

*New Jersey Department of Health
DSRIP Program Update
August 2017*

Note: All activities and dates provided in this update are currently under discussion with CMS and subject to CMS approval. The list of activities should be considered high level with details to be provided in the future.

The DSRIP Special Terms and Conditions [“STCs”] that address the extension to the DSRIP program under NJ’s 1115 comprehensive waiver are complete. Highlights of the STCs are shown below:

- NJ has been approved for a two year extension to the DSRIP program and a one year transition period. In effect, a three year fully funded continuation of the DSRIP program starting with demonstration year 6 [SFY 2018] extending through demonstration year 8 [SFY 2020] will occur. The NJ DOH secured stable hospital funding of \$499.8 million over the next three years.
- CMS must now approve the new Funding and Mechanics [FMP] and Planning Protocol covering DY6 through DY8. DY6 payments and renewal applications cannot be advanced until Protocols are approved. Note: the DY6 performance year began on April 1, 2017.
- The FMP and Planning Protocols for demonstration year 6 will be similar to the demonstration year 5 FMP. The DOH is planning to submit Protocols to CMS by August 31st. The Department does not anticipate significant DSRIP program changes for DY6.
 - Note: The DY5 FMP includes a redesign of the Universal Performance Pool [“UPP”] which incorporates a recalculation of prior year payments to include payment adjustments from adjudicated appeals, thus eliminating the need for a payment reconsideration period prior to the issuance of UPP payments. Other technical corrections are included as well.
- Stage 1 and Stage 2 activities and payments will continue in DY6 and require activities be reported and paid semi-annually based on the reporting periods shown below.

<i>DSRIP Performance Period</i>	<i>Due Date</i>
April 1, 2017-September 30, 2017	Report on a progress report due after Protocols are approved.
October 1, 2017-March 31, 2018	Report on a progress report due April 30, 2018.

- For DY7 and DY8, Stage 1 and Stage 2 activities and payments will be eliminated and replaced with a to be designed *Population Health/Public Policy/Transformation stage of activities and measures*.
- Hospitals must submit annual renewal applications to continue participation in the DSRIP program. The DOH will issue the DY6 renewal application forms and instructions after Protocols have been approved.

- The state will submit a DSRIP transition plan to CMS by June 30, 2018 addressing an alternative payment mechanism that NJ intends to be the successor program to the DSRIP program effective July 1, 2020.
- DY5 management and payment reports and DY4 appeals have been submitted to CMS for review. Once CMS reviews the payment reports and appeals and issues a payment approval letter, DY5 payments can be made to hospitals.
 - DY5 management and payment reports are based on an FMP CMS has not yet issued in final form. Once the final FMP is issued, DY5 payments will be issued to hospitals.
- Expected timing of key activities:

Activity	Expected Date
<u>DY5 Payments and Appeals</u>	
DY5 applicable Funding and Mechanics Protocol submitted to CMS.	February 17, 2017
DY4 appeals and supporting documents submitted to CMS for review and approval.	June 30, 2017
DY5 management and payment reports submitted to CMS for review and approval.	August 7, 2017
CMS approval for DY4 appeals and DY5 payments.	September
DY4 appeal results and DY5 payments issued to hospitals.	Within 30 days of receipt of a payment approval letter from CMS.
DY5 payment and appeal webinar	5 days from DY5 payments and DY4 appeal results issued to hospitals.
DY5 appeals submitted by hospitals to the Department	30 days from the date of the webinar.

Activity	Target Date
<u>DY6-DY8</u>	
NJ Department of Health submits draft Funding and Mechanics and Planning Protocols to CMS for review and approval.	August 31, 2017
CMS review and approval of Protocols.	October 1, 2017
DY6 renewal applications sent to hospitals for completion.	October 16, 2017
DY6 1 st semi-annual progress report sent to hospitals for completion.	October 20, 2017
Completed renewal applications from hospitals submitted to the Department.	November 15, 2017
Completed semi-annual progress reports from hospitals submitted to the Department.	November 17, 2017
Completed progress report submitted to CMS for approval.	December 20, 2017
Renewal applications submitted to CMS for review and approval.	December 31, 2017

Note: Payments can be issued to hospitals within 30 days of receipt of CMS approvals.