July 30, 1957

Honorable Edward J. Patten
Secretary of State
State House
Trenton, New Jersey

Dear Secretary Patten:

Enclosed herewith for filing is the following attachment to a regulation of the Bureau of Assistance, Division of Welfare of this Department:

COUNTY SERIES #3

Attachment 10, revised 7/57, replacing Attachment 10 revised 7/1/56. Title: "Special Instructions: Rates and Method of Payment for Patient Care in Private and Public Facilities for the Chronically Ill."

Very truly yours,

DEPARTMENT OF INSTITUTIONS AND AGENCIES

John W. Tramburg, Commissioner

JWT:4

CC: Mr. Brendan T. Bryne, Secretary to the Governor
Mr. Elmer V. Andrews, Director, Division of Welfare
Mrs. Elizabeth Feehan, Assistant to the Commissioner

State of New Jersey
Department of Institutions and Agencies
Division of Welfare

BUREAU OF ASSISTANCE

REGULATION # County Series No. 3

ISSUED: _____
(Date)

REV.: Attachment 7/57
(Date)

TITLE: DISABILITY ASSISTANCE - TEMPORARY INSTRUCTIONS

SUBJECT: _____

STATUTORY REFERENCE: _____

Revision of Attachment No. 10, replacing Attachment No. 10 issued 7/1/56
(Special Instructions: Rates and Method of Payment for Patient Care in Private and Public Facilities for the Chronically Ill)

_____, Chief
Bureau of Assistance

Approved:
By: John H. Tramburg

State of New Jersey

DEPARTMENT OF INSTITUTIONS AND AGENCIES

TRENTON 8

BUREAU OF ASSISTANCE
148 WEST STATE STREET

July 29, 1957

TO: COUNTY WELFARE DIRECTORS

RE: Revised Attachment 10 to County Series No. 3

Attached is one copy of the revised Attachment No. 10, "Rates and Method of Payment for Patient Care in Private and Public Facilities for the Chronically Ill." Additional copies for distribution to staff are being forwarded under separate cover.

Please destroy Attachment No. 10 revised 7/1/56.

Any questions regarding this policy should be directed to the Bureau by correspondence or telephone.

Very truly yours,

DEPARTMENT OF INSTITUTIONS AND AGENCIES

Irving Engelman

Irving Engelman, Chief
Bureau of Assistance

IE-MEC

Approved
Elmer V. Andrews, Director
Division of Welfare

State of New Jersey
Department of Institutions and Agencies
Division of Welfare-Bureau of Assistance

SPECIAL INSTRUCTIONS: RATES AND METHOD OF PAYMENT FOR PATIENT CARE IN PRIVATE AND PUBLIC FACILITIES FOR THE CHRONICALLY ILL

INTRODUCTION

Basic policy governing patient care is provided in Sections 15, 16, 17 and 18 of County Series No. 3, in Ruling No. 17, and in Chapter 300 of the Categorical Assistance Budget Manual (for patient care in proprietary licensed nursing homes only).

This Attachment supplements the above policy in respect to

1. An alternate plan for "inclusive patient care rate" in licensed nursing homes and approved infirmaries of non-profit or charitable homes,
2. Rates in public medical institutions for the chronically ill, and
3. Assistance in the form of direct payments to vendors of nursing home care.

A. RATES FOR PATIENT CARE IN PRIVATE AND PUBLIC FACILITIES FOR THE CHRONICALLY ILL

1. Licensed Nursing Homes

a. Budget Manual Policy

As of July 1, 1956, the Budget Manual established a maximum allowable monthly rate for patient care in a licensed nursing home (in the absence of an authorized special agreement or contract relating to such home) of $165.00. The items included in the basic rate are defined, and special circumstance requirements for which additional allowances are authorized are specified.

b. Bureau Limitations on Additional Allowances

Fee schedules and allowable charges for the special medical care items and services for which additional allowances are authorized by the Budget Manual are provided in Attachment No. 7 to this regulation.

c. Alternate Plan for Limitation on Additional Allowances (Special Agreements)

The Bureau authorizes each county welfare board at its discretion to act as agent for the Bureau in negotiating with any one or more nursing homes located in such county, a special agreement for an "inclusive patient care rate." Such negotiations shall be subject to the following conditions:

1) An "inclusive patient care rate" shall mean a rate of allowance to include all services contemplated by the basic rate as defined in the Budget Manual, and to include also prescribed drugs and/or physician's services.

2) The maximum "inclusive patient care rate" which may be negotiated to include both prescribed drugs and physician's services shall be $175.00

3) When an "inclusive patient care rate" includes physician's services, the welfare board shall assure itself that the nursing home has made satisfactory arrangements with the physicians who serve its patients.

4) A county welfare board which initiates negotiation of a special agreement with a nursing home located in such county, but which home currently has in residence patients who are clients of one or more other county or municipal welfare departments, shall arrange to inform and collatorate with such other department(s) in carrying on the negotiations.

5) The provisions of any special agreement tentatively arrived at shall be submitted to the Bureau for review and approval. When so approved, the "inclusive patient care rate" applicable to such home will be published by the Bureau to all public assistance agencies under its supervision, and will be binding upon them.

6) An "inclusive patient care rate" so negotiated may be made effective as of the second calendar month preceding the month in which it is approved by the Bureau if the parties concerned so desire and recommend.

2. Non-Profit or Charitable Homes

Where patient care is being purchased in the approved infirmary section of a non-profit or charitable home which has qualified under the provisions of Ruling No. 17, the patient care rate shall be as follows:

a. Unless sub-paragraph b hereunder is applicable, the authorized patient care rate shall be an "inclusive patient care rate" not to exceed the minimum amount charged by the home to patients who are not recipients of public assistance, or $175.00, whichever is less.

b. If the home advises the county welfare board that the "inclusive patient care rate" is not acceptable, then the basic rate of $165.00, or the minimum basic rate charged to non-assistance patients, whichever is less, shall be allowable; and additional allowances, as authorized by the Budget Manual and as limited by Attachment No. 7 to County Series No. 3 shall be allowable. In such event, the county welfare board shall promptly notify the Bureau.

3. Public Medical Institutions (Chronically Ill)

Where patient care is being purchased in an eligible public medical institution, the maximum allowable monthly rate shall be one-twelfth the annual per capita cost or $175.00, whichever is less.

The maximum allowable monthly rate shall be understood to includ all items included in the maximum basic rate for patient care in licensed nursing homes (as defined in section 325.3 of the Budget Manual), and shall also include all prescribed drugs, physician's services, and any laboratory, diagnostic, x-ray, dental or other services which are available for all patients in the public medical institution.

When a patient in an eligible public medical institution is in need of physical or functional occupational therapy, an additional allowance may be authorized under certain circumstances as specified in Attachment No. 7 of this regulation.

B. ASSISTANCE IN THE FORM OF DIRECT PAYMENTS TO VENDORS FOR MEDICAL CARE (VENDORS OF NURSING HOME CARE ONLY)

1. Vendor Payments for Nursing Home Care Authorized and Required

Effective with assistance payments for Old Age or Disability Assistance issued on and after July 29, 1957, the county welfare boards are authorized and required to pay assistance, in the form of direct payments to vendors, only with respect to medical care in the form of nursing home care, and within the limitations and conditions herein defined and established.

2. Definition of Nursing Home Care

Nursing home care, for purposes of vendor payments, is limited to patient care (as otherwise defined, standardized, and regulated under County Series No. 3, Ruling No. 17, Chapter 300 of Categorical Assistance Budget Manual, and Part A of this Supplement), when such care is purchased by the client, under authorized circumstances and within authorized allowable rates, in

Proprietary nursing homes licensed in New Jersey;

Licensed infirmary sections of non-profit and charitable institutions in New Jersey authorized under Ruling #17;

Public medical institutions in New Jersey (or sections thereof) certified for chronic nursing care.

3. Identification of Components in Nursing Home Care

The assistance allowance(s) otherwise authorized with respect to any client's obligation to one of the nursing home care facilities cited above, is hereby defined as consisting of:

a. A non-medical component, which is that portion of the allowance(s) relating to board, lodging and personal care and services other than nursing care and medical care professionally administered or supervised; and which is hereby established as the first $80 of the patient's obligation to the institution for any given month.

b. A medical-care component, which is that portion of the allowance(s) relating to goods, services and facilities provided to or for the patient by the institution, which are not included in 3,a, and which are essential elements of the medical and nursing care required by the patient. Such compondent includes all authorized allowance(s), with respect to the patient's obligation to the institution for any given month, which are in excess of the first $80 of such obligation.

4. Vendor Payments Limited to Budget Deficit in Medical-Care Component

Assistance payments in the form of direct payment to the vendor-institution, shall be made only with respect to the medical-care component, and only with respect to that portion of the medical-care compondnt which is in excess of the client's non-assistance income.

5. Determination of Money-Payment and Vendor-Payment

All authorized assistance allowances to the client for budgetary items other than the client's obligation to the institution, and in addition the first $80 of the client's obligation to the institution, shall be included in computing the amount of the "money-payment" portion of the client's assistance grant for any given month. The money-payment" portion means the amount paid in the form of a check drawn to the order of the client, or his legal guardian, or his authorized custodian (but any amount paid to an authorized custodian is not claimable for Federal "money-payment" matching).

The distribution of the total monthly grant as between money-payment portion and vendor-payment portion will be determined by the use of Form ODA-4s and instructions. [See Ruling #12, Accounting Manual, page III-8c revised July 1957]

6. Authorization and Payments

Form ODA-4s will constitute authorization for the vendor-payment, if any, in each case.

The disbursement of the authorized vendor payment(s) to a single vendor may be accomplished by any one of the following methods, at the discretion of the agency:

a. By drawing a separate check for the vendor-payment portion of each case; in such event the name and registration number of the particular client shall appear on the check for identification purposes;

b. By drawing a single check for the total vendor-payment portions of all Old Age Assistance cases in any one institution, and a single check for the total vendor-payment portions of all Disability Assistance cases in any one institution, or a single check for the total vendor-payment portions of all Old Age Assistance and Disability Assistance cases combined in any one institution; in such event each composite check transmitted to the institution shall be accompanied by an informational schedule identifying the clients with respect to whom the vendor-payment is being made and the amount of vendor-payment for each.

7. Accounting Procedures

Refer to Ruling #12, Accounting Manual, as revised July 1957.

DEPARTMENT OF INSTITUTIONS AND AGENCIES

Irving Engelman

Irving Engelman, Chief
Bureau of Assistance

IE-MEC

Approved
Elmer V. Andrews, Director
Division of Welfare

Insert in County Series No. 3
Destroy Attachment No. 10 issued 7/1/56