

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850



July 27, 2017

Meghan Davey
Director
State of New Jersey,
Department of Human Services
Division of Medical Assistance and Health Services
7 Quakerbridge Plaza, PO Box 712
Trenton, NJ 08625-0712

Dear Ms. Davey:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has granted your request to extend New Jersey's section 1115(a) demonstration (11-W00279/2) entitled "NJ FamilyCare Comprehensive Demonstration." Approval of this extension is under the authority of section 1115(a) of the Social Security Act, and is effective from August 1, 2017 through June 30, 2022.

During the extension period, New Jersey will continue and improve existing demonstration programs that increase options for those who need long term care by enhancing access to home and community based services (HCBS), simplifying eligibility for long-term care and supports, and transforming the state's behavioral health system for adults. Specifically, the state will continue the Managed Long Term Services and Supports (MLTSS) program, Supports Program, Autism Spectrum Disorder Program and the Intellectual Developmental Disability Programs. In addition, the state will enhance existing targeted HCBS programs provided to children with behavioral health challenges and intellectual and developmental disabilities.

With this approval, New Jersey is also clarifying the level of care requirements for children seeking MTLSS. The new definition will allow the state to serve these children in the most appropriate setting. The state will grandfather those children currently enrolled in the MLTSS program who do not meet the new level of care definition as long as they continue to meet other eligibility requirements for the program. The adult level of care criteria will remain the same.

The state will convert the Children with Serious Emotional Disturbance (SED) and Intellectual/Developmental Disabilities with Co-Occurring Mental Health Diagnosis (ID-DD/MI) pilot programs, authorized under the existing demonstration, into the Children's Support Services Program (CSSP). The CSSP will expand services to additional youth that are not otherwise eligible for Medicaid due to individual or parental income, and provide additional benefits that are not currently authorized under the state plan.

This approval will also allow New Jersey to transition the Community Care 1915(c) Waiver to 1115(a) authority. Authority for this program will begin under this demonstration once the state has terminated the 1915(c).

The Delivery System Reform Incentive Payment (DSRIP) program will continue for the first three years of the renewal period at level funding. During this time, CMS will work with New Jersey on its plans to phase out the DSRIP program and transition to an alternative payment mechanism, by June 30, 2020. In addition, the state will enhance the current DSRIP program by creating more accountability and improving quality associated metrics. DSRIP program funding is intended to be time-limited. Therefore, CMS will not authorize any further extensions.

CMS continues to work with New Jersey on its requests for authority for the Substance Use Disorder (SUD) Continuum program and the Adult Intellectual Developmental Disability program. Once the program details are finalized, the state will not be required to submit an amendment to add these programs to the Special Terms and Conditions (STCs). We look forward to our continued partnership on these requests.

CMS approval of this NJ FamilyCare Comprehensive demonstration extension is conditioned on continued compliance with the enclosed set of Special Terms and Conditions (STCs) defining the nature, character, and extent of anticipated federal involvement in the project. The award is subject to your written acknowledgement of the award and acceptance of the STCs within 30 days of the date of this letter.

Your project officer for this demonstration is Ms. Sandra Phelps. She is available to answer any questions concerning your section 1115 demonstration. Ms. Phelps' contact information is:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop: S2-03-06
7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-1968
Facsimile: (410) 786-5882
E-mail: Sandra.Phelps@cms.hhs.gov

Official communication regarding official matters should be simultaneously sent to Ms. Phelps and Mr. Michael Melendez, Associate Regional Administrator for the Division of Medicaid and Children's Health in our New York Regional Office. Mr. Melendez's contact information is as follows:

Mr. Michael Melendez
Associate Regional Administrator
Centers for Medicare & Medicaid Services
Jacob K. Javits Federal Building
26 Federal Plaza – Room 3835
New York, NY 10278

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Telephone: (212) 616-2430

E-mail: Michael.Melendez@cms.hhs.gov

If you have any questions regarding this approval, please contact Ms. Judith Cash, Acting Director, State Demonstrations Group, Centers for Medicaid & CHIP Services at (410) 786-9686.

Sincerely,

/s/

Brian Neale, Director
Center for Medicaid and CHIP Services

cc: Michael Melendez, Associate Regional Administrator