To whom it may concern:

This notice provides you and/or your organization with advance notice that the Division of Medical Assistance and Health Services, within the New Jersey Department of Human Services, is preparing a proposed rulemaking that will amend the Hospital Services Manual (N.J.A.C. 10:52). Substantive amendments will address the following areas:

* The role of a Utilization Review Organization (URO), treatment certification and/or recertification guidelines related to the need for inpatient care, and requirements related to the role of a Quality Improvement Organization (QIO) in compliance with federal requirements at 42 CFR Chapter IV Subchapter F (42 CFR 475 through 42 CFR 481).
* The Department’s compliance with Section 2702 of the Affordable Care Act, which addresses reimbursement for inpatient treatment of Health Care Acquired Conditions (HCAC) and/or Other Provider Preventable Conditions (OPPC). The proposed amendments will deny payment for services related to certain HCACs and OPPCs for individuals for which Medicaid/NJ FamilyCare is the primary payer and for which Medicare and Medicaid are payers for dually eligible beneficiaries. This is in compliance with Federal regulations at 42 CFR Part 447.26 and Sections 1902(a)(19), 1902(a)(30), and 1903 of the Social Security Act and Section 2702 of the Patient Protection and Affordable Care Act, which prohibit such payments.
* The Department’s compliance with Section 3025(q) of the Affordable Care Act and Section 1886(q) of the Social Security Act, regulations related to the Hospital Readmissions Reduction Program, which address reimbursement for services provided when an individual is readmitted to an inpatient hospital within 30 days for the same or similar diagnosis.
* The pricing methodologies, billing procedures, and reimbursement for a variety of services, including end stage renal disease (ESRD) services, certain hospital-based transportation services, and hospitals providing a high volume of pediatric services to ensure that they are more consistent with existing federal and state requirements, making NJ Medicaid policy more aligned with Medicare policy.
* The basis of payment to reimburse an out-of-state provider and the appeal process if there is a disagreement related to the reimbursement for inpatient or outpatient hospital services rendered by that provider to a New Jersey Medicaid/NJ FamilyCare beneficiary.
* Requirements related to the plans of care for patients in acute care general hospitals, including their distinct or excluded units, and special or comprehensive rehabilitation hospitals.
* Requirements related to the provision of and reimbursement for observation care as an outpatient hospital service. Reimbursement would be based on a set fee schedule for observation days instead of paying cost-to-charge ratios for observation days. Observation would be limited to 48 hours to help eliminate unnecessary and unreasonable wait for placement or onset of treatment.
* Requirements related to prior authorization and proper justification for billing more than 25 consecutive administrative days in lieu of discharging the patient. Administrative days are days paid for in an inpatient acute care facility for a patient who is no longer in need of inpatient acute level of care and who is awaiting placement in a nursing facility.

In addition, non-substantive and technical amendments will be proposed that are intended to update contact information; correct grammar, spelling, and punctuation; improve the organization of the chapter; correct codification errors and/or cross-references; eliminate unnecessary, duplicative, and/or superseded text; and clarify existing program rules.

Informal comments on the advance notice will be accepted for 30 days. Please send any comments using any of the methods listed below by **February 7, 2025.**

Margaret M. Rose Attn: Hospital Advance Notice

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You will also be given a 60-day opportunity to submit formal comments on the proposed rulemaking subsequent to a publication of the proposed rulemaking in the New Jersey Register. The Division will notify you of the publication date of the proposed rulemaking, the due date for comments, and provide instructions for the submission of comments, once the date of publication is confirmed by the New Jersey Office of Administrative Law.

General feedback or comments on any Medicaid/NJ FamilyCare rule or program is always welcome and can be submitted in the manner described above for consideration and possible inclusion in future rulemakings.

Thank you for your interest in the Medicaid/NJ FamilyCare program.