

**LEGAL NOTICE
STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES
MEDICAID NURSING FACILITY REIMBURSEMENT**

TAKE NOTICE that, the Department of Human Services, Division of Medical Assistance and Health Services, intends to submit a State Plan Amendment to the Centers for Medicare & Medicaid Services (CMS) to change the nursing facility rates in order to implement the following budget provisions of the New Jersey Fiscal Year 2027 Appropriations Act. This Notice is intended to satisfy the requirements of federal law and regulations, specifically 42 U.S.C. §1396a (a)(13) and 42 CFR §447.205.

Subject to the approval of the Appropriations Act and notwithstanding the provisions of chapter 85 of Title 8 of the New Jersey Administrative Code or any other law or regulation to the contrary, and subject to any required federal approval, the amounts appropriated within the General Medical Services program classification are subject to the following conditions:

(1) Class I (private), Class II (county), and Class III (special care) nursing facilities being paid on a fee-for-service basis shall be reimbursed at a per diem rate no less than the rate received on June 30, 2026, minus the first provider tax add-on and any performance add-on amounts, subject to the condition that Class III (special care) facilities shall be reimbursed the greater of this rate or \$450 per diem, and that Class III (special care) nursing facilities licensed pursuant to a Certificate of Need to operate a traumatic brain injury unit as of July 1, 2023, shall be reimbursed the greater of this rate or at a base per diem reimbursement rate that is \$400 above the special care nursing facility's base per diem reimbursement rate as of June 30, 2022 and that Class III (special care) nursing facilities licensed pursuant to a Certificate of Need to operate a neurologically impaired young adult unit as of July 1, 2024 shall be reimbursed, at a minimum, the greater of the special care nursing facility's FY 2024 base per diem rate or \$853.50 per diem except for those defined as a special care nursing facility pursuant to P.L. 2025, c.206;

(2) nursing facilities that are being paid by a Managed Care Organization (MCO) for custodial care through a provider contract that includes a negotiated rate shall receive that negotiated rate;

(3) any Class I and Class III nursing facility that is being paid by an MCO for custodial care through a provider contract but has not yet negotiated a rate shall receive the equivalent fee-for-service per diem reimbursement rate as it received on June 30, 2026, minus the first provider tax add-on and any performance add-on amounts, and any Class II nursing facility that is being paid by an MCO for custodial care through a provider contract but has not yet negotiated a rate shall receive the equivalent fee-for-service per diem reimbursement rate as it received on June 30, 2026, minus any performance add-on amounts, had it been a Class I nursing facility;

(4) notwithstanding paragraph (1) of subsection d. of section 6 of P.L. 2003, c.105 (C.26:2H-97) the provider tax add-on payable as an allowable cost shall be \$13.67;

(5) the quality-of-care portion of the provider tax add-on shall be equivalent to the amount received as of June 30, 2026;

(6) the first add-on as mentioned in section 4 above shall be applied to both MCO and fee-for-service per diem reimbursement rates effective July 1, 2026;

(7) each Class I, Class II, and Class III nursing facility that has, no later than the deadline established by the Commissioner of Human Services, submitted to the Department of Human Services (DHS) the DHS Fiscal Year 2027 CoreQ Long-Stay Survey Sample Size Calculation Grid with affirmative answers, as defined by the Department, CoreQ vendor intent, and completion of the CoreQ Long-Stay Survey sample size calculation and, if eligible for CoreQ, no later than the deadline established by the Commissioner of Human Services, submitted demographics to the CoreQ vendor to initiate the CoreQ survey process, and, in the most recently completed calendar year, has not been included on the Centers for Medicare and Medicaid Services (CMS) Special Focus Facility Lists A, C or D at least once, or been cited by the Department of Health for two or more Level G or higher federal deficiencies or similar equivalent licensing violations, or received an overall one-star rating by CMS

(a) shall receive a performance add-on of \$2.50 for each of the following CMS nursing home long stay quality measures where the nursing facility has not failed to report data for any of the reporting periods Q4 2024, Q1 2025, Q2 2025 and Q3 2025, and the simple average of the quarters, as calculated by the Department with available data, is at or below the lower of the New Jersey or national average, as calculated by CMS, for the percentage of long-stay residents who are losing too much weight and high risk residents with a pressure ulcer,

(b) shall receive a performance add-on of \$2.50 for the following CMS nursing home long stay quality measure where the nursing facility has not failed to report data for any of the reporting periods Q3 2024, Q4 2024, Q1 2025 and Q2 2025, and the simple average of the quarters, as calculated by the Department with available data, is at or below the lower of the New Jersey or national average, as calculated by CMS, for the number of hospitalizations per 1,000 long-stay resident days,

(c) shall receive a performance add-on of \$2.50 if the nursing facility has been deemed eligible to participate in the CoreQ survey process as determined by the Department and received a composite score of 85 percent or greater, as calculated by the DHS vendor, on the CoreQ Resident and Family Experience Survey for the fiscal year 2027 survey period,

(d) shall receive a performance add-on of \$5.25 for the following CMS staff measure where the nursing facility has not failed to report data for any of the reporting periods Q4 2024, Q1 2025, Q2 2025 and Q3 2025 and the simple

average of the quarters, as calculated by the Department with the available data, is at or below 30 percent, as calculated by CMS, for the percentage of total nursing staff that are no longer employed at the facility,

(e) shall receive a performance add-on of \$5.25 for the following CMS staff measure where the nursing facility has not failed to report data for any of the reporting periods Q4 2024, Q1 2025, Q2 2025 and Q3 2025 and the simple average of the quarters, as calculated by the Department with the available data, is at or above the New Jersey average and below 4.1 hours per resident day, as calculated by CMS, for the total nurse staffing hours adjusted per resident day,

(f) shall receive a performance add-on of \$7.50 for the following CMS staff measure where the nursing facility has not failed to report data for any of the reporting periods Q4 2024, Q1 2025, Q2 2025 and Q3 2025 and the simple average of the quarters, as calculated by the Department with the available data, is at or above 4.1 hours per resident day, as calculated by CMS, for the total nurse staffing hours adjusted per resident day, and

(g) shall receive a performance add-on of \$2.00 for the following CMS staff measures where the nursing facility has not failed to report any data for any of the reporting periods Q4 2023, Q1 2024, Q2 2024, Q3 2024, Q4 2024, Q1 2025, Q2 2025 and Q3 2025 and the simple average of Q4 2024, Q1 2025, Q2 2025 and Q3 2025, as calculated by the Department using available data, is equal to or greater than 100.5 percent of the simple average of Q4 2023, Q1 2024, Q2 2024, and Q3 2024, as calculated by the Department using available data, and is at or above 3.6 hours per resident day and below 4.1 hours per resident day, as calculated by CMS, for total nurse staffing hours adjusted per resident day,

(8) each nursing facility shall be eligible to receive a per diem adjustment that shall be calculated based upon an additional \$1,800,000 in State and \$1,800,000 in federal appropriations,.

(9) Long-Term Care Behavioral Health nursing facilities approved pursuant to the Department of Health's expedited certificate of need being paid on a fee-for-service basis for custodial care shall be reimbursed at a per diem rate equal to 85 percent of the simple average of all Class III (special care) Long-Term Care Specialized Behavior Modification nursing facility rates minus any performance add-on amounts.

The estimated fee for service fiscal impact associated with this State Plan amendment is \$250,105, gross (\$125,053 state share) in State Fiscal Year 2027. A copy of this Notice is available for public review at all Offices of the Area Agencies on Aging that are situated in all twenty-one counties, as well as at the local Medical Assistance Customer Centers, County Welfare Agencies, and the DHS website at <https://www.nj.gov/humanservices/notices/grants/public-notices/>. Comments or inquiries must be submitted in writing within 30 days of the date of this notice to:

Assistant Commissioner
Division of Aging Services
P.O. Box 807
Trenton, NJ 08625-0807
