



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

# NEWSLETTER

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**TO:** Providers of Assisted Living Services - For Action  
Health Maintenance Organizations - For Information Only

**SUBJECT:** Payment for assisted living services for individuals pending  
MLTSS and MCO enrollment

**EFFECTIVE:** January 1, 2025  
Replaces Volume 26 Number 17 (December 2016)

**PURPOSE:** To outline the process to allow billing under Fee for Service (FFS) until the Medicaid beneficiary is enrolled into a Managed Care Organization (MCO) for Assisted Living Program (ALP), Assisted Living Residence (ALR) and Comprehensive Personal Care Home (CPCH) providers.

**BACKGROUND:** Assisted Living (AL) is a waiver service covered under the comprehensive waiver through Managed Long Term Services and Supports (MLTSS). AL is provided through three provider models: ALP, ALR and CPCH.

As a general rule, MLTSS Waiver Services in a community setting are only available to individuals who (1) require a nursing home level of care, (2) are approved for the waiver based upon clinical and financial eligibility, and (3) are enrolled in a managed care organization (MCO). However, the difference in timing between MLTSS approval and MCO enrollment, which is always on a prospective basis, can result in a gap in coverage between those two dates. As a result, the Division of Medical Assistance and Health Services (DMAHS) previously created a limited exception for provision of MLTSS waiver services using a Fee for Service (FFS) payment process for newly eligible Medicaid members who (1) meet financial and clinical eligibility for long term care, (2) are receiving services from an AL provider, and (3) are pending enrollment in an MCO. Implementing a FFS payment process for certain categories of AL providers ensures that the receipt of services is not delayed while members are waiting for MCO coverage to begin. AL services are not a state plan service and so, without the exception, AL providers would not be paid until the date of MCO enrollment. This delay in services for a member who has been determined to need custodial care (i.e., require a nursing home level of care) may otherwise put the member at risk while waiting to be enrolled in an MCO.

Between 2016 and June 2024, services provided by an ALP were excluded from the AL provider types permitted to receive FFS reimbursement during the gap period. This exclusion was established because ALP is a group of services provided in a

community setting and not in a licensed facility. Only services provided in AL facilities were eligible for FFS payments during that time period. However, after further review, DMAHS recognizes the importance of supporting members and maintaining continuity of care for those who wish to remain in their home and receive AL services. Beginning in January 2025, ALPs may request FFS payment on a per diem basis for members who elect to receive their AL services in that enrollment gap. ALPs may submit payment requests on a retroactive basis for services provided during the time period starting on January 1, 2025.

**ACTION:** DMAHS will reimburse all AL providers their per diem rates under a FFS system, using the model currently in place for ALR and CPCH providers, for members who meet financial and clinical eligibility but are in the period before MCO enrollment begins. The allowable period will extend from the date when the individual's clinical and financial eligibility are established up to the date when an MCO assumes responsibility for payment of the MTLSS services for the resident.

**The following example illustrates how billing will occur under a FFS system prior to MLTSS and MCO enrollment:**

- Medicaid financial eligibility is effective on 8/1/24
- Clinical eligibility is established on 8/15/24
- MCO and MLTSS enrollment occurs on 10/1/24

The ALP/ALR/CPCH recipient is responsible for payment to the provider as a private payor through 8/15/24. From 8/15/24 through 9/30/24, the AL/ALR/CPCH provider will be able to bill Gainwell FFS for services provided. Effective 10/1/24, the individual is enrolled in an MCO and the MCO will be responsible for this payment minus any determined cost share for the individual.

#### **Process to Request FFS Reimbursement:**

AL providers who serve individuals who meet clinical and financial criteria must request assignment of the Assisted Living Special Program Code ("SPC") 62 for those individuals in order to bill FFS while they are pending MCO enrollment.

To request assignment of an Assisted Living SPC 62, the AL provider must submit an Excel spreadsheet with the following information to the Division of Medical Assistance and Health Services, Office of Managed Health Care, Provider Relations Unit at [mahs.provider-inquiries@dhs.nj.gov](mailto:mahs.provider-inquiries@dhs.nj.gov). This is the process used today for ALR and CPCH providers.

- Member's name
- Date of birth
- Medicaid ID number
- County of residence
- Date member became financially eligible for Medicaid
- Date the member became clinically eligible for custodial care services (based on OCCO clinical assessment)
- Facility name
- Date requesting approval for FFS AL payment

A summary of individual Provider cases should be sent on a monthly basis to [mahs.provider-inquiries@dhs.nj.gov](mailto:mahs.provider-inquiries@dhs.nj.gov).

Please allow ten business days after submitting e-mail for processing of the SPC 62 request. The Office of Managed Health Care, Provider Relations Unit will email an Excel summary indicating dates provider is approved to bill FFS for individual members. AL providers are to bill using the appropriate billing codes and per diem as listed below.

Assisted Living Program (ALP)	Y9634
Assisted Living Residence (ALR)	Y9633
Comprehensive Personal Care Home (CPCH)	Y7574

The provider can only bill per diem for the days the resident is in their facility (or receiving their AL services, in the case of ALPs) minus any established payment liability/cost share. Once the individual is enrolled into managed care, the AL provider shall bill the MCO. The provider may bill for the date of admission. The date of discharge, if applicable, is not billable.

Please note that individuals approved for custodial care will be responsible for a payment liability/cost share. When members are FFS, Gainwell will reduce the cost share amount from payments; when the member is enrolled in managed care, the MCO will reduce the provider's payment monthly based on the cost share amount. Please refer to Newsletter Volume 28, Number 3 Summary of NJ Medicaid Patient Pay Liability/ Cost Share Process and Frequently Asked Questions, for additional details regarding cost share. You can access the newsletter at <https://www.njmms.com/documentDownload.aspx?fileType=076B9D7D-96DC-4C8A-B9CE-BA46F47DDE1F>. Cost-sharing rules do not change with this newsletter.

If you have any questions regarding this Newsletter, please email the DMAHS Provider Relations Unit at [mahs.provider-inquiries@dhs.nj.gov](mailto:mahs.provider-inquiries@dhs.nj.gov).

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