

Christie Administration Announces New Hospital Funding Initiative Approved By Federal Government

Preserves Nearly \$167 Million in Support to New Jersey's Hospitals

The New Jersey Department of Health announced today that the state's proposal to preserve \$166.6 million in hospital funding was approved by the Center for Medicare and Medicaid Services (CMS). The new funding initiative, the Delivery System Reform Incentive Payment (DSRIP) program, will reward hospitals with funding to improve quality of care. DSRIP is a major component of New Jersey's Comprehensive Medicaid Waiver.

"DSRIP is an innovative program that provides incentives to hospitals to improve the quality of care they provide to patients," said New Jersey Health Commissioner Mary E. O'Dowd. "The Department of Health worked closely with the hospital industry to develop a program that would maintain this funding for our hospitals."

The former Hospital Relief Subsidy Fund (HRSF) is being transitioned in the current budget to a performance-based, competitive DSRIP program. Under the new program, all acute care hospitals will be eligible to receive funding. The Department has secured an extension to continue the funding levels of the former Hospital Relief Subsidy Fund through December 31, 2013, allowing hospitals more time to develop their DSRIP plans.

"The New Jersey Hospital Association applauds the extraordinary efforts taken by the Governor and the Commissioner, along with the Legislature, to work with federal officials to ensure that \$166 million in critical funding for our state's hospitals is preserved for ensuring quality of care for the patients we serve," said Betsy Ryan, President and CEO of the New Jersey Hospital Association. "Our hospitals are dedicated to providing high-value, top-quality care to all New Jerseyans and I'm proud of their flexibility and commitment to new approaches that accomplish those goals."

Hospitals will begin submitting DSRIP applications next month. The state and CMS will review the applications and determine initial funding opportunities.

"Through this funding, hospitals have an opportunity to develop projects that advance the health of their communities," added Commissioner O'Dowd.

As part of DSRIP, hospitals may choose one of eight chronic diseases or medical conditions on which to focus improvements. Hospitals will choose among the following diseases and conditions: HIV/AIDS, Cardiac Care, Asthma, Diabetes, Obesity, Pneumonia, Behavioral Health and Substance Abuse.

The Department of Health, with its consultants Myers and Stauffer, is holding educational sessions to assist hospitals interested in a DSRIP plan application.

For more information about the DSRIP program, visit: <http://dsrip.nj.gov/>.