

## Personal care services rate increase due to state-mandated Medicaid rates

**Background:** Pursuant to *PL 2017, c 237 1*, the Medicaid managed care reimbursement rate for personal care services (PCS) is mandated to be at least the minimum state Medicaid fee-for-service hourly rate established by law as of July 1, 2018. Amerigroup Community Care has updated our fee schedules accordingly to ensure compliance with the new law. Effective July 1, 2018, you should have begun to receive the mandated rate increase for PCS when billing an amount greater than or equal to the minimum state rate.

### What is the impact of this change?

The hourly rate for PCS (*T1019*) increased to match the minimum state Medicaid fee-for-service rate effective July 1, 2018. In accordance with the law, funds received as a result of this increased rate **must be used exclusively** for salary increases for workers who directly provide PCS. Further, you are required to submit an annual report detailing the use of the increased reimbursement to the Division of Medical Assistance and Health Services.

A PCS provider's billed charges must be greater than or equal to the minimum state Medicaid fee-for-service rate to be paid in accordance with the legislation.

### What if I need assistance?

The new law, *PL 2017, c 237 1*, is attached to this update for your convenience.

If you have questions about this communication or need assistance with any other item, contact your local Provider Relations representative or call Provider Services at 1-800-454-3730.

Amerigroup appreciates the quality of care you offer to our members and values your continued participation in our network.

Attachment: *PL 2017, c 237 1*

§§1, 2 -  
C.30:4D-7n &  
30:4D-7o  
§3 - Note

P.L. 2017, CHAPTER 239, *approved October 6, 2017*  
Assembly, No. 320 (*Second Reprint*)

1 AN ACT concerning Medicaid reimbursement for personal care  
2 services and supplementing Title 30 of the Revised Statutes.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. The hourly reimbursement rate for personal care services  
8 within the Medicaid program established pursuant to P.L.1968,  
9 c.413 (C.30:4D-1 et seq.), whether the services are provided in the  
10 Medicaid fee-for-service delivery system or through a managed care  
11 delivery system, shall be no less than <sup>1</sup>[\$15.50 per hour] the  
12 established State Medicaid fee-for-service rate<sup>1 2</sup>, except that this  
13 amount shall be adjusted on July 1 of every fifth calendar year  
14 following the effective date of this act in direct proportion to the  
15 rise or fall in the Consumer Price Indices average for all urban wage  
16 earners for the New York metropolitan and the Philadelphia  
17 metropolitan regions as reported by the Bureau of Labor Statistics  
18 of the United States Department of Labor during the last full  
19 calendar year preceding the date upon which the adjustment is  
20 made. ] Any and all rate increases realized pursuant to this section  
21 shall be used solely to increase wages for workers who directly  
22 provide personal care services.<sup>2</sup>

23  
24 <sup>2</sup>2. Every provider that receives reimbursement for personal care  
25 services pursuant to a Medicaid managed care contract shall  
26 annually provide a report to the Division of Medical Assistance and  
27 Health Services in the Department of Human Services regarding the  
28 use of funds received as reimbursement for personal care services,  
29 including assurances that the increased funds received pursuant to  
30 section 1 of P.L. c. (C. ) (pending before the Legislature as  
31 this bill) are being used exclusively for salary increases for workers  
32 who directly provide personal care services and detailed data on the  
33 salary increases resulting from section 1 of P.L. c. (C. )  
34 (pending before the Legislature as this bill); including the prior  
35 salary, current salary, and other changes to the salary of the workers  
36 who directly provide personal care services.<sup>2</sup>

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly AHU committee amendments adopted May 19, 2016.

<sup>2</sup>Assembly amendments adopted in accordance with Governor's recommendations July 31, 2017.

A320 [2R] 2

1       <sup>2</sup>[2.] 3.<sup>2</sup> This act shall take effect <sup>2</sup>[immediately] July 1,  
2 2018<sup>2</sup>, and shall apply to services provided on or after the effective  
3 date of this act and to any Medicaid managed care contract executed  
4 or renewed on or after the effective date of this act. 5

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9       Establishes minimum Medicaid reimbursement rate for personal  
10 care services.