



**PHILIP D. MURPHY**  
Governor

**TAHESHA L. WAY**  
Lt. Governor

**State of New Jersey**  
**DEPARTMENT OF HUMAN SERVICES**

Division of Aging Services  
P.O. Box 807  
Trenton, N.J. 08625-0807

**SARAH ADELMAN**  
Commissioner

**LOUISE RUSH**  
Asst. Commissioner

March 25, 2025

Arti Kakkar, Director  
Passaic County Department of Human Services  
401 Grand Street  
Room 506  
Paterson, NJ 07505

Dear Arti Kakkar:

On behalf of the Department of Human Services (DHS), I am writing to inform you of the continuation of the Medicaid Peer Grouping Reimbursement System for county-operated long-term care facilities for calendar year 2025.

The State is continuing the policy set forth in the State Fiscal Year (SFY) 2015 Appropriations Act that Medicaid beneficiaries who reside in a nursing facility (NF) prior to July 1, 2014, will continue to be paid in the Medicaid fee for service (FFS) environment. Due to this policy, county NFs will continue to receive Peer Grouping reimbursement for these residents for the duration of their stay in the county NF—meaning until the individual either expires, moves to another NF or moves into the community.

A Medicaid beneficiary who was admitted into a county NF after June 30, 2014, is required to be part of Managed Long-Term Services and Supports (MLTSS) and NJ FamilyCare, and is not part of the Peer Grouping Reimbursement System. For a NJ FamilyCare beneficiary admitted after June 30, 2014, the "CARE" rate (Class I) that the county NF would be paid if it were a private NF is the Managed Care Organization's (MCO) default rate. While a MCO and county NF may negotiate any rate, if no negotiated rate exists, the MCOs will pay the established default rate using the calculation as set forth in the SFY 2025 Appropriations Act.

Based on estimates prepared by the DHS, Passaic County can anticipate that \$297,280.00 in increased revenue (net of the 50 percent match provided by the county) will be generated by the Peer Grouping System during calendar year 2025. There may be some variation between this estimate and actual claims submitted by Passaic County to the Medicaid fiscal agent, Gainwell Technologies.

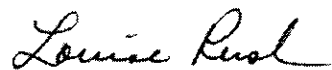
As required under law, these figures have been reported directly to the Division of Local Government Services in the Department of Community Affairs. Pursuant to N.J.S.A. 30:4D-7t, which delineates the requirements of the Peer Grouping Reimbursement System, counties are required to use a minimum of 10 percent and maximum of 50 percent of the savings in county expenditures. The requirement results from the increased federal reimbursement for community-based social and health related programs for elderly and disabled persons who may otherwise require nursing home care. Please submit a service allocation and spending plan for 2025 to meet this requirement. The plan should be done in consultation with your county Area Agency on Aging/Aging & Disability Resource Connection (AAA/ADRC) and the advice of agencies providing social and health-related services in your county. Specific guidelines, instructions, and the format for preparing the plan are enclosed. Upon request, the DHS can forward a blank allocation plan and expenditure report forms.

The 2025 service allocation and spending plan, completed 2024 annual expenditure report, and cover letter should be sent via email to Caitlin Guenther (formerly Ferrari) in the Office of Area Agency on Aging Administration. The deadline for submission is no later than April 25, 2025. The Division will review the documents for compliance with the statutory requirements and you will be notified if the plan is approved or requires further action.

Caitlin Guenther is available to answer questions or provide technical assistance and can be reached by email at [Caitlin.Ferrari@dhs.nj.gov](mailto:Caitlin.Ferrari@dhs.nj.gov).

Thank you for your support.

Sincerely,

A handwritten signature in cursive script that reads "Louise Rush".

Louise Rush  
Assistant Commissioner

AM/cg  
Enclosures

Cc: Shirley Force, Executive Director, Passaic County Area Agency on Aging

## Estimated 2025 Governmental Peer Grouping Revenue

COUNTY	NET REVENUES
Atlantic	\$43,647
Bergen	\$543,938
Gloucester	\$34,124
Middlesex	\$206,284
Passaic	\$297,280
Total	\$1,125,273



Department of Human Services  
Division of Aging Services



2025  
Estimated Governmental  
Peer Grouping  
Revenue  
  
Guidelines & Instructions

## **2025 GOVERNMENTAL PEER GROUPING FUNDS**

### **Background**

The Governmental PEER Grouping System was adopted, in large part, as a means of providing a stable, predictable financial base for a home and community based long-term care system. The statute establishing the PEER Grouping System of Medicaid reimbursement to county-operated long-term care facilities requires each of the participating counties to annually commit a portion of its net increased revenues to expansion of home and community based services for frail elderly people and people with disabilities who might otherwise require nursing home care.

The governing body of each county entitled to receive increased federal reimbursement under the provisions of this amendatory act shall, by March 31 of each year, submit a report to the commissioner on the intended use of the savings in county expenditures which result from the increased federal reimbursement. The governing body of each county, with the advice of agencies providing social and health related services, shall use not less than 10% and no more than 50% of the savings in county expenditures which result from the increased federal reimbursement for community-based social and health related programs for elderly and disabled persons who may otherwise require nursing home care. N.J.S.A. 30:4D-7.t(3).

### **2025 Peer Grouping Estimated Net Increased Revenue Package Includes:**

- Governmental PEER Grouping System Continuation Letter
- 2025 Estimated Governmental PEER Grouping Revenue Figures – Statewide by County
- Guidelines for Services and Step-by-Step Instructions:
  - Eligible Populations and Home and Community Based Services Descriptions
  - Submission Instructions
  - Review and Approval Process
- Blank 2024 PEER Grouping Expenditure Report Form
- Blank 2025 PEER Grouping Spending and Allocation Plan Form

### **Guidelines**

The portion of the estimated increased revenue allocation for nursing home prevention services **must be at least ten percent (10%) and not more than fifty percent (50%) of the total net increased revenues.**

### **Non-Substitution of Funding**

PEER Grouping funds **must not** supplant, replace, or "free up" other funding sources for existing programs and services.

### **Eligible Expenditures**

PEER Grouping funds must be used for one of the following:

- Expansion of existing nursing home prevention services for elderly and disabled adults, and/or
  - New nursing home prevention services for elderly and disabled adults
- Continuation of services for additional clientele previously funded by PEER grouping is permitted: only if the service is deemed a priority by the county's Human Services Advisory Council, and the amount dedicated to nursing home prevention services to elderly and disabled persons meets the statutory minimum (10%).

### **Eligible Home and Community Based Nursing Home Preventive Services for Seniors and Disabled Adults** (See full descriptions of eligible services p. 6-7)

- Alternative Living Arrangements (i.e., Independent Living, Alternate Family Care, or other residential services)
- Case/Care Management – only when employed specifically to avoid/delay nursing home placement.
- Adult Day Care
- Companionship
- Home Care Services
- Home Delivered Meals
- Home Health Care
- Homemaker Assistance
- Hospice
- Medical Supplies and Pharmaceutical Services
- Medical Transportation
- Personal Care
- Respite Care

### **Eligible Populations**

Any services provided to the following populations are not considered nursing home preventive for purposes of this plan:

- Children
- Alcohol and other substance abusers under the age of 60
- Persons with mental illness
- Persons with intellectual disability
- Caregivers of any of these populations

**Request for Proposal and contracting**

The Division recommends that a formal request-for-proposal process be utilized in selecting provider agencies the county; however, the county may use whatever method it deems appropriate for selecting providers. Funds made available through the PEER Grouping System are county funds and therefore should be disbursed in accordance with the county's standard operating procedures with input from the county's AAA Executive Director.

**Directions for Completing the Process****Cover Letter**

A cover letter assuring both of the following scenarios must accompany documents submitted to the NJ Department of Human Services (NJ DHS): (1) 2025 Governmental PEER Grouping funds will not supplant other funds; and (2) 2025 Spending and Allocation plan was developed with county Area Agency on Aging staff participation as well as other agencies providing social and health related services for elderly and disabled persons.

**Completing Forms**

Follow instructions and use definitions to prepare the 2024 Expenditure Report and 2025 Spending & Allocation Plan. Obtain required signatures and provide all information requested in spaces provided. Unsigned, incomplete and draft documents will be returned.

At the top of the 2024 Expenditure Report form, enter the county's total 2024 estimated net increased revenue figure provided by NJ DHS. Enter 10% of the total (minimum 2024 PEER funds the county should have spent on eligible populations/services).

At the top of the 2025 Service Allocation and Spending Plan form, enter the county's total 2025 estimated net increased revenue figure provided by NJ DHS. Enter 10% of the total (minimum 2025 PEER funds that must be spent on eligible populations/services).

**Description of Required Data****Service Description**

Describe each home and community-based service provided by each agency. Please note that Operation Sail is a program title, not a service description. Service descriptions are on pages 7-8.

**Service Category**

A renewed service is the continuation of services previously provided with PEER Grouping funds.

Expanded services are added to existing services.

New service has not been previously funded with PEER Grouping funds.

**Provider Agency, Address, and Contact Information**

Enter agency, address and the name, title, email address, and telephone number of the contact person for each agency. If provider is not yet known, please indicate "To Be Determined (TBD)" and attached a page to the form describing how the provider will be selected. Please note that at the time of the county's selection of the provider, revised forms must be submitted to DHS.

### **Nursing Home Prevention**

If the express intent of the service is preventing or delaying nursing home admission, indicate (Y) in the "Yes" column. If the service is not one of the eligible services listed or is being provided to an ineligible population, indicate (N) in the "No" column and also indicate if the service was established as a priority by the county. If so, provide written justification on an attached page.

### **Number of Unduplicated Individuals**

In the column under "Elderly," indicate the number of unduplicated persons 60 years of age and over being serviced. For services to another population type, enter the unduplicated count and a description of the clientele in the column "Other." (For example, Physically Disabled adults 18+).

### **Units of Service**

- a. Define the standard unit of service, such as hour, meal, or trip.
- b. Enter the number of units for elderly persons and other populations for each service. Describe any "other" population. (For example, Physically Disabled adults 18+).  
If no standard unit of service is applicable, enter the unduplicated number of persons who were or will be served and explain on an attached page.

### **Cost Per Unit**

On expenditure report, enter the final cost per service unit. On Spending and Allocation Plan, enter the estimated cost per unit for each service for each population based on best attainable information.

### **Peer Grouping Funds Allocations**

- a. In column "Budgeted Allocation", enter only the amount budgeted from PEER grouping revenues allocated to each provider agency for each service during the reporting year.
- b. In column "% of Total County Peer Funds Allocated", divide the PEER Grouping budgeted allocation for each service by the total county PEER Funds allocated (see top of page). If more than one population is being served, then specify amounts or percentage for each population.

### **Reporting Year Totals**

- a. Add only the total of all PEER Grouping funds in chart allocated for nursing home prevention programs for eligible populations.
- b. Enter percentage of total PEER Grouping funds allocated to the county.

### **Peer Grouping Funds Expenditures (2024 Expenditure Report)**

- a. Record the actual PEER Grouping funds expended for each service in 2024.
- b. Enter the percentage of total county PEER funds spent on each service.  
If the 2024 Expenditure Report includes information that was not on the approved 2024 Spending and Allocation Plan submitted last year, provide written justification for the variance.
- c. If the county manages PEER Grouping funds on an accrual basis, indicate the balance as of the end of the calendar year. If not managed on an accrual basis, enter N/A (this section is located bottom right).



## Signatures

**Preparer:** Enter Contact Information, sign and date.

**Area Agency on Aging Executive Director Signature:** County Area Agency on Aging Executive Director's signature confirms his/her participation in the planning process for use of PEER Grouping fund allocations. Sign and date.

**County Governing Body Statement of Assurances and Signature:** The signature of the county governing body assures that (1) the information submitted on the document is accurate and readily accessible supporting documentation is available for each entry; (2) the county Area Agency on Aging staff was involved in the planning of PEER Grouping funded services and programs for elderly and disabled persons at risk of nursing home placement; and (3) all expenditures drawn from PEER Grouping funds comply with any and all policy requirements and guidelines issued by the Division. Print name, sign and date.

## Submission Instructions:

The 2024 PEER Grouping Expenditure Report, 2025 PEER Grouping Service Allocation and Spending Plan, and cover letter must be completed as specified and submitted via email, with all required signatures, no later than **April 25, 2025**. Email the submissions to Caitlin Guenther (formerly Ferrari) at [Caitlin.Ferrari@dhs.nj.gov](mailto:Caitlin.Ferrari@dhs.nj.gov). For questions, contact Caitlin via email.

Please note that digital or original signatures are acceptable. The submission of drafts, the omission of cover letter requirements, and/or missing signatures on forms will result in documents returned to the county and a delay of the approval process. The county governing body will be notified of the Division's final acceptance of plans.

## HOME & COMMUNITY-BASED NURSING HOME PREVENTATIVE SERVICES ELIGIBLE FOR PEER GROUPING FUNDING

The following describe services that comply with the PEER Grouping Federal mandate - home and community based nursing home preventative services for older adults age 60+ and disabled adults at risk of nursing home placement:

- SERVICE:** **CASE/CARE MANAGEMENT ONLY** when specifically, to avoid/delay nursing home placement.  
**UNIT:** 1/2 hour  
**DEFINITION:** Development of a sound care plan for arranging and coordinating delivery of multiple services when specifically employed to avoid or delay nursing home placement.
- SERVICE:** **MEDICAL TRANSPORTATION**  
**UNIT:** One-way trip (location to location)  
**DEFINITION:** Provides an individualized linkage for elderly person and functionally impaired adults to enable them to utilize medical services/medical facilities, which they are unable to access due to transportation and/or health barriers to avoid or delay nursing home placement.
- SERVICE:** **FRIENDLY VISITING**  
**UNIT:** Each visit  
**DEFINITION:** An organized service that provides regular visits to socially and/or geographically isolated older individuals for purposes of providing companionship and social contact for those at risk of nursing home placement.
- SERVICE:** **HOUSEKEEPING**  
**UNIT:** Each hour  
**DEFINITION:** A service provided for routine basic upkeep and management of homes, for the purpose of enabling older persons at risk of nursing home placement to maintain themselves in their place of residence by removing housekeeping barriers.
- SERVICE:** **CERTIFIED HOME HEALTH AIDE**  
**UNIT:** Each hour  
**DEFINITION:** General support by certified and professionally supervised home health aides provided in homes of older individuals and disabled adults at risk of nursing home placement to enable them to maintain, strengthen, and safeguard their functioning to remain in their residence.
- SERVICE:** **VISITING NURSE**  
**UNIT:** Each visit  
**DEFINITION:** Services designed to maintain older persons and adults with disabilities in their own residences or community-based settings by providing skilled nursing services, thereby avoiding or deterring the need for hospitalization or nursing home placement.
- SERVICE:** **RESPIRE CARE**  
**UNIT:** Each hour  
**DEFINITION:** Short term or intermittent care provided to older persons and disabled adults at risk of nursing home placement either in their homes or in other appropriate facilities, because of the absence or the need for relief of those persons normally providing care.
- SERVICE:** **HOSPICE CARE**  
**UNIT:** Each hour  
**DEFINITION:** Community-based care by an organized team who provide symptom management, pain relief, and supportive services to terminally ill older persons and adults with disabilities.
- SERVICE:** **EMERGENCY**

- UNIT:** Each contact  
**DEFINITION:** Services designed to provide assistance to an older person or adult with disabilities at risk of nursing home placement in those situations where an emergency exists and it is not possible to obtain immediate aid through existing social service agencies.
- SERVICE:** **ALTERNATE LIVING ARRANGEMENTS-INDEPENDENT LIVING, HOMESHARING/MATCHING, and OTHER RESIDENTIAL SERVICES**  
**UNIT:** Each contact  
**DEFINITION:** Living arrangement in which two or more unrelated older persons and adults with disabilities at risk of nursing home placement, share common areas of a home but have private sleeping space. Includes Independent Living, Alternate Family Care, or other residential services.
- SERVICE:** **MEDICAL SUPPLIES and PHARMACEUTICAL SERVICES**  
**UNIT:** Each Contact  
**DEFINITION:** Medical supplies, tools, materials and pharmaceutical services needed by older persons and adults with disabilities in their own residences or community-based settings who are at risk of nursing home placement. Includes for example, home delivered medications, wound care supplies, walker, cane, wheelchair, personal emergency response system, medicine administration reminders, and incontinence products.
- SERVICE:** **ADULT DAY SERVICES - SOCIAL**  
**UNIT:** Each hour  
**DEFINITION:** A structured program for older adults and adults with disabilities at risk of nursing home placement who require care and supervision in a protective setting for a portion of a 24 hour day, with emphasis on social and recreational activities in a group setting.
- SERVICE:** **ADULT DAY SERVICES - MEDICAL**  
**UNIT:** Each hour  
**DEFINITION:** A structured program for adults at risk of nursing home placement who require care and supervision in a protective setting for a portion of a 24 hour day, with emphasis on physically or cognitively impaired older adults.
- SERVICE:** **PERSONAL CARE**  
**UNIT:** Each hour  
**DEFINITION:** Personal assistance, stand-by assistance, supervision or cues for older persons or adults with disabilities at risk of nursing home placement having difficulties with one or more of the following activities of daily living: eating, dressing, bathing and toileting.
- SERVICE:** **WANDER SAFETY SYSTEM**  
**UNIT:** Each contact  
**DEFINITION:** A radio wave, global positioning or similar type of remote tracking system to assist individuals with Alzheimer's and related dementias at risk for nursing home placement due to wandering. This service is designed to protect at-risk individuals who wear a system-tracking device so that they may be located promptly in the event that they wander out of the home or away from the caregiver.
- SERVICE:** **HOME DELIVERED MEALS**  
**UNIT:** Each meal  
**DEFINITION:** A service that provides nutritionally adequate meals, which assure, at a minimum, one-third of the Recommended Dietary Allowance (RDA) for older persons and adults with disabilities at risk of nursing home placement in their places of residence.