



NEW JERSEY  
HEALTH CARE  
**QUALITY  
INSTITUTE**

The Nicholson  Foundation  
*Changing Systems, Changing Lives*

# Medicaid 2.0: Blueprint for the Future Impact Report 2016 - 2018

February 2019



# Introduction

With grant funding from [The Nicholson Foundation](#), the New Jersey Health Care Quality Institute began the Medicaid 2.0 project in March 2016. The project entailed convening and leading a multi-stakeholder initiative to research, develop, and draft the [Medicaid 2.0: Blueprint for the Future](#)—a document recommending Medicaid system improvements with the goals of improving the patient experience of care (including quality and satisfaction), improving the health of populations, and reducing the per capita cost of health care.

Through the process of drafting the Blueprint, the Quality Institute created a strong coalition of stakeholders who supported a re-design of New Jersey’s Medicaid program and wanted to see most, if not all, of the recommendations in the Blueprint come to fruition. The process also educated many key policy makers, members of the media, and health care and consumer groups about the scope of the Medicaid program in New Jersey and its potential for improvement. It successfully raised the profile of this important sector of health care in the State and engaged thought leaders and policy makers who had not focused on this issue before. Press conference, gubernatorial candidate and campaign briefings, state and regional conferences, meetings, and media interviews all worked to elevate the conversation on the potential to make the safety-net program work effectively and efficiently through actionable and achievable solutions. The Blueprint effectively raised the issues and challenges of paying for and delivering care through the New Jersey Medicaid program, so much so, that its recommendations provided guidance during the gubernatorial campaign and throughout the transition.

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With the conclusion of the Medicaid 2.0 grant, this report was prepared to highlight the impact of the Quality Institute’s efforts in improving New Jersey Medicaid over the last two and half years. The project’s success led to the development of the Medicaid Policy Center (“MPC”). As a permanent program of the Quality Institute, the MPC is dedicated to the long-term sustainability of the New Jersey Medicaid program and to improve the health and wellness of New Jersey residents.

## Overview of the Medicaid 2.0 Blueprint for the Future

Nearly 1.8 million of New Jersey’s most disadvantaged residents, including forty percent of the State’s children are covered by Medicaid. The budget for New Jersey’s Medicaid program is approximately \$17 billion annually, financed by both the federal and State government. New Jersey’s share of Medicaid represents nearly twenty percent of the State budget.

With the generous support of The Nicholson Foundation, the Quality Institute began the Medicaid 2.0 project in February 2016 with the goal of developing a strategic Blueprint for engagement of health system stakeholders, regulators, and policymakers, including senior leadership in multiple State Departments. In total, the Blueprint outlines twenty-four recommendations to identify multi-year opportunities that focused on access and quality, behavioral health integration, eligibility and enrollment, purchasing and program administration, and Value-Based Purchasing as part of the Medicaid program. To date, more than half of the twenty-four recommendations in the Blueprint have been implemented or are in process.

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## Creating the Medicaid 2.0 Blueprint

The Blueprint recommendations were informed by extensive primary and secondary research on other state Medicaid programs, services, and payment systems, including site visits in Connecticut, Massachusetts, New York, and Ohio. The Quality Institute also gained insight, trends, and knowledge by meeting with over 150 stakeholders, including beneficiaries, providers, payers, legislators, and political leadership, state administrators, and others involved in providing direct service to the beneficiaries.

Five major areas of focus emerged from this extensive research:

- Access and Quality
- Behavioral Health Integration
- Eligibility and Enrollment
- Purchasing Authority
- Value Based Purchasing

For each focus area, a Transformation Team of health care experts were convened and met over the course of ten weeks to assess the problems in each of their respective areas and to make consensus recommendations. The Transformation Teams used their expertise to incorporate practical application of the policy and to reform best practices researched from other states, in combination with their own on-the-ground experience, to develop New Jersey-specific goals and timetables for implementation. Setting aside self-interest and working toward consensus in this iterative process allowed stakeholders to offer solutions and innovations for the Blueprint that would likely be successful.

The [Blueprint 2.0 report](#) was released on March 6, 2017 and included twenty four recommendations to improve the quality of care and reduce the cost of services for the state Medicaid program.

# Medicaid Blueprint 2.0 – Implementation

With the publication of the Blueprint, the Quality Institute utilized an intensive decision-making process to identify priority issues. The process included active stakeholder engagement, research, and power mapping to determine highest priorities to move toward implementation.

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During the implementation phase of the project, several significant Medicaid policy changes occurred at the national level that directly impacted the overall trajectory of the process. Specifically, the Trump administration and Republican led Congress made several attempts to repeal and replace the Affordable Care Act (ACA).

Several of these bills included provisions to substantially reduce the federal investment in Medicaid. Although these efforts failed at the regulatory level, Centers for Medicare and Medicaid Services (“CMS”) made several changes including:

- Defunding enrollment outreach;
- Allowing states to impose work requirements for Medicaid; and,
- Enforcing requirements that federal spending must remain the same or less than the original cost of care without a waiver.

There were several other federal actions, however, that positively impacted the program including the approval of federal Medicaid waivers to expand coverage for substance use disorder treatment and federal rule proposals to eliminate unnecessary state reporting requirements.

In New Jersey, the Murphy administration immediately embraced Medicaid expansion as part of the Affordable Care Act. The Murphy administration supported and advanced many of the Blueprint recommendations, including:

- Expansion of family planning coverage;
- Improved outreach for Medicaid enrollment; and,
- Expansion of coverage of Hepatitis C medication.

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Indeed, many of the Medicaid 2.0 Blueprint recommendations were included in Governor Murphy’s Health Transition Team report and work has already begun to implement many of them, from eligibility and enrollment to End of Life of Care. Highlighted accomplishments include:

### ***Improved Treatment for Substance Use disorder (SUD) Services***

- Based on research, and modeling a best practice from state of Massachusetts, New Jersey submitted a waiver to extend Medicaid coverage for long term residential SUD services, which was approved and effective as of October 1, 2018.

### *Enhanced Integration of Physical and Behavioral Health*

- Effective October 1, 2018, all inpatient psychiatric services are covered by the Managed Care Organizations (MCOs). This inclusion of inpatient hospital services is an incremental step towards the full integration of behavioral health services under the MCOs, further advancing the goal of integrating physical and behavioral health services. At the annual statewide New Jersey Association of Mental Health and Addiction Agencies conference, the proposal for further opportunities to include mental health services as part of the MCO coverage was presented by the Quality Institute and the members of the transformation team that developed the integration plan in the Blueprint.

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### *Increased Data Transparency*

- The Quality Institute conducted and released a fifty-state survey on publicly available Medicaid data. The report was used to highlight the best practices in other states and provide stakeholders with concrete examples of Medicaid data transparency

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and its importance in driving policy changes that improve outcomes. State officials along with MCOs, academics, and others attending a Medicaid 2.0 briefing and learned about the transparency options with a focus on the dashboard created by South Carolina.

- Thereafter, in September 2018, the state began publishing eligibility and MCO enrollment data via an [online dashboard](#). The state has committed to increasing transparency and

making detailed information more accessible to the public. Our goal is to see the dashboard expanded to include cost and utilization data.

### *Streamlined Eligibility and Enrollment*

- Several incremental improvements have been made in the intake process for Medicaid including increased training for county welfare intake workers and the greater use of technology including automated applications and electronic verification of income. Timely and accurate eligibility processing is necessary to ensure access to care. Except for nursing homes, providers cannot be paid and will not provide services without verification of eligibility.

- Senate Bill S499, which provides for improved system for eligibility determination for Medicaid and NJ FamilyCare, was advanced by the Senate Health, Human Services, and Senior Citizens Committee (8-0). The bill was introduced because of the Medicaid 2.0 recommendations to improve the intake system for Medicaid. One key provision the bill includes is to measure the performance of the entities conducting eligibility determinations and design a system of rewards and penalties based on performance. It is currently awaiting review and vote in the Assembly.

### *Improved Use of Technology—eConsults*

- Henry J Austin, a Trenton-based Federally Qualified Health Center (“HJA”) conducted an eConsult demonstration using a physician-to-physician service provided through Rubicon MD. Use of eConsults allows primary care providers direct access to

specialists for timely consults to determine next steps for their patients and to decide whether specific tests or referrals are necessary.

- Avoidable specialist referrals were reduced by more than 30% and HJA physicians increased their use of evidenced-based treatment protocols. Reducing the number of avoidable referrals can reduce the wait times for specialists for those patients in true need of a specialty consultation.

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The Medicaid 2.0 project convened Medicaid stakeholders to learn about the Rubicon/HJA demonstration project’s results and consider continuing or expanding the project to other venues. The convening sparked action and connections between Rubicon and various funders, health systems, and health plans. Work is continuing in this area with the promise of eConsults expanding in New Jersey.

### ***Increased Focus on the Use of Value-Based Purchasing and Alternative Payment Models***

- Maternity Episode of Care (EOC) - The maternity EOC has been demonstrated successfully in other states. Using input from a large stakeholder work group that included obstetricians, nurse mid-wives, Planned Parenthood, leading hospital systems, social support programs, and the Medicaid MCOs, a New Jersey-specific maternity EOC was drafted and submitted to the State for consideration in the 2019 budget and MCO contract.
- The proposal is under review by the State Treasurer’s office, Department of Human Services, Department of Health, and the State Legislature. One unique aspect of the EOC is including a standardized Perinatal Risk Assessment (PRA) tool to risk stratify patients and connect them to social services and programs such as the Nurse Family Partnership, Strong Start centering programs, doulas and community health workers, and other key supports. The Department of Health is now including the PRA in its overall statewide strategy on reducing maternal mortality and improving birth outcomes.

### ***Increased Access to Long Acting Reversible Contraceptive (“LARC”)***

- The barriers to access to LARC was identified in the Blueprint as challenge for women on Medicaid. Since the beginning of the Murphy administration, however, state policy on women’s health has changed significantly and as part of the expansion of Medicaid family planning coverage, the state now covers inpatient LARC insertion following deliveries. We convened a multi-stakeholder committee to assist in our research and will be releasing a findings document on the barriers to access to LARC. Based on our research and with guidance from the committee, we are also designing an action plan for a comprehensive reproductive health access project for all women of childbearing age in New Jersey.

### ***Developed a Path Forward to Evolve the Medicaid Accountable Care Organizations (ACOs) to Regional Health Hubs Focused on Population Health***

- The three state-designated Medicaid Accountable Care Organizations (ACOs) provide value to the communities they serve through their health information exchanges whereby they are able to monitor and coordinate the care of complex patients that seek care from a multitude of providers and through their community

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health workers and other activities that focus on the social determinants of health, such as housing. We convened the three ACOs along with other community coalitions engaged in similar work. The meetings led to the re-visioning of the ACOs as expressed in reports issued by both the Quality Institute and the Camden Coalition.

- Moving forward, the three ACOs have begun to demonstrate that community-led non-profit organizations serve a unique and essential role in identifying local needs, and leading collaboration between the local health care and social service systems to meet those needs. The ACOs are now working toward long-term sustainability and impact through the transition to regional population health hubs (RPHHs) that perform community asset mapping and ongoing work on population health initiatives focused on underserved populations in New Jersey. These hubs will execute the collective population health needs priorities of the state, local communities, clinical and social service providers.

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### ***Improved End of Life of Care***

- The Quality Institute developed and released an [End-of-Life Care Strategic Plan](#) for the state. Incorporating the input of state and national leading experts on hospice and palliative care, the plan sets forth specific steps that should be taken by both the public and private sectors to improve end of life care and planning in New Jersey. Highlights include:

1. Support technology solutions including a state POLST registry (emPOLST) to ensure that patients’ POLST forms are accessible wherever the patient is located;
2. Change policy to support reimbursement in Medicaid for clinical consultations on end of life care services and advance directives;
3. Engage and educate health care providers to better enable them to have end of life care discussions with patients and caregivers; and,
4. Change the Culture around end of life care discussions and educate the community about their options and how to document their wishes.

- At an educational session held on June 12, 2018, Pauline Chen, MD, a nationally known expert and author on serious illness and NJ Commissioner of Health Shereef El-nahal, MD both discussed the importance of the Strategic Plan. Thereafter, in November 2018, the state released its own strategic plan, which cited the Quality Institute’s Strategic Plan and included many of the same suggestions and resources.

- The Quality Institute drafted budget language, which was adopted to require New Jersey Medicaid to reimburse providers for advance care planning visits with their patients effective January 1, 2019.

### ***Patient Centered Medical Home Pilot for Medically Complex Children***

- In early 2018, the Quality Institute convened key stakeholders including the MCOs, children’s hospitals, pediatricians, and advocates to assess the proposed approach of coordinated care via medical home for children with complex health care needs. The issues that emerged included patient eligibility, MCO role (risk-based or not), and the actual cost to the state to support the demonstration. There has been ongoing research on the outstanding issues and the workgroup will continue to convene to reach consensus on major policy points, with recommendation for a state pilot in 2019.

# Moving Forward: The Medicaid Policy Center at the New Jersey Health Care Quality Institute

Building from the strong partnerships and successes of the Medicaid 2.0 project, the Quality Institute has launched the Medicaid Policy Center (“MPC”). As discussed in the Blueprint, the Medicaid program must always evolve and look to improve, however, current resource limitations make it difficult for the state to experiment and test program boundaries. The program’s demands on the state and federal budget, in addition to its continued scrutiny by Congress, ensure Medicaid will remain a major health care policy issue for years to come.

The MPC is a permanent home for best practices to be considered, developed, and implemented into the New Jersey Medicaid program. The MPC will support Medicaid improvement over the long term and serve as a public source for data and policy guidance for Medicaid stakeholders, through such means as using a framework of convening and collaborating with partners and experts, research, and analysis. The MPC will also identify national best practices and leading-edge solutions to better serve beneficiaries and monitor the health policy landscape to further identify emerging challenges in payment, service delivery, program administration and beneficiary access. Policy work undertaken by the Quality Institute is always informed by both the empirical data available through Medicaid claims and other national and state data sources, as well as qualitative research from front-line real-time service delivery providers and their clients.

***“Beyond research and proposals, the MPC will provide recurring services, such as data reporting and federal and state budget analysis.”***

Beyond research and proposals, the MPC will provide recurring services, such as data reporting and federal and state budget analysis. Examples of future MPC work products are:

- Alternative Payment Model designs and implementation strategies
- Issue Briefs identifying and quantifying challenges and proposed solutions
- Public forums/panels around key topics (recruiting national experts with examples of demonstrated success)
- Convene Workgroups and collaborate with relevant stakeholders to create solutions and action plans
- Conduct Briefings for state staff, health care and related professionals.

The Quality Institute’s [Board of Directors](#), [Leadership Council](#), and broader multi-stakeholder membership provides significant expertise to guide the MPC work. The MPC will regularly meet with stakeholders, as well as representatives from the Department of Human Services (DHS), New Jersey Medicaid, and government officials to gather feedback on the work of the MPC, to continually refine its priorities, and garner support. Finally, the MPC will be guided by an Advisory Committee comprised of national health care, data science, and social science experts to expand the MPC’s vision and opportunities to assist the state in delivering the best Medicaid program and



outcomes for its residents.

With the continued support of The Nicholson Foundation, the Quality Institute is proud to launch the Medicaid Policy Center and pursue our shared vision of a successful vibrant Medicaid program that improves the health and wellbeing of the nearly 1.8 million New Jerseyans who access and utilize these services daily.

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## Medicaid Policy Center Advisory Committee

**Niall Brennan**  
*Health Care Cost Institute*

**Pauline Chen, MD**  
*Author of Final Exam: A Surgeon’s Reflections on Mortality*

**Dianne Hasselman**  
*National Association of Medicaid Directors (NAMDM)*

**Nicole McGrath, DDS**  
*KinderSmile Foundation*

**Meg Murray**  
*Association for Community Affiliated Plans*

**Kathleen Noonan, JD**  
*Camden Coalition of Healthcare Providers*

**Chad Shearer**  
*United Hospital Fund of New York*



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