



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

NEWSLETTER

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TO: NJ FamilyCare Managed Care Organizations (MCOs) - **For Action**
NJ FamilyCare Nursing Facility Providers - **For Action**

SUBJECT: **Required Discharge Planning and Notification from Nursing Facility for Managed Care Enrollees**

EFFECTIVE: Immediately

PURPOSE: To inform providers and Managed Care Organizations about the process for, and requirements of, discharge of managed care enrolled Medicaid members from nursing facilities

This Newsletter applies to all Managed Care Organization (MCO) providers billing for non-custodial nursing facility service.

BACKGROUND: Non-custodial services in nursing facilities is a Medicaid/NJ FamilyCare benefit for members based on their plan type. During the COVID-19 Public Health Emergency (PHE), extensions of prior authorization were granted to members who needed continued non-custodial nursing facility placement after they had successfully completing any rehabilitative services. With the end of the PHE, members who do not meet requirements for long-term custodial nursing facility level of care will have their prior authorizations terminated. As a result of the termination of the prior authorization and payment to the facility by the MCO, some members have been discharged without proper notice and discharge planning by the facility. This practice presents a concern regarding compliance with regulations at N.J.A.C 8:39 and N.J.A.C 8:85.

ACTION:

Level of Care Assessment

Individuals must meet nursing facility level of care in order to continue to receive services in a nursing facility. Nursing facility level of care refers to the member's need for hands-on assistance or supervision in at least three areas of activities of daily living (ADL), such as dressing, bathing, eating, toileting, transfers and locomotion, due to cognitive impairment. Individuals are assessed by their MCO using the NJ Choice Assessment. The MCO communicates the outcome of this assessment to the NJ Office of Community Choice Options who provides final approval. MCOs issue an authorization for services to the nursing facility for those individuals who meet nursing facility level of care.

Notice to Member and Provider

If the member no longer requires a nursing facility level of care, the MCO will send notice to both the member and the provider. The nursing facility will notify the member within 24 hours of receiving the MCO notice of the authorization ending.

Appeal Process

In the event that a member disagrees with the MCO's determination of the authorization end date, they may file an appeal following the steps outlined in the notice and the MCO member handbook. The MCO will extend the authorization until the conclusion of the fair hearing process.

As a result of the appeal request, the MCO will conduct the Screen for Community Services (SCS) to assess the member's potential eligibility for custodial level of care. If the member appears to meet Nursing Facility Level of Care, the MCO will conduct the NJ Choice Assessment for further determination.

Discharge Planning

If the member does not meet the level of care, discharge planning will commence and the MCO will extend the authorization for an additional 30 days from the initial notification to facilitate a safe discharge before payment ceases.

With the resident's agreement/consent, the nursing facility and the MCO will collaborate to ensure a person-centered safe discharge to a community-based setting, as outlined in the MCO contract at article 9.7.1 and 9.7.2, and DOH rules at N.J.A.C. 8:39 and N.J.A.C. 8:85, before the authorization expires.

In the event that the discharge does not occur within the 30-day authorization extension period, the member's stay will no longer be covered by the MCO. The member will be notified of this change, and the facility may issue a 30-day discharge notice, providing information on appeal rights and contact details for the NJ Office of the Long Term Care Ombudsman. In cases where an involuntary discharge is required as per N.J.A.C. 8:85, the provider must initiate the process through the Office of Community Choice Options. This may involve the participation of the MCO housing specialist.

If you have any additional questions or need more information, please contact Joseph Bongiovanni of the Office of Managed Healthcare at (609) 588-3864.

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