

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

January 26, 2023

Jennifer Langer Jacobs
Director, Department of Human Services
Division of Medical Assistance and Health Services
P.O. Box 712
Trenton, NJ 08625-0712

Dear Ms. Jacobs:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved a temporary extension of the state's section 1115 demonstration, entitled "New Jersey FamilyCare Comprehensive Demonstration" (Project Numbers: 11-W-00279/2 and 21-W-00068/2), in order to allow the state and CMS to continue negotiations over the state's demonstration application submitted on February 28, 2022. This demonstration will now expire March 31, 2023.

CMS's approval is conditioned upon the state's continued compliance with the special terms and conditions (STC) defining the nature, character, and extent of anticipated federal involvement in the project. The current STCs, waivers, and prorated expenditure authorities will continue to apply during the temporary extension of this demonstration. The state's current budget neutrality agreement and per member per month amounts (as of Demonstration Year 10) will continue to apply as described in the STCs, until March 31, 2023, or until the demonstration is extended, whichever is sooner. The state will not earn budget neutrality savings during this temporary extension period.

For this temporary extension period, the state must continue to monitor its demonstration as stipulated in the current STCs. In addition, the state is required to include the temporary extension period in its demonstration's evaluation. As indicated in the previous temporary extensions approved on June 7, 2022 and November 28, 2022, the state may include this and the prior temporary extension periods within its summative evaluation for the demonstration approval period from August 1, 2017 through June 30, 2022. In this case, the Summative Evaluation Report is due 18 months after the end of this new temporary extension period. Alternatively, if CMS approves an extension beyond March 31, 2023, the state may include this and the prior temporary extension periods in the Evaluation Design and activities of the next full demonstration approval period. In this case, the Summative Evaluation Report for the initial demonstration approval period from August 1, 2017 through June 30, 2022 will still be due to CMS no later than December 31, 2023 and will be developed in alignment with the Evaluation Designs approved on January 30, 2020 and October 1, 2019. In the event that the state does not

obtain an extension beyond March 31, 2023, the state must include the temporary extension periods in its Summative Evaluation Report.

CMS and New Jersey are jointly committed to finalizing the state's demonstration extension by March 31, 2023, including approval of waiver, expenditure and STC authorities necessary to achieve our shared goals.

Your CMS project officer for this demonstration is Lieutenant Jack Nocito. He is available to answer any questions concerning your section 1115 demonstration. LT Nocito can be reached at Jack.Nocito@cms.hhs.gov. If you have questions regarding this communication, please contact me at (410) 786-9686.

Sincerely,

Mehreen H. Rashid
Acting Director

cc: Terri Fraser, State Monitoring Lead, Medicaid and CHIP Operations Group