



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

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TO: Independent Clinic Drug/Alcohol Providers – **For Action**
Managed Care Organizations (MCOs) – **For Information Only**

SUBJECT: Introduction of a New Payment Methodology for Substance Use Disorder (SUD) Long-Term Residential (LTR) Services

EFFECTIVE: Claims with service dates on or after June 4, 2020

BACKGROUND: Through Medicaid State Plan authority, SUD Long Term Residential (LTR) Services became a Medicaid/NJ FamilyCare (NJFC) reimbursable service effective October 2018. The addition of Medicaid/NJFC as a payer source has expanded access to LTR for many residents of NJ in need of that level of care and has offered the Division of Medical Assistance and Health Services (DMAHS) and the Division of Mental Health and Addiction Services (DMHAS) the opportunity to modify the payment structure to improve access and to encourage the provision of Medication Assisted Treatment (MAT) prior to a discharge to the community.

As part of Governor Murphy's initiatives to strengthen New Jersey's fight against the opioid epidemic, the Governor required residential treatment facilities that receive NJFC Medicaid payments to provide access to MAT. To help meet the goals of assuring compliance with this requirement, DMAHS is increasing the per diem LTR rate and adding two potential bonus payments to encourage providing MAT. In addition, DMAHS is now offering an improved method of medication reimbursement to ensure broader access to available MAT products.

ACTIONS: Effective for claims with service dates on or after June 4, 2020, there will be an increase to the Medicaid/NJFC LTR per diem reimbursement rate billed under HCPCS procedure code H0019HF. The base LTR per diem rate for treatment has been increased to \$130.00 per day. In addition, providers will be eligible to receive two add-on payments related to the provision of MAT. First is a \$5 per day add-on payment for each claim reporting H0019HF for any LTR provider who has a license to provide MAT or has received an approval from the Department of Health (DOH), Certificate of Need & Licensing (CN&L) Unit, to waive specific requirements found in N.J.A.C. 10:161B related to the provision of MAT. This add-on payment will be automatically added to the LTR base rate for as long as the provider maintains a license or an appropriate waiver.

When a LTR provider site reaches 40% of all residents with an Opioid Use Disorder (OUD) and/or an Alcohol Use Disorder (AUD) who are receiving an approved MAT therapy, the provider's rate will be increased by \$10.00 per diem. This incentive payment

applies to LTR providers who arrange for Methadone from an Opioid Treatment Program (OTP) as well as for providers approved for MAT by CN&L. To qualify for the incentive, DMAHS and DMHAS will determine the 40% MAT utilization threshold utilizing reported New Jersey Substance Abuse Management System (NJSAMS) discharge data. Approval will be based on the previous three months of data. The benchmark will be measured for each eligible provider two times each fiscal year, on the first day of July and the first day of January. The collected data will determine eligibility for the add-on payment prospectively for six months. The applicable incentive rate applies to all billed LTR units for the prospective period when the provider site meets the 40% benchmark incentive threshold.

This incentive is designed to create the capacity to prescribe and administer MAT. Providers must, at a minimum, provide Buprenorphine and/or provide (or arrange for) Methadone. The medications that qualify for the treatment for OUD are inclusive of Buprenorphine, Methadone, and Naltrexone. Medications that qualify for the treatment of AUD include Naltrexone, Disulfiram and Acamprosate.

The rates and incentives are divided into tiers that are structured as follows:

- 1) The base LTR per diem rate for treatment will be increased to \$130.00. The room & board (R&B) rate of \$17.60 (H0019HV) will continue to be billed separately for Medicaid. The base reimbursement rate for each per diem unit of LTR with R&B is \$147.60.

$$\$130.00 \text{ LTR} + \$17.60 \text{ R\&B} = \$147.60$$

- 2) Licensed LTR provider sites that receive CN&L approval for MAT, minimally for Buprenorphine treatment, will have the base rate raised by \$5.00 per unit of service. The reimbursement rate for each per diem unit of LTR with R&B at a MAT approved site is \$152.60.

$$\$130.00 \text{ LTR} + \$5.00 \text{ MAT Approval} + \$17.60 \text{ R\&B} = \$152.60$$

To qualify for Tier 2, providers will be required to submit a copy of the MAT certification letter that was issued by CN&L. If the provider loses its CN&L approval to provide MAT, the provider will no longer qualify for the Tier 2 rate and will be reimbursed for the base LTR rate plus R&B only.

- 3) When an LTR provider site provides a minimum of 40% of its consumers with an OUD and/or an AUD with an approved MAT medication, the provider's rate will prospectively increase by \$10.00 per unit of service for the following six months until redetermination. This incentive payment also applies to LTR providers who arrange for the provision of Methadone from an OTP as well as for providers approved for MAT by CN&L.

The total reimbursement rate for each per diem unit of LTR with R&B will vary between the provider that is a MAT approved site and the provider who is not a MAT approved site but meets that 40% threshold through arranging an approved MAT medication. A provider that does not have a CN&L MAT approval will receive \$157.60. A MAT-approved site that has reached 40% consumers receiving MAT will receive \$162.60.

	Base Rate	R&B	Tier 2 Incentive	Tier 3 Incentive (40% Threshold)	Total Maximum Rate
Not an MAT approved site	\$130	\$17.60	\$0	\$0	\$147.60
MAT approved site not reaching 40% MAT	\$130	\$17.60	\$5	\$0	\$152.60
MAT approved site reaching 40% MAT	\$130	\$17.60	\$5	\$10	\$162.60

To initially qualify for the incentive Tier 3 rate, DMAHS and DMHAS will determine a 40% MAT utilization rate, through NJSAMS reported data, on October 1, 2020. The determination shall be based on the previous three months of data. The benchmark will then be measured (on a site-specific basis) twice each fiscal year on July 1 and on January 1, and the determination will determine the Tier 3 rate prospectively for the following six months. The applicable incentive rate applies to all billed LTR units for the prospective period when the provider site meets the 40% benchmark incentive criteria, and is not restricted to only those who actually received MAT.

Finally, in order to broaden access to available MAT products, DMAHS is introducing a new payment methodology for MAT medications. The cost of MAT drugs provided by the LTR, other than Methadone or Disulfiram, will be billed separately using the appropriate HCPCS procedure code for each drug and dosage combination. They will be paid the Wholesale Acquisition Cost (WAC) less 1% as well as an administration fee (\$2.50). There are no HCPCS procedure codes available for Methadone or Disulfiram. Therefore, LTRs that are licensed to provide Methadone may use a U1 modifier on the base service code (H0019HF) to add \$5.90 (the cost of the Methadone plus administration) to the per diem rate. Providers that provide Disulfiram may add a U2 modifier to the base service code (H0019HF) to add \$5.16 (the cost of Disulfiram plus administration) to the per diem rate.

Providers providing Buprenorphine, Buprenorphine/Naloxone, Buprenorphine HCL, Naltrexone injectable, or Buprenorphine XR should bill the HCPCS procedure code identified in the following grid to receive the current WAC less 1%. In addition, providers can add a U3 modifier to the base service code (H0019HF) for an additional \$2.50 to offset the cost associated with the administration of the medication.

HCPCS Procedure Code	Description	Dose Strength	Trade Name	Dosage Form*
J0571	Buprenorphine	1 mg	Subutex®	Oral
J0572	Buprenorphine/Naloxone	up to 3mg	Suboxone®, Bunavil®	Oral
J0573	Buprenorphine/Naloxone	3.1 to 6mg	Suboxone®, Bunavil®	Oral
J0574	Buprenorphine/Naloxone	6.1 to 10mg	Suboxone®, Bunavil®	Oral
J0575	Buprenorphine/Naloxone	greater than 10mg	Suboxone®	Oral
J0592	Buprenorphine HCL	0.1 mg	Buprenex®	injectable
J2315	Naltrexone, Depot	1 mg	Vivitrol®	injectable
Q9992	Buprenorphine XR	greater than 100mg	Sublocade®	injectable

Note: Oral forms include sublingual tablet, buccal or film products.

For example, if a LTR provides:

Oral Methadone- the LTR should bill H0019HFU1 to receive the base service rate (including any bonus payments), the cost of the Methadone and administration as well H0019HV to cover R&B.

Disulfiram- the LTR should bill H0019HFU2 to receive payment for the base service rate (including any bonus payments) and the cost of the Disulfiram and administration, as well as H0019HV to cover R&B.

Buprenorphine, Buprenorphine/Naloxone, Naltrexone or Buprenorphine XR- the LTR should bill H0019U3, H0019HV and the appropriate J or Q code from the table. The H0019HFU3 will ensure payment of the base service rate (including any bonus payments) plus an administration fee of \$2.50; the H0019HV will pay R&B; and the drug HCPCS code will cover the cost of the medication.

Please note that any bonus payments are automatically added to the base service rate and are not billed separately.

The new base rate increase for H0019HF (\$130.00) was entered into the MMIS system on 9/4/2020 and was made effective 6/4/2020. Any claims submitted prior to 9/4/2020 were paid the old rate of \$84.40. Once all programming changes have been completed, DXC will recycle these claims and make payment adjustments automatically. Recycled claim payments will include the per diem rate increase and any bonus payments that are due. We anticipate this to take up to 6 weeks to complete. Providers who wish to manually void their claims and rebill H0019HF are permitted to do so. Please note that all LTR claims will still be recycled and any bonus payments that are due will be paid.

Please note that the Tier 2 bonus payments are effective 7/1/20 and Tier 3 payments will be effective 10/1/20.

If there are any questions regarding coverage of LTR services, please contact the DMAHS Office of Customer Service at 609-631-4641 or, for questions regarding claims processing, the Gainwell Technologies (formerly DXC Technology) Provider Services Unit at 1-800-776-6334.

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