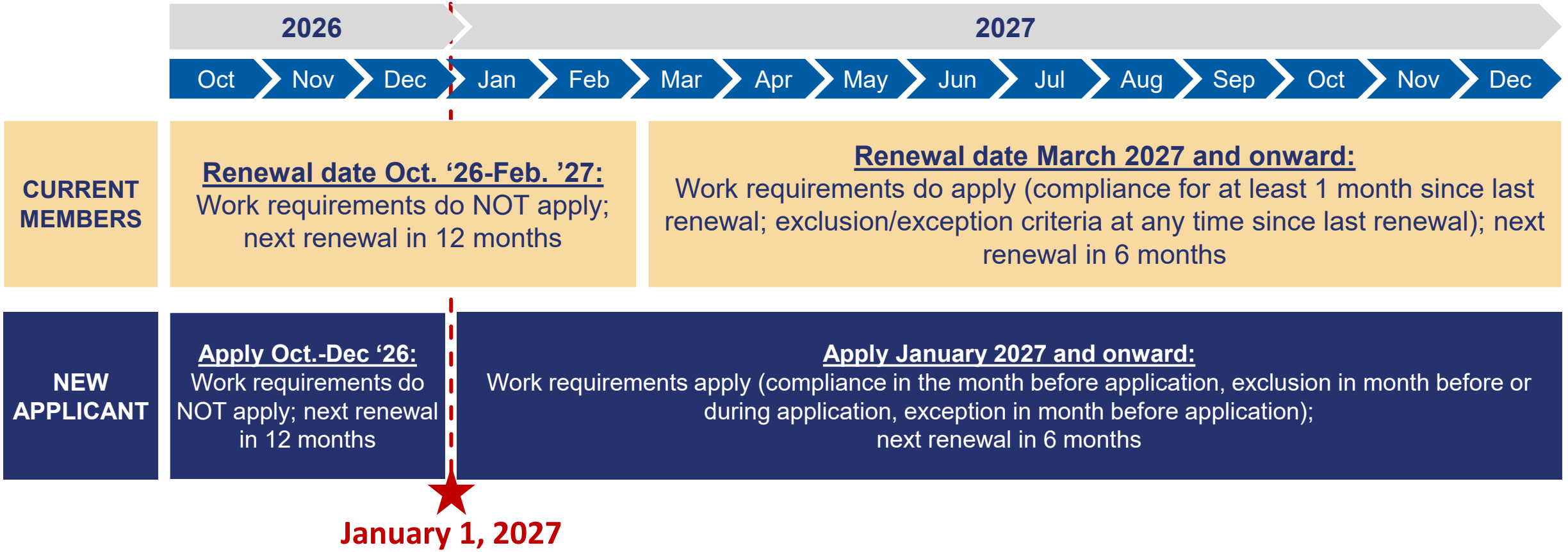
80 total scenarios



What changes will be made to member experience to make it easier to satisfy work requirements on January 1, 2027?

What changes does the State expect to implement after January 1st?

Work requirements and six-month renewals will impact members at different times



Work Requirements: Application Document Changes

- **NJ FamilyCare application** (both paper and online versions) has new questions to determine whether the individual:
  - Meets the requirement, such as through work, volunteering, or a work program
  - Qualifies for an exclusion, such as being a parent / caregiver or having disability
  - Qualifies for an exception, such as a temporary hardship
- A short **medical frailty screener** will help identify members who may qualify for a medical frailty exclusion *(more details follow)*
- Only applicants and members ages 19–64 who are not pregnant need to complete this section

Work Requirements: Eligibility Document Changes

Other standardized eligibility documents have been updated to reflect work requirements. They include:

- **Request for Information (RFI)**: Sent when DMAHS needs additional information to verify community engagement (CE) status
- **Community engagement informational notice**: Standalone document (required by federal rules when member has not satisfied community engagement requirement). Will be included with the RFI
- **Eligibility outcome letters**: Explains the individual's eligibility determination (including compliance / exception / exclusion from work requirements)

Member Experience Improvements Underway

Digital Request for Information (RFI)

- Online version of RFI that lets members respond and upload documents via portal instead of mail
- Initial pilot was conducted in Gloucester county; now expanding to other counties

Realtime MCO Visibility into Renewal Dates

- As of October, MCOs now receive updated member renewal dates in a weekly file
- This allows MCOs to better tailor and target outreach to members

Realtime Provider Visibility into Renewal Dates

- DMAHS is working to make member renewal dates visible in provider systems (eMEVS/ REVs) to support members at point of care
- Go-live date is to-be-confirmed

Ex Parte Rate Improvements

- New Jersey has improved rates of automatic (“ex parte”) renewals in recent years from ~20% to ~50%.
- DMAHS is continuing to implement additional improvements to further increase rates.
- Goal: Offset likely short-term decreases in ex parte rates due to introduction of work requirements

Future Member Experience Improvements

There are **additional member experience** improvements that are in earlier stages of development

These include:

- **E-mail / text alerts** re: application or renewal status
- Direct **digital access to renewal codes** (to allow online renewals)
- Real-time **member visibility** into **renewal or application status**

These upgrades are **unlikely to be in place by January 1st**

- However, these will be key DMAHS priorities for **first half of 2027**



How will New Jersey define and assess “medical frailty”?

Context: Changes to definition of medical frailty

H.R. 1 statute *exempts* individuals who are medically frail from work requirements.

The law defines medical frailty as applying to members in **five buckets**:

1. Blind or disabled
2. Substance use disorder (SUD)
3. Disabling mental disorder
4. Physical, intellectual, or developmental disability significantly impairing one or more activities of daily living
5. Serious or complex medical condition

However, the federal regulation published in June went significantly beyond statute:

A. Member must fall into one of five buckets named in statute ***and***
B. Member's condition must be one that "**significantly impairs** the individual's ability to comply with the community engagement requirement"

The IFR left it unclear how members meet the "significant impairment" standard. This made it difficult for states to plan for implementing medical frailty.

Update: September CMS Guidance on Medical Frailty

On September 3, **CMS released supplemental information** on how to define and implement medical frailty. In the document, CMS:

- **Endorses a "tiered" ex parte definition,** providing (but not requiring) the following example

  Tier 1: Conditions that on their own indicate significant impairment from ability to meet work requirements (expected to be narrow)

  Tier 2: Conditions that may indicate medical frailty, but additional information is needed to determine if the condition significantly impairs the ability to comply with work requirements

  Tier 3: Manual review process where additional documentation may be required
- **Shared 10 clinical vignettes illustrating medical frailty determinations** based on specific conditions and codes
- Confirms **lookback period is 12 months** from adjudication date for all claims except for **substance use disorder (SUD)** claims, for which **lookback can be up to 5 years**
- Provides operational guidance on potential data sources to use, how to share and update code list, etc.

New Jersey approach: three ways to demonstrate medical frailty

In 2027, DMAHS will focus exclusively on ex parte and self-attested determinations of medical frailty.

1 Ex parte

- DMAHS identifies medically frailty **automatically**; no action needed from member.
- Members can be verified ex parte any of **three ways**:
  - A review of claims history against medical frailty code list
  - A check whether the member is enrolled in a program that already reflects medical frailty (e.g., for individuals with developmental disabilities)
  - A check whether the member has a Social Security Administration (SSA) disability determination

2 Self-Attestation

- Used when a member is **not identified through ex parte** at renewal, or by a **new applicant**
- Available to **all members through end of 2027**, no further documentation is required

3 **Documentation Required** (starting in 2028)

- Starting 2028, CMS **tightens the rules**:
  - Members may **self-attest only once** if they are continuously enrolled in Medicaid; otherwise, documentation is required
  - If documentation is reasonably available, states **must require it** rather than accept attestation
- Ex parte (claims-based verification) process continues unchanged

New Jersey approach: three ways to demonstrate medical frailty

In 2028, documentation may be required for medical frailty determinations.

1 Ex parte

1. DMAHS identifies medically frailty **automatically**; no action needed from member.
2. Members can be verified ex parte any of **three ways**:
    1. A review of claims history against medical frailty code list
    2. A check whether the member is enrolled in a program that already reflects medical frailty (e.g., for individuals with developmental disabilities)
    3. A check whether the member has a Social Security Administration (SSA) disability determination

2 Self-Attestation

1. Used when a member is **not identified through ex parte** at renewal, or by a **new applicant**
2. Available to **all members through end of 2027**, no further documentation is required

3 Documentation Required (starting in 2028)

1. Starting 2028, CMS **tightens the rules**:
    1. Members may **self-attest only once** if they are continuously enrolled in Medicaid; otherwise, documentation is required
    2. If documentation is reasonably available, states **must require it** rather than accept attestation
2. Ex parte (claims-based verification) process continues unchanged

Automatic (“ex parte”) verification process

Claim check against code list, using 2-tier logic

- NJ's Medical Frailty code list includes **different code types**
  - Diagnoses / medical condition codes (ICD-10-CM, ICD-10-PCS)
  - Medical, surgical, diagnostic procedure, and equipment / supplies codes (CPT codes, other codes)
  - Revenue codes identifying hospital department or type of service billed
  - Other code types indicating where the patient received service
- **Tier 1** reviews whether **standalone codes qualify on their own** (e.g., CPT code for chemotherapy / dialysis, ICD-10 code for cerebral palsy)
- **Tier 2 combines and reviews codes** for conditions that do not meet Tier 1 severity (e.g., a diagnosis plus a high-risk medication or ED visit)
- Limited to **12-month lookback of claims** per CMS IFR, with exception for **SUD claims** which have **5-year lookback,** per Sept. CMS guidance

Other ex parte processes

Existing program enrollment:

Members in certain programs (e.g., ID/DD, assisted living or nursing facilities) are automatically recognized as medically frail, since these programs already require their own determination of significant need

SSA disability determination:

Members who already have a disability determination on file with the Social Security Administration are automatically recognized

Medical frailty code list is forthcoming and expected **to be posted on MedicaidWorkRules.nj.gov**

Ex Parte Approach: Code List

New Jersey is **working with roughly 20 other states to** identify codes that demonstrate **“medical frailty”** consistently with new federal requirements

- For January launch, New Jersey plans to most **closely align with Oregon's code list**, based on systems compatibility and shared general approach.
- Many other states appear to be converging on broadly similar code lists

Between now and January, New Jersey will make last refinements and **publish code list**

Key Point: Code list is **only relevant for “ex parte” determinations**

- Members may attest (or later document) a qualifying condition **not included on code list**

Process for self-attestation of medical frailty through application materials

1. **Applicants / members answer whether a health condition or disability makes it hard to work, study, or volunteer ~20 hours per week**

2. **If "yes," they answer follow-up questions to determine whether they have one of five qualifying conditions specified in the CMS Interim Final Rule (IFR)**

Individuals answer whether they have a:

- Serious, complex, or chronic health conditions (physical or mental)
- Mental health condition that requires medication, hospitalization, or extensive treatment
- Substance use disorder (in the last 5 years)
- Physical, cognitive, intellectual, or developmental disability
- Require support with basic personal care, require medical equipment or devices, or live in nursing home or long-term care facility because of their disability

3. **If an applicant or member answers "yes" to question 1 and one of the follow-up questions, DMAHS treats this as self-attestation to medical frailty and excludes them from the work requirement**

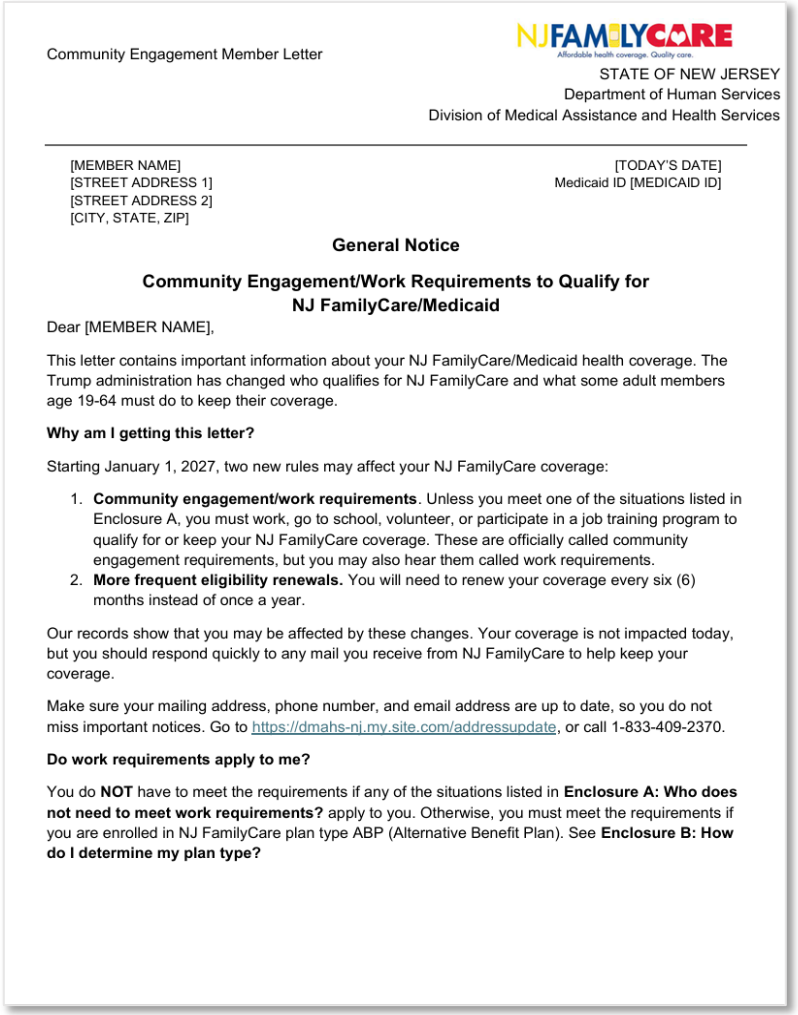
- No additional proof or documentation is required in 2027
- Starting 2028, self-attestation through screener can only be used one time per continuous enrollment period; after that, documentation is required for verification



What steps is New Jersey taking to educate members and stakeholders about work requirements?

Member Outreach Update

- **DMAHS outreach:** DMAHS has sent letters to all Expansion adults identified through September, as required by CMS
  - Indicate that the member may be affected by work requirements and six-month renewals
  - Explains criteria for compliance, exclusions, and exceptions
  - Asks members to keep contact info up to date, watch for mail / outreach, check if requirements may apply, and collect documents
- Posted online (MedicaidWorkRules.nj.gov) in top 9 languages
- Sent to a large cohort in early September, with smaller batches being sent monthly to new Expansion members



Community Engagement Member Letter

NJ FAMILYCARE
Affordable health coverage. Quality care.

STATE OF NEW JERSEY
Department of Human Services
Division of Medical Assistance and Health Services

[MEMBER NAME]
[STREET ADDRESS 1]
[STREET ADDRESS 2]
[CITY, STATE, ZIP]

[TODAY'S DATE]
Medicaid ID [MEDICAID ID]

General Notice

Community Engagement/Work Requirements to Qualify for NJ FamilyCare/Medicaid

Dear [MEMBER NAME],

This letter contains important information about your NJ FamilyCare/Medicaid health coverage. The Trump administration has changed who qualifies for NJ FamilyCare and what some adult members age 19-64 must do to keep their coverage.

Why am I getting this letter?

Starting January 1, 2027, two new rules may affect your NJ FamilyCare coverage:

1. **Community engagement/work requirements**. Unless you meet one of the situations listed in Enclosure A, you must work, go to school, volunteer, or participate in a job training program to qualify for or keep your NJ FamilyCare coverage. These are officially called community engagement requirements, but you may also hear them called work requirements.
2. **More frequent eligibility renewals.** You will need to renew your coverage every six (6) months instead of once a year.

Our records show that you may be affected by these changes. Your coverage is not impacted today, but you should respond quickly to any mail you receive from NJ FamilyCare to help keep your coverage.

Make sure your mailing address, phone number, and email address are up to date, so you do not miss important notices. Go to https://dmahs-nj.my.site.com/addressupdate, or call 1-833-409-2370.

Do work requirements apply to me?

You do **NOT** have to meet the requirements if any of the situations listed in **Enclosure A: Who does not need to meet work requirements?** apply to you. Otherwise, you must meet the requirements if you are enrolled in NJ FamilyCare plan type ABP (Alternative Benefit Plan). See **Enclosure B: How do I determine my plan type?**

Member Outreach Update, Continued

MCO outreach: MCOs are completing additional member outreach

- **Automated phone calls** are sent to all impacted members
- **Email / texts** are sent where contact information is available
- **MCO letters** are only sent when unable to reach by email & text

This outreach is not sent to members who are going through a renewal process, to avoid potential confusion about eligibility requirements that have not yet taken effect.

Regional Health Hub (RHH) outreach: RHHs are providing member and partner outreach

- **SMS/Text Messages** to members in their catchment area
- Connecting members to resources and information on coming changes

4 Steps Every Member Should Take

1

UPDATE Contact Information

Make sure the mailing address, phone number, and email address are correct.
Link: https://dmahs-nj.my.site.com/addressupdate/

2

WATCH for Messages

Open mail and read emails or text messages from NJ FamilyCare and the health plan.

3

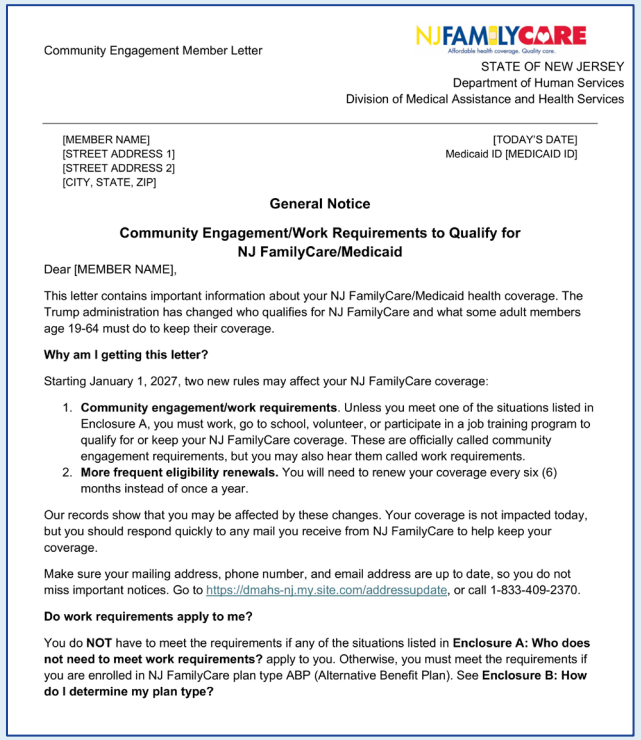
Complete the CHECKER

Use the NJ FamilyCare Activity Requirements Checker to understand whether work requirements, exclusions, or exceptions may apply.
Link: www.njfcchecker.nj.gov

4

RESPOND on Time

Send requested information by the deadline in the notice.



Community Engagement Member Letter

NJ FAMILYCARE
Affordable health coverage. Quality care.

STATE OF NEW JERSEY
Department of Human Services
Division of Medical Assistance and Health Services

[MEMBER NAME]
[STREET ADDRESS 1]
[STREET ADDRESS 2]
[CITY, STATE, ZIP]

[TODAY'S DATE]
Medicaid ID [MEDICAID ID]

General Notice

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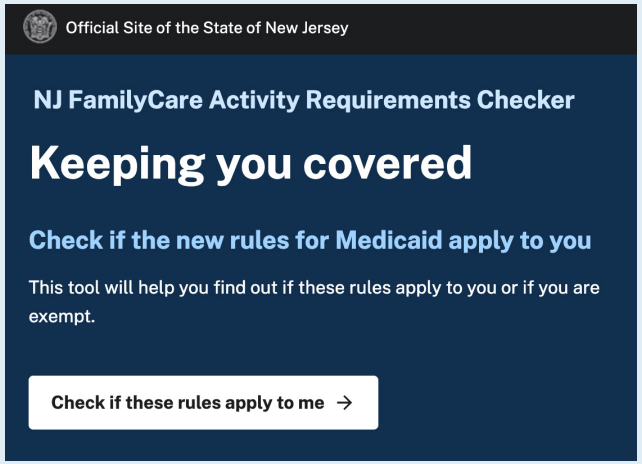
1. **Community engagement/work requirements**. Unless you meet one of the situations listed in Enclosure A, you must work, go to school, volunteer, or participate in a job training program to qualify for or keep your NJ FamilyCare coverage. These are officially called community engagement requirements, but you may also hear them called work requirements.
2. **More frequent eligibility renewals.** You will need to renew your coverage every six (6) months instead of once a year.

Our records show that you may be affected by these changes. Your coverage is not impacted today, but you should respond quickly to any mail you receive from NJ FamilyCare to help keep your coverage.

Make sure your mailing address, phone number, and email address are up to date, so you do not miss important notices. Go to https://dmahs-nj.my.site.com/addressupdate, or call 1-833-409-2370.

Do work requirements apply to me?

You do **NOT** have to meet the requirements if any of the situations listed in **Enclosure A: Who does not need to meet work requirements?** apply to you. Otherwise, you must meet the requirements if you are enrolled in NJ FamilyCare plan type ABP (Alternative Benefit Plan). See **Enclosure B: How do I determine my plan type?**



Official Site of the State of New Jersey

NJ FamilyCare Activity Requirements Checker

Keeping you covered

Check if the new rules for Medicaid apply to you

This tool will help you find out if these rules apply to you or if you are exempt.

Check if these rules apply to me →

Member Communication Channels and Resources

Resource	Description	How to access
NJ FamilyCare (NJFC) federal changes website	Central hub for OBBBA/H.R. 1 information with overview and resources on federal eligibility changes; translated into 9 top languages in NJ	FederalMedicaidChanges.nj.gov
NJFC federal changes work requirements subpage	Detailed webpage providing overview of Expansion Adult eligibility changes	MedicaidWorkRules.nj.gov
Contact information update form	For members to update their NJ FamilyCare mailing address, phone number, and email address	dmahs-nj.my.site.com/addressupdate
Activity requirements checker	Online tool to help members understand if they may be impacted by the new work requirement rules	njfcchecker.nj.gov

Stakeholder Communication Channels and Resources

Resource	Description	How to access
NJ FamilyCare federal changes stakeholder resources subpage	Detailed webpage with information and resources to guide stakeholders on how to support members	nj.gov/humanservices/dmahs/obbba/stakeholders
Expansion Adult Guidance document	Comprehensive guide to help prepare stakeholders for supporting Expansion Adults impacted by eligibility changes	nj.gov/humanservices/dmahs/documents/providers-stakeholders/obbba/Expansion_Adult_Stakeholder_Guidance.pdf
NJFC federal changes Stakeholder Inquiry Form	A form for stakeholders to request DMAHS OBBBA / H.R. 1 trainings, provide feedback on resources, or ask questions	forms.cloud.microsoft/g/sgyprwnmLW
NJ Health Care Quality Institute (NJHCQI) forums/resources	DMAHS has partnered with NJHCQI to provide resources including public webinars, office hours, a *Question Inbox*, and FAQs for individuals who work with members	njhcqi.org/hr1

Quality Institute Resources and Support



Quality Institute Questions Inbox

HR1feedback@njhcqi.org



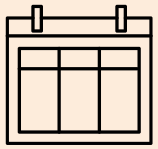
NJHCQI Office Hours

Thursdays, 1:00 to 1:30 pm on Zoom

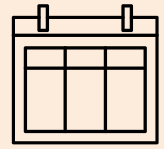


Slides and Recordings

njhcqi.org/hr1



Next Webinar: December 3, 2026, 12:00 to 1:00 pm



Stakeholder Calls to Action



Providers

- Keep clinical & billing codes accurate to support automated medical frailty determination
- Flag coverage gaps during routine visits and connect patients to an application assistor
- Build staff capacity to assist members through NJ FamilyCare Application Assistance Training



Community Organizations

- Build NJ FamilyCare awareness into existing community events and programs
- Help members understand work requirements and whether an exclusion or exception applies
- Provide hands-on help with applications, renewals and RFIs
- Connect members to trained application assistors or other enrollment resources for individualized support
- Host renewal support events; offer space or computer access where possible
- Build staff capacity to assist members through NJ FamilyCare Application Assistance Training



Employers / Educational Institutions

- Keep hours, earnings, enrollment, and participation records current
- Respond quickly when members request documentation of qualifying activity
- Establish a clear, easy process for members to request records
- Let participants know their activity may count toward work requirements

Impact on Members: Scenarios

Work Requirements: Member Scenarios



Maria is applying for NJ FamilyCare for the first time. She volunteers for 20 hours a week at a food bank.

Application & determination:

- Maria fills out the NJ FamilyCare application and attests to volunteering for 20 hours a week in the prior month.
- Based on her responses, Maria is found to be compliant with work requirements.

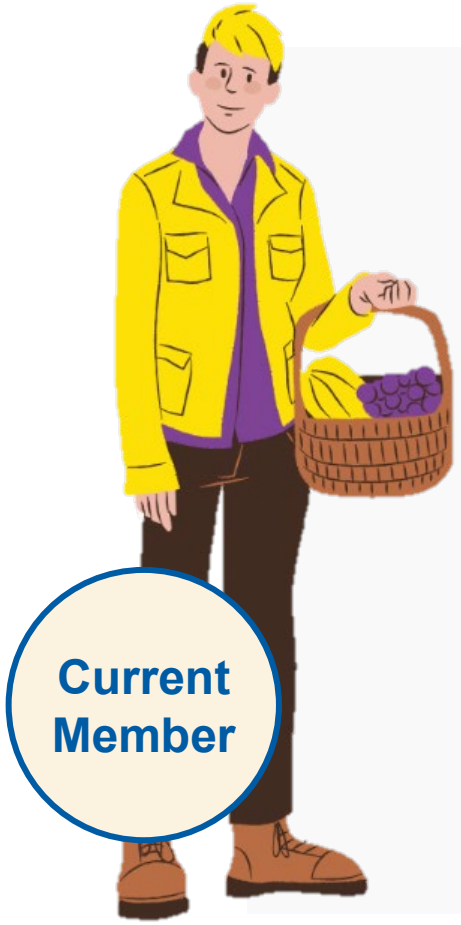
Member outcome:

- Maria receives an enrollment notice specifying that she is compliant with work requirements.
- Her eligibility will be reviewed again in six months.

New Member Enrolled (Maria)



Work Requirements: Member Scenarios



David is an NJ FamilyCare member who works at a grocery store and earns ~$1,200/month.

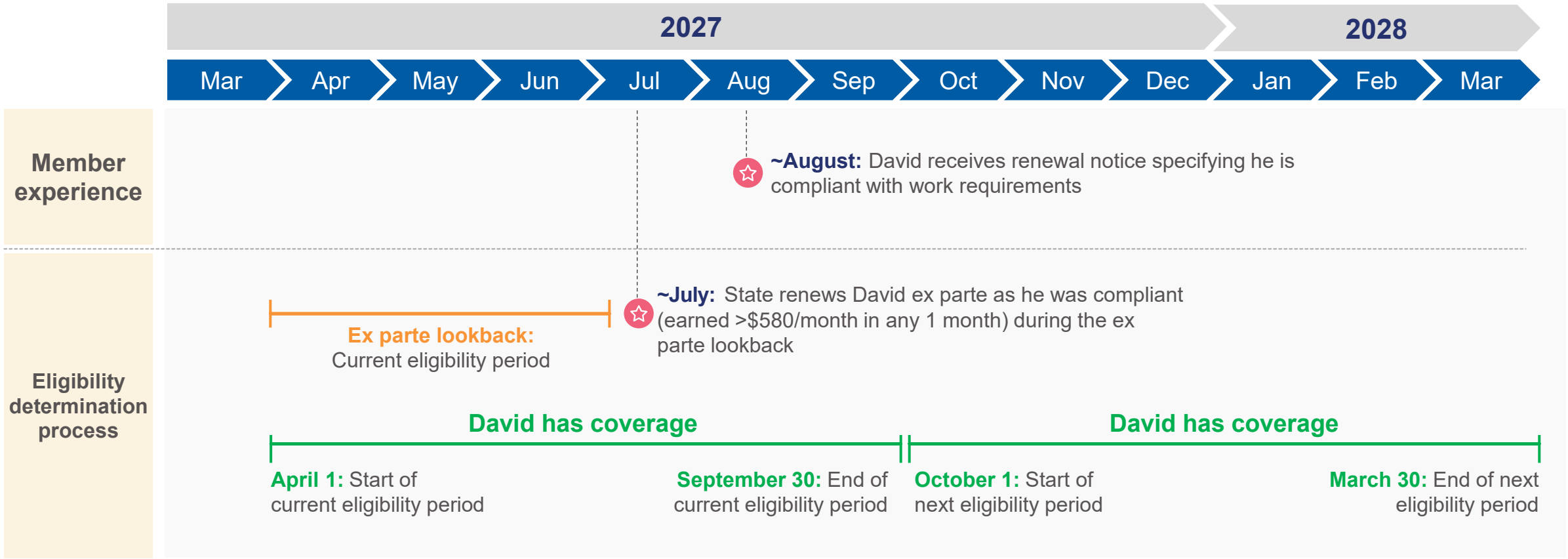
Renewal & determination:

- David's current eligibility period ends September 30. Two months before, DMAHS reviews available data to see if he can be renewed using electronic data.
- State wage data verifies he earned more than $580/month in May, which demonstrates compliance with work requirements.
- David's eligibility is verified automatically; he does not need to take any action.

Member outcome:

- David receives a renewal notice specifying that he is compliant with work requirements.
- His eligibility will be reviewed again in six months.

Existing member renewed ex parte (David)



Work Requirements: Member Scenarios



Hector is an NJ FamilyCare member and recently started caring for his brother's 8-year-old son.

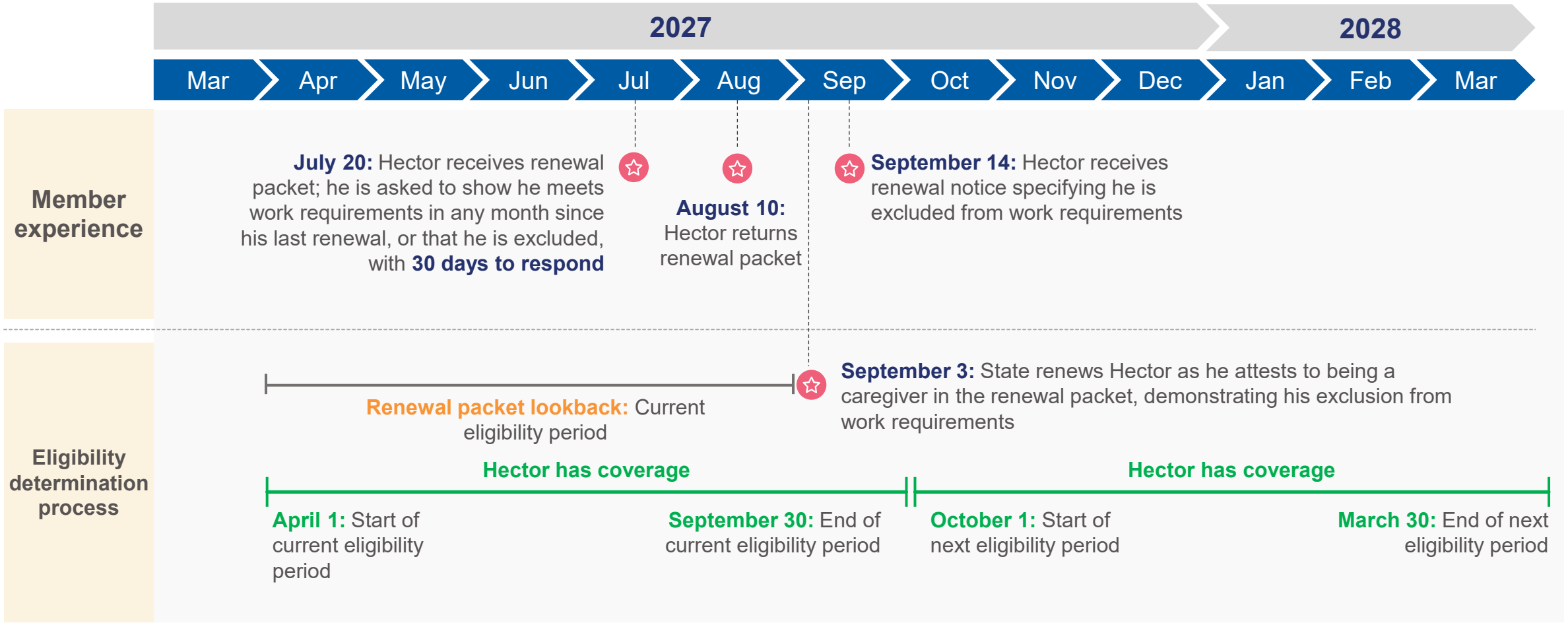
Application & determination:

- Hector receives a renewal form in the mail because DMAHS is unable to renew him ex parte (existing information does not show he meets or is excluded from work requirements).
- On the renewal form, Hector indicates he cares for a child under 14 who lives with him.
- Based on his response, Hector qualifies for the caregiver exclusion and does not need to submit any other documents.

Member outcome:

- Hector receives a renewal notice specifying that he is excluded from work requirements.
- His eligibility will be reviewed again in six months.

Existing member renewed manually (Hector)



Work Requirements: Member Scenarios

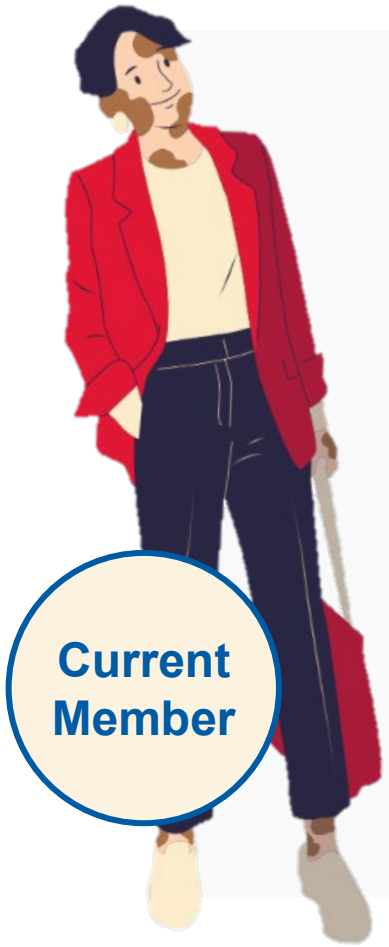


Sofia is an NJ FamilyCare member who drives for a rideshare company for 20 hours/month, earning $400/ month.

Renewal & determination:

- Sofia receives a renewal form in the mail because DMAHS is unable to renew her ex parte (existing information does not show she meets or is excluded from work requirements).
- She returns the form, but DMAHS still cannot verify her eligibility and requests additional documentation through an RFI letter.
- Sofia sends back screenshots from the rideshare app showing 20 hours worked and $400 earned monthly since her renewal.
- She does not meet income or hour thresholds, nor other compliance, exception, or exclusion categories.

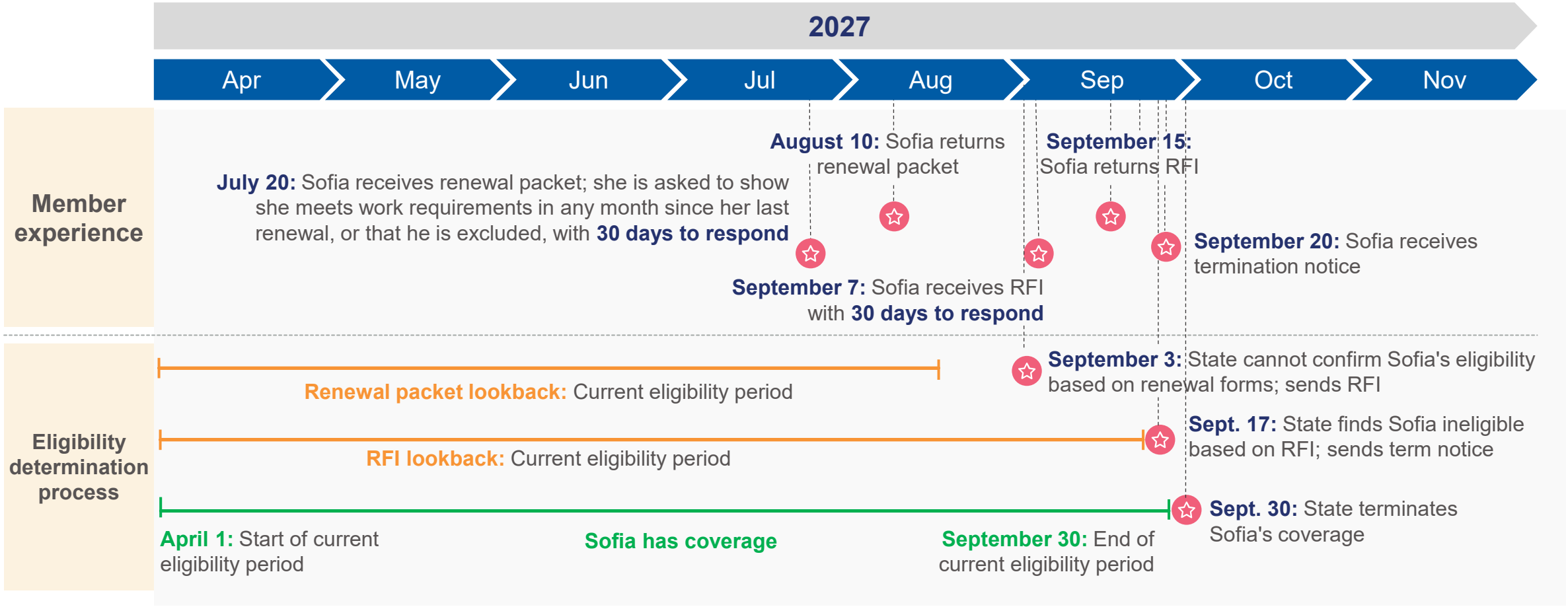
Work Requirements: Member Scenarios Cont'd.



Member outcome:

- Sofia receives a termination notice specifying that she is being terminated based on not meeting Community Engagement/Work Requirements.
- She may purchase a GetCoveredNJ plan but ***does not qualify for subsidies*** given federal rules regarding noncompliance with work requirements, so she would pay the full premium.
- Sofia will not receive a subsidy because her income actually qualifies her for NJ FamilyCare, but she failed to meet the work requirement.

Existing Member Terminated
Due to Lack of Exclusion, Exception, or Compliance (Sofia)



Policy Updates

Policy Updates

- 1115 Demonstration Renewal
- Behavioral Health Integration Update
- Rural Health Transformation Program Update
- Legislative Implementations
  - Coverage of Preventative Behavioral and Developmental Healthcare for Children
  - Medicaid Employer Responsibility Fee
- Applied Behavioral Analysis (ABA)

1115 Renewal Planning

DMAHS is proactively preparing for renewal and has been reaching out to stakeholders and other government agencies.

In 2026, our focus will be on stakeholder engagement as we build a proposed application.

A public listening session was held 10/19/2026 and an invite was sent to the full MAAC listserv.

New budget neutrality rules may constrain what CMS approves this cycle.

We encourage all stakeholders to provide input or suggestions regarding the renewal process and content via our online survey. The QR code below also links to the survey and can be shared.

Have ideas or questions?
Send them to:
DMAHS.CMWcomments@dhs.nj.gov

1115 Demonstration Waiver
Renewal Stakeholder Input Survey

NJ FamilyCare's Integration of Behavioral Health Services into Managed Care

Background: In January 2025, NJ FamilyCare fully integrated certain behavioral health services into managed care. (This was referred to as “Phase 1.”)

“Phase 2” of behavioral health integration will integrate additional services into managed care on **January 1, 2027,** and will include:

- Opioid treatment programs
- Substance Use Disorder (SUD) medically monitored inpatient withdrawal management (non-hospital detoxification)
- SUD short-term residential (non-hospital) & long-term residential programs

Guardrails and **member protections** (similar to those deployed during Phase 1) will be in place for the **first 6 months** to ensure a smooth transition:

- Managed care organizations must continue all Prior Authorizations (PA) for services that are already active on 1/1/27
- In the first 60 days, no initial PAs may be denied for clinical reasons
- Reimbursement must be at or above the established State fee-for-service rates
- All clean claims must be paid by the managed care organizations, whether or not the provider is in or out of network

Rural Health Transformation Program Update

New Jersey received **Rural Health Transformation Program** (RHTP) funding of $147 million for Budget Period 1 (February 2026 – October 2026). Key focus areas include:


Workforce Development


Chronic Disease


Infrastructure


Prevention


Technological Innovation

New Jersey has applied for an **additional $147 million** for Budget Period 2 (November 2026 – October 2027).

- CMS approval for that application is outstanding and New Jersey continues to spend BP 1 funds on approved activities.

Please visit the NJ RHTP website for more information and future funding opportunities.

Legislative Implementation Updates

Preventative Behavioral and Developmental Healthcare for Children

- Legislation enacted in January 2026 (P.L. 2025, C. 369) mandates Medicaid coverage of **certain early behavioral health screening, prevention and treatment services** for children prior to establishing a behavioral health diagnosis.
- **Implementation Updates:**
  - DMAHS is developing list of codes associated with services covered by this legislation.
  - Guidance for providers and managed care organizations will be released in the near future.

Medicaid Employer Responsibility Fee

- Legislation enacted in June 2026 (P.L.2026, c.23), requires certain **New Jersey employers** with at least **50 employees/dependents** who received Medicaid coverage during the preceding year to pay a fee to contribute towards the cost of the program.
- **Implementation Updates:**
  - Interagency implementation process (involving Department of Human Services, Department of Labor, and Department of Treasury) has begun.
  - DMAHS recently published 2025 report on employers with >50 employees enrolled in NJ FamilyCare (Note that report timeframe varies from timeframe for legislative implementation.)

NEW JERSEY HUMAN SERVICES

Applied Behavioral Analysis

Policy Update

Applied Behavioral Analysis (ABA)

- Services for youth, **under the age of 21**, who are **enrolled in NJ FamilyCare** and are designed for members with an **Autism Spectrum Disorder (ASD) diagnosis**
- Evidence-based behavioral therapy that applies principles of learning and behavior
- **Goals**: Increase helpful behaviors, build communication and social skills; decrease harmful or disruptive behaviors including, aggression, outbursts, and self-injury

Specific Approaches to ABA

- **A-B-C Model**: Analyzes the **A**ntecedent (what happens before the behavior), the **B**ehavior itself, and the **C**onsequence (what happens after)
- **Discrete Trial Training (DTT)**: Breaks complex skills down into small, bite-sized components, with one-on-one positive reinforcement
- **Pivotal Response Treatment (PRT)**: Focuses on “pivotal” areas of a child's development with the intent of creating widespread, generalized improvements in communication, social skills, and behavior
- **Early Start Denver Model (ESDM)**: Uses play to build positive relationships

National Context: Increasing Concern around Inappropriate Utilization

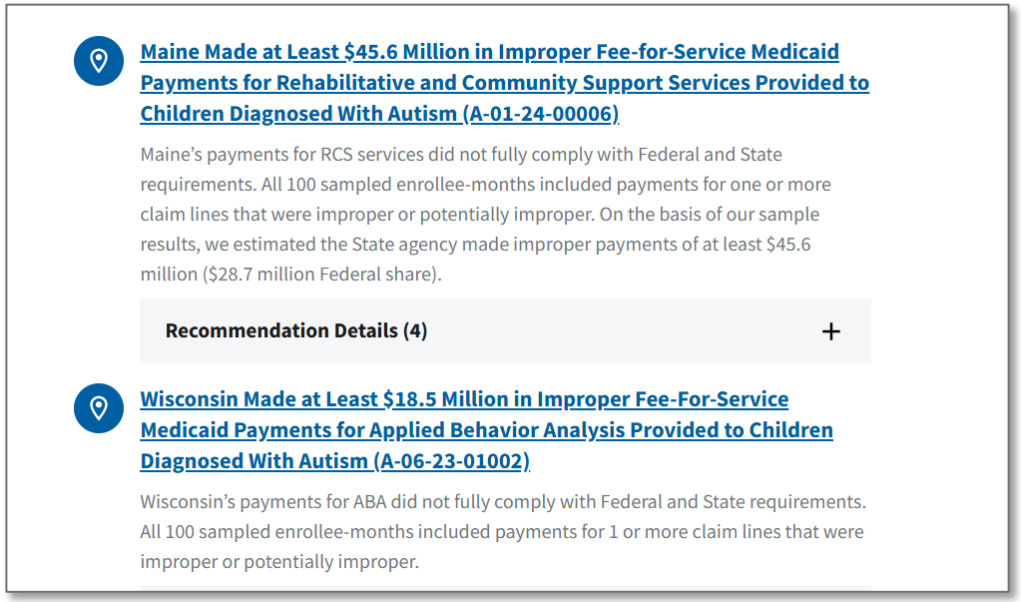
- **Explosive program growth (2021 – 2025)**
  - Increase in children with an ASD diagnosis receiving ABA services: **189%**
  - Increase in ABA program spending among children with an ASD diagnosis: **421%**
- Office of Inspector General Audits
- Media reports



Short Naps, Long Hours: How Autism Clinics Squeeze Medicaid Dollars Out of Preschoolers

The industry has grown rapidly, straining state budgets. A focus on finances has led to overbilling, fraud and even harm.

By SARAH KLIFF, MARGOT SANGER-KATZ, ERIN SCHAFF and ASMAA ELKEURTI



Maine Made at Least $45.6 Million in Improper Fee-for-Service Medicaid Payments for Rehabilitative and Community Support Services Provided to Children Diagnosed With Autism (A-01-24-00006)

Maine's payments for RCS services did not fully comply with Federal and State requirements. All 100 sampled enrollee-months included payments for one or more claim lines that were improper or potentially improper. On the basis of our sample results, we estimated the State agency made improper payments of at least $45.6 million ($28.7 million Federal share).

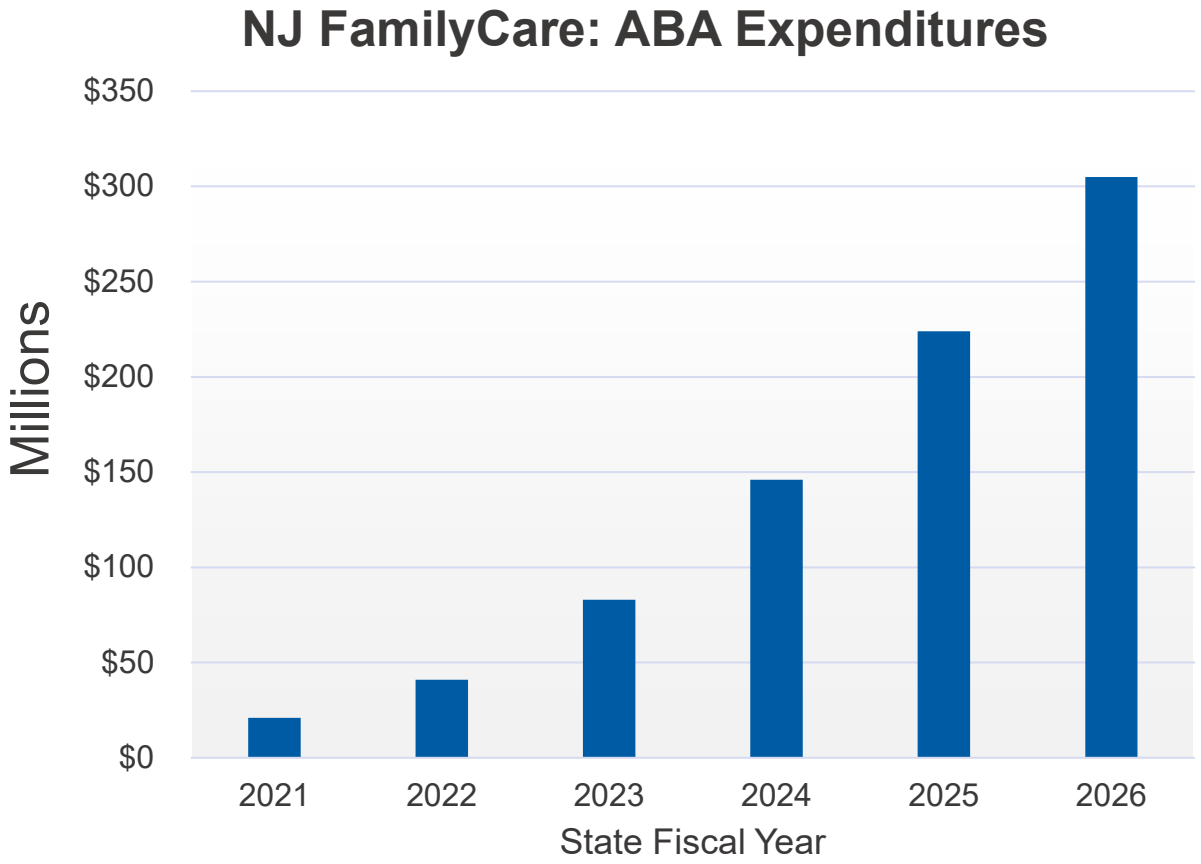
Recommendation Details (4) +

Wisconsin Made at Least $18.5 Million in Improper Fee-For-Service Medicaid Payments for Applied Behavior Analysis Provided to Children Diagnosed With Autism (A-06-23-01002)

Wisconsin's payments for ABA did not fully comply with Federal and State requirements. All 100 sampled enrollee-months included payments for 1 or more claim lines that were improper or potentially improper.

New Jersey Specific Concerns

- **Exponential** program growth
- Expected forthcoming Office of Inspector General audit
  - Similar to other states, expected to find instances of inappropriate or insufficiently documented service delivery



Next Steps



State policy review to ensure:

- **Preservation of member access** to high-quality / appropriate services
- Prevention of **inappropriate** or **low-value** services

Potential Areas of Focus:

- Clinician qualifications
- Documentation of clinical need
- Appropriate volume / duration of services
- Service authorization / oversight

Managed Care Contract Changes

July 2026

MCO Contract Changes

Community Based Palliative Care (CBPC)	Community Based Palliative Care (CBPC) MCO reporting requirements enhanced in support of recent (April 2026) benefit go-live.
EPSDT/Lead Screening	Early and Periodic Screening, Diagnostic and Treatment (EPSDT)/Lead Screening section updated to require MCOs to monitor/report PCPs with low lead screening rates and issue Corrective Action Plans (CAPs) to providers who do not meet required thresholds.
Mental Health and Substance Use Disorder (MH/SUD)	Added additional MCO staff training requirements on American Society of Addiction Medicine (ASAM) criteria to ensure appropriate prior authorization and continuing care decisions for members. Requirements/language added to the contract to ensure members have timely and convenient access to SUD testing and providers have rapid access to testing results. Includes (transitional) payment of at least Medicaid FFS rates to out-of-network labs and designated points of contact at each MCO for questions and/or assistance with SUD labs.
MCO Administrative Denial and Appeal Guidance	MCO Administrative Denial and Appeal guidance/language requirements added to ensure clear and concise member communication to members regarding service denials and appeal options.

Planning for the Next Meeting

Thursday, January 28, 2027
Virtual Only

Public Comment Period



Virtual Attendees

- Place your name (and organization, if applicable) in the Q&A box in order to be added to the queue.
- When it is your turn, Karen will “promote” you to panelist status.
- When you finish speaking, Karen will “demote” you back to regular attendee status.



In-Person Attendees

- Raise your hand, and Sam will come to you with a number.
- When your number is up, go to the microphone nearest to you.
- If you are unable to get to a microphone, Sam will bring one to you.
- If you would prefer to write your comments, write them on the comment cards provided.

For All People Offering Public Comment

- To allow time for others, please limit your statement to **two (2) minutes** or less.
- We will **alternate** virtual and in-person comments.
- You are welcome to **email comments** to **dmahs.maac@dhs.nj.gov** by the end of the day on Wednesday, **November 4**. They will be published alongside the verbal comments.


Thank
You