

P.L. 2019, CHAPTER 517, *approved January 21, 2020*  
Assembly, No. 5977 (*Second Reprint*)

1 **AN ACT** concerning the establishment of a Regional Health Hub  
2 Program as a replacement to the Accountable Care Organization  
3 Demonstration Project, and supplementing Title 30 of the  
4 Revised Statutes.

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

- 8  
9 1. The Legislature finds and declares that:
- 10 a. Significant State resources are invested in both the health  
11 and social service sectors in New Jersey, and the development of  
12 improvements in how Medicaid benefits and payment models  
13 interact with social services would provide a benefit to all New  
14 Jersey residents.
- 15 b. A more regional approach to care, involving the coordinated  
16 provision of person-centered health care in combination with robust  
17 connections to social services and community resources, is required  
18 at both the patient and organizational levels.
- 19 c. It is in New Jersey's best interest to establish a regional  
20 network of non-profit organizations that partner with Medicaid and  
21 State agencies to reduce health disparities and improve health  
22 outcomes and the delivery of care for Medicaid recipients in the  
23 State. Such non-profit organizations have the capacity to become  
24 local innovation engines that use real-time actionable data and  
25 diverse stakeholder input to develop and implement innovative  
26 models for the delivery of effective, person-centered care.
- 27 d. It is both reasonable and appropriate for the Department of  
28 Human Services to designate and recognize existing accountable  
29 care organizations as Regional Health Hubs, and to establish new  
30 Regional Health Hubs in appropriate areas of the State, as provided  
31 by this act, in order to enable the State to:
- 32 (1) identify existing and emerging threats to health and  
33 wellbeing, and problems with the State's regional health care  
34 delivery systems, and identify and determine how to implement  
35 solutions to those problems;
- 36 (2) promote and facilitate cooperation, coordination, innovation,  
37 and goal setting by and among relevant stakeholders;

**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 AHE committee amendments adopted December 5, 2019.

<sup>2</sup>Senate SBA committee amendments adopted January 6, 2020.

1 (3) evaluate the progress that has been made in achieving  
2 identified goals and priorities; and

3 (4) otherwise encourage and enable the overall improvement of  
4 the health of New Jersey residents and the delivery of health care  
5 throughout the State.

6

7 2. As used in this act:

8 “Commissioner” means the Commissioner of Human Services.

9 “Core region” means the geographic area of responsibility for a  
10 Regional Health Hub.

11 “Data catchment area” means the zip codes in New Jersey for  
12 which a Regional Health Hub receives <sup>1</sup>**【Medicaid】** NJ  
13 FamilyCare<sup>1</sup> claims data.

14 “Department” means the Department of Human Services.

15 “Existing Regional Health Hub” means those four organizations  
16 designated as Regional Health Hubs by the FY20 New Jersey State  
17 Budget, P.L.2019, c.150 and identified in subsection b. of section 3  
18 of this act.

19 “Health information platform” means a Health Information  
20 Exchange (HIE) or other electronic platform that is used to run  
21 population-level analytics or exchange health information among  
22 various organizations.

23 “New Regional Health Hub” means an entity that is designated  
24 by the commissioner as a Regional Health Hub after the effective  
25 date of, and as provided by, this act.

26 “Prospective service region” or “prospective region” means a  
27 geographical area that is designated by the commissioner, pursuant  
28 to subsection a. of section 4 of this act, as being in need of a  
29 Regional Health Hub.

30 “Regional Health Hub” means any entity that is designated as a  
31 Regional Health Hub, as provided by this act, including an existing  
32 Regional Health Hub or a new Regional Health Hub.

33

34 3. a. The Department of Human Services shall establish a  
35 Regional Health Hub Program, and shall designate <sup>1</sup>**【and certify】**<sup>1</sup>  
36 Regional Health Hubs in appropriate areas of the State, as provided  
37 by this act. The Regional Health Hub Program shall replace the  
38 Medicaid Accountable Care Organization Demonstration Project  
39 established pursuant to P.L.2011, c.114 (C.30:4D-8.1 et seq.),  
40 which is now subject to expiration by law.

41 b. The following certified accountable care organizations and  
42 accountable care look-alike organizations, which are operating in  
43 this State as of the effective date of this act, shall be grandfathered  
44 into the Regional Health Hub Program, and shall be automatically  
45 designated <sup>1</sup>**【and certified】**<sup>1</sup> as Regional Health Hubs, for the  
46 purposes of this act:

47 (1) the Healthy Greater Newark ACO;

48 (2) the Trenton Health Team;

1 (3) the Camden Coalition of Health Care Providers; and

2 (4) the Health Coalition of Passaic County.

3 c. (1) The Department of Human Services <sup>1</sup>[, in consultation  
4 with the Department of Health,]<sup>1 2</sup>, in consultation with the  
5 Department of Health,<sup>2</sup> shall be authorized to designate <sup>1</sup>[and  
6 certify]<sup>1</sup> additional non-profit organizations to operate as Regional  
7 Health Hubs under the Regional Health Hub Program, pursuant to  
8 section 4 of this act, as determined to be appropriate.

9

10 4. a. The commissioner <sup>2</sup>, in consultation with the  
11 Commissioner of Health,<sup>2</sup> shall designate and delineate the  
12 boundaries of regions of the State that are in need of new Regional  
13 Health Hubs <sup>1</sup>within six months of the effective date of this act<sup>1</sup>.

14 b. The commissioner's designation and delineation of  
15 prospective service regions for new Regional Health Hubs shall be  
16 based on the following factors:

17 (1) the availability of State and federal funding necessary to  
18 support the new Regional Health Hub, and the State's ability to  
19 provide necessary funding <sup>1</sup>[without negatively impacting the  
20 operation and effectiveness of other Regional Health Hubs in the  
21 State]<sup>1</sup> ;

22 (2) the number and density of Medicaid beneficiaries in the  
23 region;

24 (3) the existence, in the region, of multiple health and social  
25 service systems of care that are in need of convening and  
26 coordination; and

27 (4) the volume, in the region, of avoidable inpatient hospital  
28 admissions and emergency department visits.

29 c. Based on the analysis of factors identified in subsection b. of  
30 this section, the commissioner may designate any county, zip code,  
31 or group of zip codes in the State as a prospective service region.  
32 The boundaries of any prospective service region designated under  
33 this section shall not <sup>1</sup>[include] overlap with<sup>1</sup> any portion of a core  
34 region served by another Regional Health Hub.

35 d. Once an area has been designated by the commissioner as a  
36 prospective service region, the commissioner shall <sup>1</sup>[solicit and  
37 review applications from qualified non-profit organizations that  
38 wish to be designated and certified] evaluate organizations for  
39 designation<sup>1</sup> as the new Regional Health Hub for the prospective  
40 service region. The commissioner shall only designate <sup>1</sup>[and  
41 certify]<sup>1</sup> an organization as a new Regional Health Hub if the  
42 organization:

43 (1) is a registered New Jersey non-profit organization exempt  
44 from federal taxation under 26 U.S.C. s.501(c)3;

45 (2) submits a request identifying the proposed boundaries of the  
46 Regional Health Hub's anticipated core region, which boundaries  
47 shall include the total area of a prospective service region

1 designated by the commissioner, and shall not include any area that  
2 is already included in another Regional Health Hub's core region;

3 **1[and]**<sup>1</sup>

4 (3) submits a request identifying the proposed boundaries of the  
5 Regional Health Hub's anticipated data catchment area <sup>1</sup>; and

6 (4) demonstrates, to the commissioner's satisfaction, the ability  
7 to perform the mandatory functions of a Regional Health Hub, as  
8 described in subsection a. of section 6 of this act<sup>1</sup> .

9 e. Within 180 days after an organization is approved to operate  
10 as a Regional Health Hub, the organization shall:

11 (1) establish and maintain a headquarters within the boundaries  
12 of the core region;

13 (2) establish and convene an advisory committee of persons who  
14 reside or work in the core region, which committee shall include  
15 community members and representatives from organizations that  
16 exemplify the diversity of geography, gender, disability, age, sexual  
17 orientation, veterans' status, and prevalent health conditions in the  
18 core region. The following types of persons may be included in an  
19 advisory committee established under this paragraph: (a)  
20 community members having lived experience with the health care  
21 system; (b) Medicaid beneficiaries; (c) representatives from school  
22 districts; (d) representatives of local government; (e) representatives  
23 of housing organizations; and (f) representatives of the faith-based  
24 community; **1and**<sup>1</sup>

25 (3) establish and convene a governing board that includes  
26 members from a majority of the following groups and entities, to  
27 the extent that such groups and entities are present in the core  
28 region: (a) hospitals or hospital systems; (b) Federally Qualified  
29 Health Centers; (c) private clinicians, including physicians and  
30 nurses; (d) community-based organizations such as behavioral  
31 health providers and social service agencies; (e) managed care  
32 organizations; (f) the advisory committee established pursuant to  
33 paragraph (2) of this subsection; and (g) health care consumers **1[**  
34 and

35 (4) demonstrate, to the commissioner's satisfaction, the ability  
36 to perform the mandatory functions of a Regional Health Hub, as  
37 described in subsection a. of section 6 of this act**]**<sup>1</sup> .

38 f. If more than one organization meets the criteria for  
39 designation as a Regional Health Hub in a prospective service  
40 region, the commissioner, in the commissioner's discretion, shall  
41 designate the organization that the commissioner determines will be  
42 best able to meet the needs of, and fulfill the purposes of this act  
43 within, the prospective service region.

44 g. Before **1[approving an application to become]** designating<sup>1</sup>  
45 a Regional Health Hub under this section, the commissioner shall  
46 review each of the boundary requests submitted by the **1[applicant]**  
47 organization<sup>1</sup> under **1[paragraphs (6) and (7)]** paragraph (2)<sup>1</sup> of  
48 subsection d. of this section, and shall either approve the requests,

1 as submitted by the <sup>1</sup>‘[applicant] organization’, or require the  
2 <sup>1</sup>‘[applicant] organization’ to make appropriate modifications to the  
3 boundary requests as a precondition to their approval. If a  
4 boundary request cannot be modified as necessary to comply with  
5 the provisions of this act, the commissioner <sup>1</sup>‘[shall] may’ select  
6 another <sup>1</sup>‘[applicant] organization’ to serve as the Regional Health  
7 Hub in the proposed service region.

8 h. A designated Regional Health Hub may submit an  
9 application to the commissioner, at any time, requesting the  
10 expansion of its core region. The commissioner <sup>1</sup>‘[shall] may’  
11 approve the requested expansion if:

12 (1) the boundaries of the expanded core region will not overlap  
13 with the core region of another Regional Health Hub;

14 (2) the area would otherwise qualify for designation as a  
15 prospective service region under subsection b. of <sup>1</sup>‘this’ section <sup>1</sup>‘[4  
16 of this act]’; and

17 (3) the applicant demonstrates, to the commissioner’s  
18 satisfaction, the applicant’s ability to perform, in the requested  
19 expansion area, and within one year following submission of the  
20 application, the mandatory activities of a Regional Health Hub, as  
21 described in subsection a. of section 6 of this act.

22

23 5. a. The commissioner may revoke an organization’s status as  
24 a Regional Health Hub if the organization fails to perform the  
25 mandatory activities of a Regional Health Hub, as described in  
26 subsection a. of section 6 of this act.

27 b. Before revoking an organization’s status as a Regional  
28 Health Hub, the commissioner shall notify the organization of the  
29 potential revocation and provide a reasonable timeframe for  
30 corrective action.

31 c. The commissioner’s revocation of Regional Health Hub  
32 status shall be a final agency action for the purposes of the  
33 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
34 seq.).

35 d. After revoking an organization’s status as a Regional Health  
36 Hub, the commissioner shall immediately determine whether a new  
37 Regional Health Hub is needed in the area where status was  
38 revoked. If such need is determined to exist, the commissioner  
39 shall designate a new Regional Health Hub to serve the area, as  
40 provided by subsection d. of section 4 of this act.

41

42 6. a. Each designated Regional Health Hub shall engage in the  
43 following mandatory activities:

44 (1) establish, operate, and maintain a health information  
45 platform that allows for population-level views and analytics, and  
46 patient-level health interventions. Unless annually exempted by the  
47 commissioner, each Regional Health Hub’s health information  
48 platform shall, to the extent practicable, be interoperable with all

1 other Regional Health Hubs' platforms, and with any other  
2 Statewide health information <sup>1</sup>**【project】 platform**<sup>1</sup> designated by the  
3 commissioner;

4 (2) convene and obtain relevant input from community  
5 stakeholders within the Regional Health Hub's core region. At a  
6 minimum, convening activities shall include quarterly opportunities  
7 for the active engagement and interaction of relevant stakeholders,  
8 including, but not limited to, managed care organizations, local and  
9 State government entities, health care and social service providers,  
10 community-based organizations, and local consumers of health  
11 care;

12 (3) upon request, provide the department and other State  
13 agencies, including the Departments of Health, Children and  
14 Families, and Community Affairs, with information and feedback to  
15 assist the departments in program design, population analysis,  
16 strategic planning, and other appropriate functions; and

17 (4) engage in any other activity that the commissioner deems  
18 necessary to achieve the goals of this act.

19 b. Each designated Regional Health Hub shall be authorized to  
20 engage in the following activities as necessary either to further the  
21 Regional Health Hub's goals or to comport with the provisions of  
22 <sup>1</sup>**【a memorandum of understanding executed between】** the proposal  
23 submitted by<sup>1</sup> the Regional Health Hub <sup>1</sup>**【and】** to<sup>1</sup> the department  
24 pursuant to section 7 of this act:

25 (1) plan and execute population-level and patient-level health  
26 interventions;

27 (2) establish, operate, and maintain, or partner with a third-party  
28 who will establish, operate, and maintain, a community resource  
29 inventory that is capable of referring and tracking the referral of  
30 community members to appropriate services;

31 (3) perform a health needs assessment on all or part of the  
32 population in the Regional Health Hub's core region;

33 (4) perform quality improvement activities based on population-  
34 level data and health needs assessment findings;

35 (5) develop screening protocols that provide for a  
36 comprehensive risk assessment to determine a patient's need for  
37 follow-up and wrap-around services related to the social  
38 determinants of health;

39 (6) facilitate the coordination, within the Regional Health Hub's  
40 core region, of health care and ancillary services related to the  
41 social determinants of health, including, but not limited to, food  
42 assistance services, legal services, and other social services, for  
43 high-need populations;

44 (7) provide care management services to the entire population,  
45 or to underserved sub-populations, in the Regional Health Hub's  
46 core region;

47 (8) submit <sup>1</sup>**【an annual report】** reports<sup>1</sup> to the commissioner  
48 describing the health needs in the Regional Health Hub's core

1 region, identifying the Regional Health Hub's near and long-term  
2 health goals for the core region, and describing the activities that  
3 have been undertaken, and the progress that has been made, over  
4 the preceding year, by the Regional Health Hub and relevant  
5 stakeholders in the core region to improve the effectiveness or  
6 efficiency of the core region's health care system; and

7 (9) engage in any other appropriate activity that the  
8 commissioner or Regional Health Hub deems relevant to the  
9 attainment of the Regional Health Hub's goals.

10 c. Nothing in this section shall be deemed to limit the activities  
11 that a Regional Health Hub may conduct on behalf of other State  
12 departments or funders.

13

14 7. a. <sup>1</sup>~~Each~~ Regional Health Hub <sup>1</sup>~~may~~ shall<sup>1</sup> annually  
15 <sup>1</sup>~~enter into~~ submit<sup>1</sup> a <sup>1</sup>~~memorandum of understanding with~~  
16 proposal to<sup>1</sup> the department, describing the Regional Health Hub's  
17 annual goals, and the elective activities that the Regional Health  
18 Hub will undertake during the upcoming fiscal year.

19 b. In order to <sup>1</sup>~~facilitate the annual execution of memoranda~~  
20 ~~of understanding~~ become effective, each Regional Health Hub's  
21 proposal shall be approved by the department <sup>2</sup>in consultation with  
22 the Department of Health<sup>2</sup> . Approval shall be at the sole discretion  
23 of the department <sup>2</sup>in consultation with the Department of Health<sup>2</sup> ,  
24 and the department may request that the Regional Health Hub  
25 modify and resubmit a proposal, in order to receive approval.

26 c. In order to facilitate the development of proposals<sup>1</sup> under  
27 this section, the department shall annually provide each Regional  
28 Health Hub with a list of the department's goals, projects, or  
29 priorities for the upcoming fiscal year.

30 <sup>1</sup>~~c. Any Regional Health Hub wishing to enter into a~~  
31 ~~memorandum of understanding with the department shall first~~  
32 ~~convene an annual planning meeting of stakeholders within the~~  
33 ~~Regional Health Hub's core region in order to identify potential~~  
34 ~~goals, projects, and priorities for the core region. The convening of~~  
35 ~~a meeting under this subsection may overlap with the Regional~~  
36 ~~Health Hub's duties under paragraph (2) of subsection a. of section~~  
37 ~~6 of this act.]~~<sup>1</sup>

38 d. When <sup>1</sup>~~executing a memorandum of understanding~~  
39 finalizing a proposal<sup>1</sup> under this section, the department and  
40 relevant Regional Health Hub shall negotiate joint goals, projects,  
41 and priorities for the upcoming fiscal year, and agree upon the  
42 associated funding that will be needed to accomplish those joint  
43 goals, projects, and priorities.

44 e. Each <sup>1</sup>~~memorandum of understanding executed~~ proposal  
45 approved<sup>1</sup> pursuant to this section shall include, at a minimum:

- 1 (1) a description of the joint goals, projects, and priorities  
2 agreed upon by the Regional Health Hub and the department for the  
3 upcoming fiscal year pursuant to subsection d. of this section;
- 4 (2) an indication of the amount of funding that will be needed to  
5 attain each joint goal, project, and priority identified in the  
6 <sup>1</sup>["memorandum of understanding"] proposal<sup>1</sup>, and an indication of  
7 the total amount of funding, overall, that will <sup>1</sup>be<sup>1</sup> needed to  
8 execute the <sup>1</sup>["memorandum of understanding"] proposal<sup>1</sup> ;
- 9 (3) a description of the clear deliverables and performance  
10 metrics that will be used to evaluate and measure success in relation  
11 to the achievement of the goals, projects, and priorities described in  
12 the <sup>1</sup>["memorandum of understanding"] proposal<sup>1</sup>; and
- 13 (4) a description of performance-based payments <sup>1</sup>[,  
14 representing at least 10 percent but not more than 25 percent of the  
15 total funding needed to execute the memorandum of  
16 understanding]<sup>1</sup> , which <sup>1</sup>["payments will"] shall<sup>1</sup> be tied to the  
17 achievement of the clear deliverables <sup>1</sup>and performance metrics<sup>1</sup>  
18 described in paragraph (3) of this subsection. <sup>1</sup>Each year, at least  
19 10 percent, but no more than 25 percent of the total funding  
20 provided by the department to each Regional Health Hub to  
21 undertake the activities described in section 6 of this act shall be  
22 contingent upon the Regional Health Hub's achievement of such  
23 deliverables and performance metrics. Determination of whether a  
24 Regional Health Hub has achieved such deliverables and  
25 performance metrics shall be at the sole discretion of the  
26 department.<sup>1</sup>
- 27
- 28 <sup>1</sup>8. a. A Regional Health Hub may be funded in part by the  
29 department, in accordance with the provisions of the annual  
30 appropriations act. As described in paragraph (4) of subsection e.  
31 of section 7 of this act, a portion of such funding shall be contingent  
32 on the Regional Health Hub's achievement of deliverables and  
33 performance metrics, as specified in the Regional Health Hub's  
34 approved proposal each year.
- 35 b. In addition to funding described in subsection a. of this  
36 section, the commissioner shall have the discretion to support a  
37 Regional Health Hub's innovation projects that advance Medicaid  
38 priorities using other available dollars as appropriate.
- 39 c. A Regional Health Hub shall not receive funding provided  
40 for under this section until the Regional Health Hub has submitted  
41 an annual proposal, as described in section 7 of this act.<sup>1</sup>
- 42
- 43 <sup>1</sup>[8.] 9.<sup>1</sup> a. A health information platform operated pursuant  
44 to paragraph (1) of subsection a. of section 6 of this act shall  
45 contain detailed health data from the Regional Health Hub's core  
46 region, including macro-level analytics of broad population trends,  
47 and micro-level analytics of both individual health data, and disease  
48 trends by category of disease, age group, or other subset.



1 b. <sup>1</sup>[Each hospital in the State shall be required to submit  
2 pertinent patient data to the health information platform that is  
3 maintained by the Regional Health Hub operating in the same  
4 region of the State in which the hospital is located, or, if there is no  
5 Regional Health Hub operating in the region, to the health  
6 information platform that is maintained by the Regional Health Hub  
7 that is closest in geography to the hospital. The data submitted  
8 pursuant to this paragraph shall be provided on a real-time basis, to  
9 the extent practicable, and in no case, less frequently than daily.

10 c. Each managed care organization operating in the State shall  
11 be required to share all relevant health data with each health  
12 information platform that is maintained in a region of the State in  
13 which the managed care organization provides services to patients.

14 d.] Each Regional Health Hub shall maintain a data sharing use  
15 and reciprocal support agreement, and any applicable use case  
16 agreement, with any Statewide health information platform  
17 designated by the commissioner in order to promote  
18 interoperability.

19 c. The department shall, consistent with federal and State law,  
20 make available NJ FamilyCare claims data to the Regional Health  
21 Hubs, as needed for the Regional Health Hub's population health  
22 work or other tasks, and enter into appropriate data sharing  
23 agreements for the exchange of such data. The department shall  
24 share with each Regional Health Hub the NJ FamilyCare claims  
25 data for beneficiaries residing within the Regional Health Hub's  
26 data catchment area, as mutually agreed to by the Regional Health  
27 Hub and the department. The data catchment area shall include, but  
28 need not be limited to, the Regional Health Hub's core region, and  
29 may overlap with the data catchment areas for other Regional  
30 Health Hubs.

31 d.<sup>1</sup> The Departments of Human Services, Health, Children and  
32 Families, and Community Affairs shall be authorized <sup>1</sup>, to the  
33 extent permissible by federal and State law or regulation,<sup>1</sup> to share  
34 with the health information platforms established, or the Regional  
35 Health Hubs designated, pursuant to this act, any available health  
36 data that is maintained by the departments.

37  
38 <sup>1</sup>[9.] 10.<sup>1</sup> Any State department that implements a pilot  
39 program related to health care delivery shall be encouraged to  
40 consult with the Regional Health Hubs operating in the regions of  
41 the State that will be affected by the pilot program, in order to  
42 ensure that all relevant considerations have been accounted for, and  
43 that the pilot program is effectively and efficiently implemented  
44 with the assistance of all relevant stakeholders.

45  
46 <sup>1</sup>[10.] 11.<sup>1</sup> In addition to utilizing any State-appropriated  
47 funding that supports Regional Health Hubs, the Commissioner of  
48 Human Services shall apply for such State plan amendments or

1 waivers as may be necessary to implement the provisions of this  
2 act, and to secure federal financial participation for State Medicaid  
3 expenditures under the federal Medicaid program, and shall take  
4 such additional steps as may be necessary to secure, on behalf of  
5 participating Regional Health Hubs, such waivers, exemptions, or  
6 advisory opinions to ensure that such Regional Health Hubs are in  
7 compliance with applicable provisions of State and federal law  
8 related to fraud and abuse, including, but not limited to, anti-  
9 kickback, self-referral, false claim, and civil monetary penalty  
10 provisions.

11

12 <sup>1</sup>~~11.~~ 12.<sup>1</sup> The Commissioner of Human Services shall adopt  
13 rules and regulations, pursuant to the “Administrative Procedure  
14 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), as may be necessary to  
15 implement the provisions of this act.

16

17 <sup>1</sup>~~12.~~ 13.<sup>1</sup> This act shall take effect immediately <sup>1</sup>; ~~however,~~  
18 funding appropriated for the Regional Health Hub Project in the  
19 Fiscal Year 2020 annual appropriations act, P.L.2019, c.150, shall  
20 not be subject to the provisions of this act.<sup>1</sup>

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25 \_\_\_\_\_  
26 Provides for establishment of Regional Health Hub Program as  
27 replacement to Accountable Care Organization Demonstration  
28 Project, and designates existing accountable care organizations and  
look-alike organizations as Regional Health Hubs.