Memorandum

TO: Mental Health Providers Transitioning to Fee-For-Service on July 1, 2017

FROM: Morris Friedman, CFO Division of Mental Health and Addiction Services

DATE: May 25, 2017

SUBJECT: Fee-for-Service Cash Advance Documents

The Division of Mental Health and Addiction Services is pleased to announce implementation of its Fee-for-Service (FFS) Cash Advance Program for providers transitioning to FFS on July 1, 2017. This program is designed to assist providers that are transitioning from a cost-reimbursement contract to fee-for-service payment with potential cash flow challenges during the initial months of the transition. The enclosed Cash Advance Agreement document includes the amount of the cash advance, repayment requirements and procedures to request a cash advance. The New Jersey Mental Health Application for Provider Payment (NJMHAPP) system is anticipated to be operational by July 11, 2017.

Under the Cash Advance Program qualified providers will receive a two-month cash advance based on the monthly limits developed in each provider’s Fee-For-Service (FFS) annual award contract. Providers will pay back the two-month cash advance granted under the FFS Cash Advance Program in ten equal installments over a ten month period beginning September 30, 2017.

Providers wishing to accept the two-month cash advance must complete the attached Fee-for-Service Cash Advance Agreement and Cash Advance Amount and Repayment documents.

These documents must be submitted to the following address by June 9, 2017 in order to be considered for a cash advance:

ATTN: John Fogliano
Department of Human Services
Division of Mental Health and Addiction Services
Office of Fiscal & Management Operations
222 South Warren Street, 5th Floor
P.O. Box 700
Trenton, NJ 08625

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If you require further guidance in completing the documents or have questions regarding the FFS Cash Advance Program, please contact John Fogliano at (609) 984-3210.

Thank you for your continuing cooperation and understanding as we move forward with the transition to fee-for-service.

VLM:pjt
Enclosure

c:    Renee Burawski
       Beverly Bradley
       Christopher Bailey
       Eric Kaufmann
       Roxanne Kennedy
       John Fogliano