

**CHAPTER 86**

**MEDICAL DAY CARE SERVICES**

**Authority**

N.J.S.A. 30:4D-6b(12), (17), 7, 7a, 7b and 7c; 4D-12; Reorganization Plan 001-1996; 42 U.S.C. § 1396a; 42 CFR § 440.90.

**Source and Effective Date**

R.2001 d.5, effective November 30, 2000.  
See: 32 N.J.R. 3053(a), 33 N.J.R. 55(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 86, Medical Day Care Services, expires on November 30, 2005.

**Chapter Historical Note**

Chapter 86, Medical Day Care Services, originally codified in Title 10 as Chapter 65, Intermediate Care Standards. Chapter 65 was adopted as R.1973 d.132, effective July 1, 1973. See: 5 N.J.R. 10(a), 5 N.J.R. 190(a).

Chapter 65, Intermediate Care Standards, was repealed by R.1979 d.126, effective March 29, 1979. See: 10 N.J.R. 190(b), 11 N.J.R. 248(b).

Chapter 65, Medical Day Care Services Manual, was adopted as new rules by R.1979 d.325, effective August 16, 1979. See: 11 N.J.R. 280(a), 11 N.J.R. 448(e).

Pursuant to Executive Order No. 66(1978), Subchapter 1, General Provision, was readopted as R.1984 d.332, effective July 23, 1984. See: 16 N.J.R. 1443(a), 16 N.J.R. 2131(a).

Pursuant to Executive Order No. 66(1978), Subchapter 2, HCPCS Codes, was readopted as R.1984 d.508, effective November 15, 1984. See: 16 N.J.R. 2336(a), 16 N.J.R. 3031(b).

Pursuant to Executive Order No. 66(1978), Chapter 65, Medical Day Care Manual, was readopted as R.1989 d.504, effective August 25, 1989. See: 21 N.J.R. 1794(a), 21 N.J.R. 3005(a).

Chapter 65, Medical Day Care Manual, was repealed and Chapter 65, Medical Day Care Services Manual, was adopted as new rules by R.1991 d.87, effective February 19, 1991, operative March 1, 1991. See: 22 N.J.R. 3327(b), 23 N.J.R. 448(a).

Pursuant to Executive Order No. 66(1978), Chapter 65, Medical Day Care Services Manual, was readopted as R.1996 d.6, effective November 30, 1995. See: 27 N.J.R. 3540(a), 28 N.J.R. 184(b).

Pursuant to Executive Order No. 66(1978), Chapter 65, Medical Day Care Services, was readopted as R.2001 d.5, effective November 30, 2000, and Chapter 65 was recodified as N.J.A.C. 8:86 by R.2001 d.5, effective January 2, 2001. See: Source and Effective Date. See, also, section annotations.

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**SUBCHAPTER 1. GENERAL PROVISIONS**

**8:86-1.1 Purpose and scope**

(a) The Medical Day Care Program is concerned with the fulfillment of the health needs of Medicaid recipients and/or those who are served under the Division's Home Care Expansion Program and who could benefit from a health services alternative to total institutionalization. Medical day care is a program of medically supervised, health related services provided in an ambulatory care setting to persons who are non-residents of the facility, and who, due to their physical and/or mental impairment, need health maintenance and restorative services supportive to their community living. Pediatric medical day care services are available only for technology-dependent and/or medically unstable children who require continuous, rather than part-time or intermittent, care of a licensed practical or registered professional nurse in a developmentally appropriate environment.

(b) In order to be eligible for services through the Medical Day Care Program, an individual must be eligible for one of the following: community Medicaid, New Jersey Care . . . Special Medicaid Programs (including the medically needy segment), certain home care programs including Community Care Program for the Elderly and Disabled (CCPED), Model Waivers, the AIDS Community Care Alternatives Program (ACCAP), the Traumatic Brain Injury Program, or the ABC Program for medically fragile children. Persons enrolled in the Home Care Expansion Program are likewise eligible for medical day care services.

Amended by R.1994 d.427, effective August 15, 1994.  
See: 26 N.J.R. 1427(a), 26 N.J.R. 3474(a).

**8:86-1.2 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Administration—medical day care center” means an identifiable administrative unit within the medical day care center headed by a Director/Administrator, responsible for the overall conduct of all day care program activities.

“Division” means the Division of Medical Assistance and Health Services within the New Jersey Department of Human Services.

“Medicaid District Office” means one of the Division’s county-based offices located throughout the State administering the New Jersey Medicaid Program. See MDO Directory at the end of N.J.A.C. 10:49, Administration.

“Medical day care center” means an identifiable part of a nursing facility, or a hospital affiliated facility, or a free-standing ambulatory care facility, or such other facility which is licensed by the New Jersey State Department of Health and Senior Services in accordance with its Manual for Standards for Licensure of Adult Day Health Care Facilities, N.J.A.C. 8:43F-2, which possesses a valid and current provider agreement from the Division and which provides services as described at N.J.A.C. 8:86-1.4.

1. “Pediatric medical day care center” means a medical day care center which additionally conforms to N.J.A.C. 10:122 (Department of Human Services, Division of Youth and Family Services) Manual of Requirements for Child Care Centers.

“Prior authorization” means the approval process by the Medicaid District Office prior to the provision of services. In the context of medical day care, prior authorization shall only be used as outlined in N.J.A.C. 8:86-1.3(c)1 or upon Division discretion with new medical day care centers.

“Volunteer” means a person who gives his or her time and services regularly without remuneration.

Amended by R.1994 d.427, effective August 15, 1994.

See: 26 N.J.R. 1427(a), 26 N.J.R. 3474(a).

Amended by R.2001 d.5, effective January 2, 2001.

See: 32 N.J.R. 3053(a), 33 N.J.R. 55(a).

In “Medical day care center” and “Prior authorization”, amended N.J.A.C. reference.

**8:86-1.3 Program participation**

(a) A medical day care center operated by a public or private agency or organization, either proprietary or non-profit, or a subdivision of such an agency or organization, shall meet the following requirements in order to participate in the New Jersey Medicaid Program and the Home Care Expansion Program:

1. Licensure and approval by the New Jersey State Department of Health and Senior Services in accordance with the Manual of Standards for Licensure of Adult Day Health Care Facilities of the New Jersey State Department of Health and Senior Services, (N.J.A.C. 8:43F-2);

2. Approval as a medical day care center provider by the Division. This includes, at a minimum, the completion of the New Jersey Medicaid Provider Application FD-20 (Appendix A, incorporated herein by reference), the Participation Agreement FD-218 (Appendix B, incorporated herein by reference), and a written narrative Statement on the Proposed Medical Day Care Center (Appendix C, incorporated herein by reference). Ongoing participation as a Division provider is contingent upon continued approval by the Division of Medical Assistance and Health Services;

3. Completion, on a quarterly basis of a Medical Day Care Participant Profile, FD-321, (Appendix E, incorporated herein by reference) and a Quarterly Discharge Form, FD-322, (Appendix F, incorporated herein by reference) on each recipient who attends medical day care for five or more days during the quarter;

4. Preparation of a cost study, annually detailing expenditures of the medical day care center. Medical day care center costs shall be segregated from other operational costs. (Division reimbursement rates may be based on cost study information or on a percentage of nursing facility per diem rates.)

i. All direct and indirect costs associated with hospital affiliated medical day care centers shall be reported separately by the hospital on New Jersey State Department of Health and Senior Services cost findings for payment purposes and shall not be considered an allowable cost under the Diagnosis Related Group (DRG) program.

(b) The Division shall conduct an on-going evaluation of the center’s Day Care Program by on-site visits to the medical day care center. A Medical Day Care On-Site Report MCNH-89 (Appendix D, incorporated herein by reference) shall be completed by Division staff and a copy shall be forwarded to the center.

(c) Division staff may request a plan of correction if the center is evaluated as providing sub-standard services and/or inadequate documentation of these services. The plan of correction shall address deficiencies noted by Division staff, and shall be submitted to the Division by the center by the requested date.

1. If a follow-up on-site visit reveals that the plan of correction is not being implemented, a ban on new admissions to the center or other such action as the Division deems necessary may be considered. For example, prior authorization of services may be imposed. Continued non-compliance with the Division’s standards may result in the termination of the provider agreement, with a 30-day notice of termination sent to the facility by the Division. Providers wishing to request hearings under this section are referred to N.J.A.C. 10:49-10 and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.