



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

# NEWSLETTER

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Volume 36 No. 05

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**TO:** Assisted Living Providers – **For Action**  
Managed Care Organizations – **For Information Only**

**SUBJECT:** Tiered Rate Increase for Land Use Restrictive Agreements  
(LURA) - UPDATE

**EFFECTIVE:** July 01, 2025 (Replaces Volume 33 - Number 19 published October 2023)

**PURPOSE:** The Assisted Living Program (ALP), Assisted Living Residence (ALR) and Comprehensive Personal Care Home (CPCH) tiered rate structure is available and designed to support providers that serve a high percentage of Medicaid/NJ FamilyCare beneficiaries within their facilities, and to encourage such providers to provide care to more Medicaid/NJ FamilyCare members. In addition, there is an opportunity for newly enrolled Medicaid ALR & CPCH providers to receive a higher rate based on their demonstrated commitment to serving low-income patients. The purpose of this newsletter is to make the provider community aware of a change to the time frame that new facilities committed to serving high levels of Medicaid/NJ FamilyCare recipients will be entitled to the highest tiered reimbursement.

**BACKGROUND:** Facilities receive a per diem increase based on the percentage of facility population that are enrolled in Medicaid/NJ FamilyCare. The tiered rate schedule is outlined in the table below. For the purposes of calculating a facility's Medicaid/NJ FamilyCare Percent Range, the numerator is the average daily census of Medicaid/NJ FamilyCare enrollees between October and December of the previous year. The denominator is the provider's total Department of Health licensed beds. The rates noted below will be effective for claims with dates of service on or after July 1, 2025. Tiers will be recalculated each subsequent July, based on more recent data.

**ACTION:** Effective July 1, 2025, Medicaid Partner Communities (MPC) will be eligible for the highest tier on the fee schedule below for a minimum of two full rating periods. This change, which extends the period of time MPCs qualify for the highest tier, is intended to allow sufficient time for new MPC providers to ramp up enrollment to meet the requirements of the highest tier payment level.

Those facilities are defined as providers who have a land use restriction agreement covering their facility specifying that 100% of residents will have income below 80% Area Median Income (AMI). When Medicaid Partner Communities first join the NJFC program, they are eligible for the highest applicable tier of the Existing Provider fee schedule.

**ASSISTED LIVING TIERED RATE INCREASE SCHEDULE:**  
*(For Dates of Service between July 2025 – June 2026)*

<b>Assisted Living Residence &amp; Comprehensive Personal Care Home Providers</b>				
NJFC Percent Range		Fee Increase	Total Rate	
			ALR	CPCH
0%	14.99%	\$0.00	\$91.10	\$81.10
15%	29.99%	\$10.00	\$101.10	\$91.10
30%	49.99%	\$15.00	\$106.10	\$96.10
50%	69.99%	\$30.00	\$121.10	\$111.10
70%	100.00%	\$35.00	\$126.10	\$116.10
<b>ALL Assisted Living Program Providers</b>		\$20.00	\$99.10	

All applicable eligible and current provider rates are published on the [www.njmmis.com](http://www.njmmis.com) website.

- Medicaid Partner Communities will be eligible for the top tier rate until they have participated for two full rating periods.
- Only providers who submit their land use restriction agreement within 3 months of enrolling as an Assisted Living Medicaid provider will be considered for eligibility as a Medicaid Partner Community.

You may provide a copy of an applicable low-income land use restriction agreement to the following address:

Division of Medical Assistance and Health Services  
 Office of Reimbursement  
 P.O. Box 712, Mail Code #44  
 Trenton, NJ 08625-0712

If you have any policy questions regarding this Newsletter, please contact the Division of Medical Assistance, Office of the Chief Financial Officer, at 609-434-2379.

If you have any billing questions, please contact Gainwell Technologies Provider Services at 1-800-776- 6334.

Electronic inquiries can be made via email [MAHS.HospitalIssues@DHS.NJ.GOV](mailto:MAHS.HospitalIssues@DHS.NJ.GOV)

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