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

Children and Adults Health Programs Group

May 6, 2014

Ms. Valerie Harr
Director
Division of Medical Assistance and Health Services
P.O. Box 712
Trenton, NJ 08625-0712

Dear Ms. Harr:

We are writing to share the final results of the Centers for Medicare & Medicaid Services (CMS) review of Hospital DSRIP Plans that were approved by the state and submitted to CMS as part of the state's Delivery System Reform Incentive Payment (DSRIP) program, authorized under the New Jersey Comprehensive Waiver section 1115 demonstration. As you know, on April 8, 2014, CMS approved 49 of the 55 projects that were submitted to CMS between December 13, 2013, and March 2, 2014. Six hospitals were given the opportunity to revise and resubmit their plans, addressing specific concerns raised during the CMS review.

We are pleased to convey that all six remaining hospitals have resubmitted acceptable plans and are now approved. New Jersey may begin claiming federal financial participation for DSRIP payments to these hospitals in accordance with the demonstration's Special Terms and Conditions upon receipt of this letter.

All six hospital plans are approved on the condition that New Jersey continue to work with the hospitals to improve their plans in specific areas, and to require them to include a report on how they addressed these areas as part of their Demonstration Year 4 Annual DSRIP Application Renewal. This will allow information on how the hospitals addressed these concerns to be incorporated into the mid-point assessment of DSRIP that will take place in June 2015. Enclosure 1 contains a list of the six newly approved hospitals that submitted Hospital DSRIP Plans identifying areas for continued refinement.

Approval of these plans by CMS does not alter the responsibility of the state or the hospitals to comply with all federal program integrity and funding requirements of the Medicaid program, the demonstration's special terms and conditions (STCs), or the approved DSRIP protocols. In particular, if a hospital's baseline performance on its Stage 3 pay-for-performance metrics is found to exceed the baseline performance threshold established for those measures, the hospital will be required to delete Stage 3 measures, or select alternative Stage 3 measures, or select another DSRIP project, in accordance with Section VIII.A.iii of the Planning Protocol.

We commend New Jersey and its hospitals for their continued efforts to develop Hospital DSRIP Plans that addresses their community's needs, and we look forward to continuing our collaborative work together.

Sincerely,

Diane T. Gerrits
Director
Division of State Demonstrations and Waivers

Enclosure

cc:
Michael Melendez, Associate Regional Administrator, Region II

Enclosure 1: Mid-Point Review Topics for NJ Hospital DSRIP projects approved May 6, 2014

Project ID	Hospital Name	CMS Follow-up Issues
4139003	BERGEN REG'L MEDICAL CENTER	The hospital must further develop its plan for calculating and reporting baseline data for non-claims based measures. The hospital must further develop its plan for participating in the learning collaborative.
4139402	ATLANTICARE REG'L MEDICAL CENTER	The hospital must further develop its plan for calculating and reporting baseline data for non-claims based measures. The hospital must further define the areas where it expects its project to result in improvement. The hospital must clearly state timelines that can be measured and used in reporting. More information is required regarding the current functioning and population of the Special Care Center. The hospital's plan indicates that telemedicine will be used to monitor BP and HgA1c, but no metrics were selected.
3676609	CAPITAL HEALTH SYSTEM - FULD CAMPUS	The hospital must further define the areas where it expects its project to result in improvement.
3674100	HACKENSACK UNIVERSITY MEDICAL CENTER	The hospital must further develop its plan for calculating and reporting baseline data for non-claims based measures. The hospital must further define the areas where it expects its project to result in improvement.
4139801	JERSEY CITY MEDICAL CENTER	The hospital must further develop its plan for calculating and reporting baseline data for non-claims based measures. The hospital must further define the areas where it expects its project to result in improvement. The hospital must clarify the role of provider partners in the execution of its project.
3675203	LOURDES MED CTR OF BURLINGTON CNTY	The hospital must further develop its plan for calculating and reporting baseline data for non-claims based measures. The hospital must clarify the role of provider partners in the execution of its project. The hospital indicates that its case management software will require modification to act as a community management system for data management; with regard to actual enhanced care transitions, the hospital should discuss how that modification is managed and documented.