

**ASSEMBLY BILL NO. 5225
(Second Reprint)**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 5225 (Second Reprint) with my recommendations for reconsideration.

Assembly Bill No. 5225 (Second Reprint) requires the State Medicaid program, administered by the Department of Human Services ("DHS"), to provide coverage to eligible beneficiaries for community-based palliative care. The bill defines community-based palliative care to include specialized medical care, along with emotional and spiritual support, for individuals with serious advanced illnesses; relief of symptoms, pain, and stress of serious illness; improvement of quality of life for beneficiaries and their families; and age-appropriate care for any stage of a serious illness, alongside curative treatment. The palliative care benefit would include hospice services, to be provided simultaneously with curative treatment, to the extent that the services are not duplicative, and to be made available to beneficiaries with fatal conditions, regardless of the estimated remaining period of life. The bill also clarifies which types of providers would be authorized to provide community-based palliative care services. Beneficiaries receiving palliative care would still be eligible to concurrently receive any already-covered non-duplicative services.

I applaud the bill's sponsors for working to make a community-based palliative care benefit available to New Jersey's roughly two million Medicaid beneficiaries. There is far more to caring for individuals with serious illnesses than curative treatment, and this bill will create the opportunity for more community-based, quality-of-life-centered options for patients and their families dealing with an immeasurably painful experience. Adding

coverage for palliative care reflects the value our State places in patient choice, emphasizes autonomy around end-of-life treatment, and recognizes that no person should be defined by their illness. And as community-based palliative treatment continues to garner recognition as a vital component of end-of-life care, this bill provides Medicaid with the opportunity to be at the forefront of the conversation and set an example for private insurers in the State. For these reasons, I fully support adding community-based palliative care as a State Medicaid benefit.

My only concern with this bill is that it takes effect immediately, presupposing that DHS would be able to offer the benefit in a very short time frame. Adding any new form of coverage to Medicaid takes a substantial commitment of time and resources, including investigating and designing the benefit, building out the information technology infrastructure, and, critically, securing the federal approvals and financial participation necessary to reduce State costs. And with respect to this circumstance in particular, studies have revealed racial disparities in who receives quality end-of-life care and shown that New Jersey has room to improve when it comes to transitions between the hospital, rehabilitation centers and other facilities, and home for individuals with serious illnesses. Accordingly, to design a comprehensive, equitable system of coverage, DHS will need to carefully study the current palliative care landscape and engage thoughtfully with our communities. For that reason, I am recommending that Assembly Bill No. 5225 (Second Reprint) be amended to provide DHS with two years to conduct the work necessary to design a quality benefit, and – to optimize reach while protecting State financial resources – make clear that coverage would be contingent on receiving all necessary federal approvals.

With these amendments, I am confident that the State will develop the best possible coverage for our Medicaid recipients.

Therefore, I herewith return Assembly Bill No. 5225 (Second Reprint) and recommend that it be amended as follows:

Page 15, Section 1, Line 4:

Delete "Community-based" and insert "Within twenty-four months of the effective date of P.L. , c. (pending before the Legislature as this bill), and conditional on the receipt of all necessary federal approvals and the securing of federal financial participation pursuant to section 2 of P.L. , c. (pending before the Legislature as this bill), community-based"

Page 18, Section 2, Line 31:

After "program." insert "Coverage to eligible beneficiaries of the community-based palliative care benefit established by the amendments made by section 1 of P.L. , c. (C.) (pending before the Legislature as this bill) to section 6 of P.L.1968, c.413 (C.30:4D-6) shall be contingent on securing federal financial participation pursuant to this section."

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor