

TRANSITION PLAN

For Complying with the CMS Home- and Community-Based Services Medicaid Rule

FOR THE STATE OF NEW JERSEY

The approved transition plan for the State of New Jersey can be found here:

<https://www.medicaid.gov/sites/default/files/2023-09/nj-transition-plan-hcbs.pdf>

The approved corrective action plan for the State of New Jersey can be found here:

<https://www.medicaid.gov/sites/default/files/2023-06/nj-appvd-cap.pdf>

SITE-SPECIFIC ASSESSMENTS

The Centers for Medicare & Medicaid Services (CMS) required states to conduct validated, site-specific assessments of all provider-owned or controlled settings.

Types of Settings/ Residents and Funding Authorities	
	<p>The State of New Jersey (NJ), through DHS, is charged with developing and implementing the STP on behalf of several state agencies and offices. Within DHS, the Divisions of Medical Assistance and Health Services (DMAHS), Aging Services (DoAS), Disability Services (DDS) and Developmental Disabilities (DDD) play a role in assessing state standards, policies and practices to determine their alignment with federal requirements. DHS' Office of Program Integrity and Accountability (OPIA) also is responsible for licensing and regulatory oversight for the HCBS settings under DDD's purview. The NJ Department of Health (DOH) administers the licensing and regulatory oversight of certain HCBS facilities for the Managed Long-Term Services and Supports (MLTSS) program under the CMW. The NJ Department of Children and Families (DCF), Children's System of Care also is engaged in the STP through its participation in the CMW.</p> <p>The NJ 1115 Comprehensive Waiver Demonstration (NJCW) and the 1915 (c) Community Care Waiver (CCW) are the two NJ FamilyCare programs to be assessed for compliance.</p> <p>Setting types:</p> <ul style="list-style-type: none">• Residential:<ul style="list-style-type: none">○ Group Home○ Supervised Apartment○ Community Care Residences○ Supported Living○ Assisted Living Residence○ Comprehensive Personal Care Homes○ Adult Family Care○ Traumatic Brain Injury Homes• Non-Residential:<ul style="list-style-type: none">○ Prevocational○ Day Habilitation○ Group Supported Employment

NEW JERSEY TRANSITION PLAN FOR COMPLYING WITH THE CMS HOME- AND COMMUNITY-BASED SERVICES MEDICAID RULE (continued)

Compliant/Non-Compliant	<p>Based on a review of the 2015 site specific data, 2021 updated assessments, and verification reviews, it was found that 87% of NJ HCBS settings demonstrate full compliance with the settings rule. 11% of sites are not currently but will achieve compliance with modifications, and 2% of settings were presumptively institutional requiring a heightened scrutiny review.</p> <p>Settings found to be fully compliant with HCBS settings criteria:</p> <ul style="list-style-type: none">• Residential total: 2,426<ul style="list-style-type: none">○ Group Home: 1,500○ Supervised Apartment: 550○ Community Care Residence: 156○ Supported Living: 59○ Assisted Living Residences: 148○ Comprehensive Personal Care Homes: 12○ Adult Family Care: 1○ Traumatic Brain Injury Residences: 0• Non-residential: 297<ul style="list-style-type: none">○ Prevocational: 182○ Day Habilitation: 274○ Group Supported Employment: 121 <p>NOTE: Each non-residential setting type could provide more than one program or service. <u>As a result, the sum of the program type will exceed the number of total sites.</u> There were a total of 333 non-residential sites that provided a total of 651 programs or services.</p> <p>Settings that could come into compliance with modifications:</p> <ul style="list-style-type: none">• Residential: 333<ul style="list-style-type: none">○ Group Home: 167○ Supervised Apartment: 59○ Community Care Residence: 40○ Supported Living: 6○ Assisted Living Residences: 5○ Comprehensive Personal Care Homes: 2○ Adult Family Care: 0○ Traumatic Brain Injury Residences: 54• Non-residential: 31<ul style="list-style-type: none">○ Prevocational: 20○ Day Habilitation: 28○ Group Supported Employment: 15 <p>Settings found unable to comply with HCBS settings criteria</p> <ul style="list-style-type: none">• Residential: 3
--------------------------------	---

NEW JERSEY TRANSITION PLAN FOR COMPLYING WITH THE CMS HOME- AND COMMUNITY-BASED SERVICES MEDICAID RULE (continued)

	<ul style="list-style-type: none"> ○ Group Home: 0 ○ Supervised Apartment: 0 ○ Community Care Residence: 0 ○ Supported Living: 0 ○ Assisted Living Residences: 0 ○ Comprehensive Personal Care Homes: 0 ○ Adult Family Care: 3 ○ Traumatic Brain Injury Residences: 0 ● Non-residential: 0 <ul style="list-style-type: none"> ○ Prevocational: 0 ○ Day Habilitation: 0 ○ Group Supported Employment: 0 <p>Settings that are presumptively institutional in nature:</p> <ul style="list-style-type: none"> ● Residential: 58 <ul style="list-style-type: none"> ○ Group Home: 23 ○ Supervised Apartment: 0 ○ Community Care Residence: 0 ○ Supported Living: 0 ○ Assisted Living Residences: 23 ○ Comprehensive Personal Care Homes: 12 ○ Adult Family Care: 3 ○ Traumatic Brain Injury Residences: 0 ● Non-residential: 5 <ul style="list-style-type: none"> ○ Prevocational: 3 ○ Day Habilitation: 5 ○ Group Supported Employment: 3 <p>NOTE: New Jersey received approval of its corrective action plan (CAP) on May 31, 2023. The CAP provides updated timeframes for completion of site-specific assessments and the heightened scrutiny review process. Therefore, setting classifications in the STP may be out of date. The updated CAP sets April 12, 2023, as the completion date to submit the list of settings identified by settings type and category of institutional presumption to CMS. The CAP sets June 1, 2023, as the completion date to submit the list of presumptively institutional settings to CMS. Final compliance statewide with HCBS settings rule will take place 12 months post the date CMS issues heightened scrutiny findings to the state.</p>
Reasons for Non-Compliance	Specific reasons for non-compliance were not listed.
Transition plans	The State conducted initial site-specific assessments and were utilized for updates again in 2021. The State validated provider responses for the site-

NEW JERSEY TRANSITION PLAN FOR COMPLYING WITH THE CMS HOME- AND COMMUNITY-BASED SERVICES MEDICAID RULE (continued)

	<p>specific assessments through state staff review, the use of the HCBS Verification Tool, monitoring tools, reviewing licensing and certification processes, and case management. During on-site visits, state reviewers conducted interviews and reviewed provider policies and individual records to confirm whether the site met the HCBS settings requirements. The State requires corrective action plans for any settings that demonstrate noncompliant characteristics identified through the site-specific assessments and validation activities. To support site specific remediation, the State will provide technical assistance to providers, opportunities for training, and focused assistance based on the provider’s needs and identified area of non-compliance. New Jersey supported the movement of individuals who previously resided in settings that could not achieve HCBS compliance. Settings that are determined to be non-compliant with the HCBS Settings Final Rule and cannot come into compliance by March 17, 2023 will be ineligible for Medicaid participation. Residents in this circumstance will be notified by the State to allow a discussion on next steps. This will include assistance in securing an HCBS compliant setting and/or consider alternate funding streams to allow person can remain in their community home. Once providers are compliant with all applicable requirements in the HCBS Waiver Rule, or those unable to be compliant are unenrolled, the state will continue to engage in ongoing monitoring of the settings.</p>
--	---

SETTINGS PRESUMED INSTITUTIONAL

CMS presumes some settings have qualities that are institutional or isolating in nature. These settings must go through a heightened scrutiny review by CMS.

CMS presumes the following types of settings have institutional or isolating qualities:

- *Category 1: Located in a hospital, nursing facility, or other institutional setting.*
- *Category 2: Located adjacent to a public hospital, nursing facility, or other institutional setting.*
- *Category 3: Have the effect of isolating people from the broader community.*

<p>% Presumed Institutional (No. of Residents Affected)</p>	<p>1% of residential settings are presumptively institutional in nature and 2% of non-residential settings were presumptively institutional requiring a heightened scrutiny review.</p>
<p>Type of Setting/Residents</p>	<p>Category 1 settings: 27</p> <ul style="list-style-type: none"> • 17 Assisted Living Residences • 10 Comprehensive Personal Care Homes • 0 DDD Residential • 0 DDD Non-residential • 0 Adult Family Care • 0 Traumatic Brain Injury Home <p>Category 2 settings: 7</p> <ul style="list-style-type: none"> • 5 Assisted Living Residences • 2 Comprehensive Personal Care Homes • 0 DDD Residential

NEW JERSEY TRANSITION PLAN FOR COMPLYING WITH THE CMS HOME- AND COMMUNITY-BASED SERVICES MEDICAID RULE (continued)

	<ul style="list-style-type: none"> • 0 DDD Non-residential • 0 Adult Family Care • 0 Traumatic Brain Injury Home <p>Category 3 settings: 29</p> <ul style="list-style-type: none"> • 23 DDD Residential • 5 DDD non-residential • 1 Assisted Living Residence • 0 Comprehensive Personal Care Homes • 0 Traumatic Brain Injury Home
Reason for Presumption	<ul style="list-style-type: none"> • Category 1 compliance issues were primarily based on the physical site colocation with a private skilled nursing facility. • Category 2 compliance issues also focus on concerns with the colocation of an Assisted Living setting operating on the grounds of a public institution. • Category 3 compliance issues for DDD Residential, DDD Non-residential, and Assisted Living facilities generally involves settings that will need to have keys, ensure more personal choices in activities, and documenting restrictions in accordance with the specific requirements of the settings rule.
Heightened Scrutiny Process	<p>Providers that were required to participate in the assessment process were asked to complete the heightened scrutiny assessment tool and provide supporting evidence to the State. Some examples of supporting evidence include pictures of the site, activity schedules, feedback from residents, etc. State staff will review the information presented and schedule an on-site verification review. After site visits, findings were summarized and presented to the DHS HCBS team for review and determination of whether the State will present the site to CMS for review. Once finalized, the summaries of the findings for each setting will be presented for public comment. Upon completion of the public comment period, the State will submit the list of heightened scrutiny settings to CMS for review.</p>

NON-COMPLIANCE COMMUNICATION

% Cannot/Will Not Comply (No. of Residents Affected)	Following the Heightened Scrutiny Review, the DHS projects that the settings identified for Category 1, Category 2, and Category 3 have the ability to overcome the institutional presumption by the March 17, 2023 compliance deadline.
Type of Setting/Residents	N/A
Reason for Determination	N/A
Communication Strategy	If a setting is presumed institutional and unable to achieve compliance by March 17, 2023, the provider and beneficiary will be notified of this finding.

NEW JERSEY TRANSITION PLAN FOR COMPLYING WITH THE CMS HOME- AND COMMUNITY-BASED SERVICES MEDICAID RULE (continued)

	<p>Both the provider and impacted beneficiary will be contacted by a state staff member and will receive a written correspondence notifying them of the determination.</p> <p>The state will ensure compliance prior to any beneficiary moving into a setting that has been initially determined not compliant. The state will ensure providers who are not compliant are not able to receive Medicaid payment for services until such time as the non-compliant setting demonstrates compliance.</p>
<p>Assistance to Residents?</p>	<p>All notifications of non-compliant settings will be distributed to beneficiaries in December 2022. These notifications will include contact information for an assigned State staff who will provide options counseling to offer either an alternate service or discuss non-HCBS funding availability. Should an alternate provider be needed, the state assures that there will be no disruption in services to beneficiaries.</p>

ONGOING MONITORING

<p>Monitoring Procedures</p>	<p>Various quality review measures and monitoring tools for HCBS beneficiaries across all setting types have been reviewed and updates have been identified. Examples of these include: use of monitoring tools for use by care managers and support coordinators; regulatory requirements for licensing inspection; and auditing tools utilized by State staff and Care Management Organizations. Specialized trainings have been developed that are focused for individuals, families, and professionals. The availability of information and the infusion of HCBS into staff training requirements will support quality outcomes to support individuals in living the life they choose and will support ongoing compliance with the settings rule. Trainings and informational material will continue to be developed to ensure that people who receive HCBS understand their rights, options, and are supported to have full access to the community.</p>
<p>Quality Assurance Measures</p>	<p>Quality Assurance monitoring methodologies will incorporate the addition of monitoring performance measures that ensure compliance with HCBS Settings Rule.</p>