



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES
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TRENTON, NJ 08625-0700

CHRIS CHRISTIE
Governor


ELIZABETH CONNOLLY
Acting Commissioner

KIM GUADAGNO
Lt. Governor

VALERIE L. MIELKE, MSW
Assistant Commissioner

MEMORANDUM

TO: Directors, Division of Mental Health and Addiction Services Contract Providers

FROM: Matthew J. Shaw, CFO 
Division of Mental Health and Addiction Services

DATE: October 17, 2016

SUBJECT: **CY 2017 DMHAS Contract Review & Award Process**

This memo provides instructions for preparing packages for contracts which will be effective January 1, 2017 for providers with mental health (MH) cost reimbursement/deficit funded (cost-related) contracts, mental health fee-for-service (FFS) contracts and/or addictions cost related contracts. No addictions FFS contracts renew on this contract cycle. Please carefully read this communication to assure that the proper material is submitted related to each type of contract that your organization may have.

Please use the DMHAS contracting webpage to find instructions and needed documents, as well as the CIMS website, if applicable. The necessary documents that are required for the submission and renewal of your DMHAS contract can now be found on the DMHAS website, at:

<http://www.state.nj.us/humanservices/dmhas/provider/contracting/>

You will find separate lists of required documents for MH cost related contracts, MH FFS contracts, and addictions cost related contracts on the website.

The timeframe summary attached to this communication, provides you with an overview of the January 1, 2017 contract renewal process, detailing the various actions that should occur. You will note, for example, that the completed contract documents must be received by your DMHAS Program Analyst, DMHAS Contract Administrator and County Mental Health Administrator or County Alcoholism and Drug Abuse Services Director, as applicable, by **November 4, 2016**. The timeframes presented must be strictly observed to allow for thorough review by the County Boards and DMHAS staff.

Mental Health Services Converting from Cost Related Contract to Fee-For-Service Contract

Mental health (MH) providers were previously afforded the option of converting certain MH services from cost related contract to FFS contract effective either January 1, 2017 or July 1, 2017. Providers have made their selection regarding date of conversion by the date of this communication.

As a reminder the services transitioning from a cost related contract to a FFS contract include the following: Outpatient, Partial Care/Hospital, Residential, Supported Education, Supported Employment, Programs for Assertive Community Treatment (PACT) and Integrated Case Management Services (ICMS).

Services remaining in cost related contracts include Involuntary Outpatient Commitment (IOC), Intensive Outpatient Treatment and Support Services, Designated Screening, Affiliated Emergency Services, Early Intervention Support Services (EISS), Legal and Advocacy Services, Programs of Assistance in Transition from Homelessness (PATH), Intensive Family Support Services (IFSS), Justice Involved Services, Self-Help/Recovery Centers and any other services not specifically noted as transitioning to Fee-for-Service.

Community Support Services (CSS) will be transitioning to FFS on July 1, 2017 regardless of the date providers selected for other services to transition.

MH Contract and Award Summary Periods

With regard to those MH providers who have elected to commence FFS contracting for applicable services on January 1, 2017:

- 1) The FFS contract will cover the period January 1, 2017 through June 30, 2017. There will be no "award summary" for FFS contracts but rather a monthly dollar limitation will be provided.
- 2) If these providers have any services remaining in cost related contract, the cost related contract and associated award summary will cover the period January 1, 2017 through December 31, 2017 for all services except Community Support Services (CSS).
- 3) A separate award summary has been provided for CSS to cover the period that CSS will remain in cost related contract i.e. January 1, 2017 through June 30, 2017.
- 4) Providers will need to prepare a separate, complete contract packages for each applicable contract in 1) to 3) above.

With regard to those MH providers who have elected to commence FFS contracting for applicable services on July 1, 2017:

The cost related contract components relating to services that will convert to FFS on July 1, 2017 will be for six months, including CSS, and the components for services that remain in cost related contract will be for twelve months. There are two separate award summaries reflecting these parameters and two separate budgets and contract packages will be required.

The Division will issue instructions for the FFS contracts that will commence on July 1, 2017 along with the instructions for other July 1 renewals in the spring of 2017.

Addictions Contract and Award Summary Periods

All Addictions cost related contracts will cover the period January 1, 2017 through December 31, 2017.

Adjustments to MH Award Summaries

The DMHAS, and companion DMAHS (Medicaid) Community Support Services (CSS) regulations, have been adopted and supportive housing providers will shortly be enrolled with, and billing, Medicaid. The aforementioned award summaries have not been adjusted at this point for anticipated CSS Medicaid revenue. The award summaries have also not been revised for the Medicaid rate increase for outpatient services which was effective July 1, 2016 as we are still compiling the results of the recent outpatient services survey. A budget modification will eventually be required for cost related contracts to effect contract ceiling reductions related to these items.

DMHAS also continues to review Psychiatric Emergency Rehabilitation Services (PERS) revenue as a result of a new State Plan Amendment (SPA) adopted to add discrete codes for screening activities and MH emergency services. Ceiling adjustments may occur during CY 17 as more data regarding ongoing PERS revenue amounts becomes available.

Clusters In MH Cost Related Contracts

Following the DHS Cluster policy and our usual practice, changes in rates and implementation of new rates will result in the need to cluster those programs that are experiencing rate changes, to ensure that revenue increases are tracked and reserved for future recovery and/or discussion. Therefore the following programs will need to be clustered:

- Screening/Affiliated Emergency Services
- PATH

- Community Support Services
- In cost-related contracts, the services that experience rate increases can be clustered together: Justice Involved Services, IOTSS, EISS, and IOC, unless any of these programs is still in the two year phase-in period.
- Programs awarded through RFP's that have been in operation less than two full years will also remain clustered.

Cash Advances Related to MH Services Converting to FFS Effective January 1, 2017

A separate communication will be forthcoming shortly discussing guidelines and procedures for requesting a cash advance related to only those MH services converting to FFS.

MH FFS Provider Program Manual and New Jersey Mental Health Application for Payment Processing (NJMHAPP) User Manual

The Division's website will have a Mental Health Fee-For-Service Provider Program Manual containing information regarding operationalization of the FFS program. In particular, the manual discusses registering consumers in the NJMHAPP, the use of monthly limits to control Division financial exposure, use of an encumbrance system, claims submission, adjudication and payment, manual payments for things which cannot be processed through Version 1 of NJMHAPP and rules regarding the Division payment being the payer of last resort and required consumer co-payments.

The NJMHAPP user manual contains information for using the NJMHAPP system.

The Division will inform send out an email communication to inform you of when these manuals are posted.

MH FFS Rates, Procedure Codes, and Business Rules

All of the services which are reimbursable through the MH FFS contract, associated rates, procedure codes, and business rules will be posted to the Division's website. Please reference this material as needed when operationalizing the MH FFS program.

MH FFS Claim Limits

A separate communication regarding monthly FFS claim limits is forthcoming.

MH Addendum to Department of Human Services Standard Language Document for Mental Health FFS Contracts

An addendum to the Standard Language Document for MH FFS Contracts is forthcoming.

Required Enrollment As a Medicaid Provider for Medicaid Covered Services

Please be reminded, as per the letter dated March 21, 2014 from Lynn A. Kovich, Assistant Commissioner, contracted agencies providing Medicaid-covered services to Medicaid eligible consumers are required to enroll in NJ FamilyCare, New Jersey's Medicaid program, and to assist consumers to apply for and obtain NJ FamilyCare coverage. If your agency is not currently enrolled as a NJ FamilyCare provider and provides Medicaid-billable services, DMHAS requires that you enroll in the NJ FamilyCare program and obtain an active NJ FamilyCare provider number(s).

Federal Funds In Contracts

Please be advised that mental health contracted programs, whether provided through cost related contract or FFS contract, which are compensated to any degree with federal funds, will receive a separate mailing specifying the federal funding provided. Providers are required to report these funds in their annual single agency audit and be knowledgeable about the source and amount of federal funding and applicable governing rules/restrictions. Addictions contracted providers will be provided with this information when the finalized contract is mailed out.

As in past years, DMHAS requests that all contracted providers submit an electronic copy of their Continuity of Operations Plan (COOP) to their DMHAS contract administrator and to the County Alcoholism and Drug Abuse Services Director (addictions contracts) or County Mental Health Administrator (mental health contracts) when their

CFA is submitted. If providers also have a cost based contract with the Division, only one COOP is needed. If providers do not have a COOP, please indicate your plans, including time-frames, for development of a COOP.

Please be aware that failure to submit required reports may affect your contract status and/or payments.

Please address your contract renewal documents to the attention of your contract administrator, at the following address (choose according to delivery method):

US MAIL:

NJ Department of Human Services
Division of Mental Health and
Addiction Services
P. O. Box 700
Trenton, NJ 08625-0700

EXPRESS DELIVERY:

NJ Department of Human Services
Division of Mental Health and
Addiction Services
222 South Warren Street, 5th Floor
Trenton, NJ 08625

Should you have any questions or concerns, please call your DMHAS Program Analyst, Program Monitor or Contract Administrator as soon as possible. We will try to assist you, and meet with you and your staff, as necessary. Please also review your plans with your County Mental Health Administrator (if applicable), to arrange for County Board meeting(s), as required.

Lastly, for contracts that extend beyond June 30, 2017 all program and funding plans for State Fiscal Year 2018 are contingent upon final approval of the Governor's Recommended Budget by the State Legislature.

Your cooperation during our contract renewal process is much appreciated.

MS:BB:CFA CY 17.doc

Attachments:

Time Frame Summary
Contract Administrator Assignments
Required Document Lists For MH FFS, MH Cost Related and Addictions Cost Related Contracts
MH Cost Related Contract Award Summary (sending out separately by Contract Administrator)
Addictions Cost Related Contract Award Summary (sending out separately by Contract Administrator)

c: County Alcoholism and Drug Abuse Directors County Mental Health Administrators
DMHAS Executive Staff Regional Coordinators & Staff
Contract Administration Staff Program Monitor Staff
Kim Worthington

Timetable for Processing Contracts Effective January 1, 2017

Activity	Date(s)
Contract Renewal letter mailed to agencies with 12/31 fiscal year end and County M.H. Administrator	mid-October
Agency delivers completed Application package to DMHAS Contract Administrator, DMHAS Program Analyst, and County M.H. Administrator and/or County Alcoholism and Drug Abuse Coordinator.	November 4, 2016
Contract Administrators coordinate review of submitted documents.	November 4 – December 1
DMHAS Program staff coordinate review meetings with agency officials, DMHAS staff, and County MH Administrator, as necessary.	As needed
County MH Boards and/or Alcoholism and Drug Abuse Coordinators review DMHAS contract programs and make program/funding recommendations to DMHAS.	November 4 – November 30 [recommendations due to DMHAS Dec. 1]
Agency submits revisions to the Contract Application package to the Contract Administrator, Program Analyst, and County representatives (as necessary).	November 7 – November 30
Renewal contracts are finalized and signed.	December 1 – December 23
Copies of contract made and distributed.	January 2017

(CYCLE-CY 2017)

DMHAS - MENTAL HEALTH CONTRACT ADMINISTRATION ASSIGNMENTS

Jaipreet Chawla

Cape Counseling Services
County of Somerset DHS
Eva's Village
Hope House (Catholic Charities/Paterson)
Resources for Human Development
Richard Hall CMHC / Somerset

Mahmood Ghauri

CentraState Medical Center
Jersey Shore Medical Center
Monmouth Co. Div. of Soc. Svcs.
Riverview Medical Center/Hackensack Meridian Health
Rowan University - Stratford
Rutgers - RWJ School (2)
Rutgers - SHRP (2)
Rutgers - UBHC (6)
Twin Oaks (3) (Inc. Greater Trenton)

Chirley Louhisdon

AHS Hospital Corporation /
Morristown Memorial Hospital
AHS Hospital Corporation /
Newton Memorial Hospital
Alternatives, Inc.
Chilton Memorial Hospital
Community Hope, Inc.
Cumberland County Guidance Center
Jersey Cape Diagnostic & Training Ctr.
M.H. Association of Morris County
NewBridge Services
Overlook Hospital
Rahway Hospital
SERV Centers of NJ
St. Clare's Hospital (Prime)
VNA of Central Jersey
Mid-Atlantic States Career & Edu. Center
St. Mary's Hospital (Prime)
Irvington Counseling Center
NW Essex Com. Healthcare Network

Michele Ladnier

Advance Housing
Care Plus, NJ
Catholic Charities / Metuchen
Comprehensive Behavioral Healthcare
Jersey City Medical Center
South Jersey Behav. Health Resources

Melinda Harriman

St. Joseph's Hospital (2)
MHANJ
M.H. Association of S.W. N.J.
NAMI / NJ
Volunteers of America / Delaware Valley
Declarations, Inc.
Holcomb Behavioral Health System
Care Link Community Support Services
Collaborative Support Programs (CSP)

Mike Fortson

CarePoint Health Foundation /
Christ Hospital
CarePoint Health Foundation /
Hoboken University Medical Center
Ocean Mental Health Services

Ama London

East Orange General Hospital
Easter Seals New Jersey (4)
Family Service Bureau of Newark/New Community Corp.
M.H. Association / Essex County
Newark Beth Israel Medical Center
Project Live, Inc. (1)

Sharon Municello-Baker

NewPoint Behavioral Health Care
Triple C Housing
Volunteers of America / Greater NY
Preferred Behavioral Health of NJ

Alicia Sewell

Family Connections
Hunterdon Medical Center
Palisades General Medical Center
Trinitas Hospital
PennReach
Hispanic Family Center of Southern NJ
NJ Community Development Corp.
Catholic Charities Diocese of Newark
(Mt. Carmel Guild) (2)

Susan Peterson

A.A.M.H. - Mercer
CPC Behavioral Healthcare
Family Guidance Center Corp. / Mercer
Healthcare Commons
Inspira Health Network
Jewish Family & Children's Service
Kimball Medical Center
Lakewood Community Services Corp.
Legacy Treatment Services

James McBride

Catholic Charities / Trenton
City of Asbury Park
M.H. Association of Monmouth County
Community Health Law Project (CHLP)

Caitlin Corso

Bayonne CMHC
Bridgeway Rehabilitation
Capital Health System
Career Opportunity Development
Central Jersey Legal Services
County of Bergen
County of Passaic
Family Service Association / Atlantic County
Garden State Episcopal Dev. Corp.
(formerly Jersey City Episcopal)
Jewish Family Service of Atlantic
Legal Services of Northwest Jersey
M.H. Association of Passaic County
Mental Health Clinic of Passaic
George J. Otowski Center (formerly Raritan Bay MH)
UCPC Behavioral Healthcare
United Family & Children's Society
Vantage Health System
West Bergen Mental Healthcare
Monmouth Medical Center
Raritan Bay Medical Center

Elaine Welsh

AtlantiCare Behavioral Health
Atlanticare Regional Medical Center
Family Guidance Center / Warren County
N.J. Association of M.H. and Addiction Agencies
Carrier Clinic
Hampton Behavioral Health Center
Northbrook (AKA Elmwood Hills)

Bold Font - Calendar Year
Italics Font - FFY or OY
Regular Font - Fiscal Year

revised: 8/1/2016

NOTE: Beverly Bradley will continue to be the point-person for Debit-credit transfers including ARC of Bergen & Passiac, Community Access Unlimited, Maryville and Union County Educational Services Commission.

Mental Health Fee-For-Service Contract (FFS) Contract Documents

Minimum Required Documents

- 1) Standard Language Document (boilerplate – need 2 copies, signed in blue ink) Note if you have a cost related contract and a FFS contract separate Standard Language Documents will be required.
- 2) Addendum to Department of Human Services Standard Language Document for Mental Health Fee-for-Service contracts (need 2 copies, signed in blue ink)
- 3) Annex A – program-specific commitments and summary pages
- 4) Annex C – not required for MH FFS contracts
- 5) Annex B (budget):

Providers that have all of their programs converting to FFS do not need to complete the budget matrix for budgets, modifications, expenditure reports, etc. Essentially, there is no cost related contracting relationship between these providers and the Division.

Providers that have some programs being compensated via cost related contract and some via FFS must continue to complete the budget matrix for budgets, modifications, and expenditure reports. Programs compensated as part of the cost related contract will need to be reported as they are currently i.e. in full detail in columns to the right of the DMHAS subtotal. Programs compensated through non-cost related, fixed price FFS may need to be reported to the left of the DMHAS subtotal depending on whether the programs compensated through cost-related contract include any indirect or shared costs, including shared staff, space, general and administrative expenses, etc. with the FFS programs. This is required to evaluate the distribution base(s) used to allocate such costs and to assure that those programs compensated through cost related compensation absorb an appropriate portion of such costs and to maintain an appropriate audit trail. Providers may elect to show full detail of the cost of FFS programs exactly as is done for the cost-related programs or summarize the information in such a manner that totals are provided for each budget category and line item detail is provided for only those line items where costs are shared between the FFS and cost related programs.

Only one Annex B is required and that should be submitted as part of the cost-related contract package.

The Annex B (Budget) for your contract programs should be presented utilizing the DMHAS Budget Matrix software, and DMHAS Budget Schedules, unless you have been instructed otherwise by your DMHAS Contracts Administrator. These excel files can also be found on our website, although your contract renewal presentation should be prepared as a “modification” to your current budget file, which is already formatted and contains much of the descriptive data. Program element budget amounts, and service commitments, are subject to negotiation, and the figures which you assign to these areas should reflect your agency’s anticipated level of operation. Please ensure that third quarter QCMR’s are submitted on time to facilitate DMHAS’ analysis of program’s success in reaching contracted commitments.

- 6) Contract Information Form
- 7) Contract Schedules if submitting an Annex B

Mental Health Cost Related Contract Renewal Documents and Instructions

The Annex B (Budget) for your contract programs should be presented utilizing the DMHAS Budget Matrix software, and DMHAS Budget Schedules, unless you have been instructed otherwise by your DMHAS Contracts Administrator. These excel files can also be found on our website, although your contract renewal presentation should be prepared as a “modification” to your current budget file, which is already formatted and contains much of the descriptive data. Program element budget amounts, and service commitments, are subject to negotiation, and the figures which you assign to these areas should reflect your agency’s anticipated level of operation. Please ensure that third quarter QCMR’s are submitted on time to facilitate DMHAS’ analysis of program’s success in reaching contracted commitments.

Minimum Required Documents

- 1) Standard Language Document (boilerplate – need 2 copies, signed in blue ink)
- 2) Annex A – program-specific commitments and summary pages
- 3) Annex C - supporting information document
- 4) Contract Information Form (signed in blue ink)
- 5) Cluster Form (if applicable)
- 6) Contract Schedules

As part of the Supporting Information (Annex C) submission, please be sure to include the following:

- A list of the current Leases, for which there is a contract expense, including the term of the lease, lessor name, and annual cost of the lease;
- Fee schedule for all services provided;
- Copies of any consultant/subcontract agreements (other than auditing, psychiatry, and nursing agreements); and,
- Copies of the insurance certificate/summary pages of your insurance policies, for which there is a contract expense. Regarding insurance summaries, please be sure that they indicate, at a minimum, the specific addresses financed by DHS capital funds, and that the State of NJ is listed for notification of premium non-payment or policy cancellation. Please also ensure that proof of property as well as liability insurance is provided.

Please note that the Annex C is revised to incorporate new instructions for submitting your Quarterly Contract Monitoring Reports (QCMR’s) Please use the revised Annex C on the DMHAS contracted website with the revision date of 10/28/15.

Please also take note that Annex C specifies quarterly submission of Reports of Expenditures (ROE’s). While this requirement may not have been consistently mandated in the past, DMHAS requires quarterly reports to fulfill our reporting obligations to other entities.

Contract Renewal Documents and Instructions

Additions Cost Related Contracts

DMHAS requires that you submit portions of your AS contract application electronically through CIMS. All Contract Application Steps on CIMS are active for your renewal application with the exception of Step #4 (Additional required contract documents) and Step #5 (Approve Standard Language Document). Documents for Step #4 and Step #5 will still be required to be submitted in hard copy format. While Step #4 is not active at this time, please click on Step #4 in the CIMS [Contract Application Steps](#) screen to view the list of required contract documents that must be submitted to DMHAS.

Please follow the submission instructions below to ensure prompt review of your contract renewal package:

I. The following documents must be completed and submitted with your renewal contract application package:

A. Items that must be submitted/approved electronically through CIMS:

1. Annex A
2. Programmatic Requirements
3. Contract renewal budget (Annex B)

B. Items that must be submitted to DMHAS in hard copy through USPS mail or courier service to the attention of Jamelia Miller: See Attachment

Required forms may be obtained at the following website:

<http://www.state.nj.us/humanservices/dmhas/provider/contracting/>

II. Contract Reporting Requirements:

A. Report of Expenditures

To be submitted on a quarterly basis through CIMS *within a maximum of 30 calendar days* after the reporting period end date. Program Revenue received by the agency for DMHAS supported clients must be accurately and specifically budgeted and reported. Please be aware that there are many avenues to generate income, including SAI, Medicare, Insurance and others.

B. Client Rosters

A complete roster of all clients is to be submitted to DMHAS on a monthly basis. The roster shall have the NJ SAMS Identifiers included on the roster. This should be provided within five (5) working days of the end of the month. Electronic rosters are appreciated. For an electronic roster form, please contact Kathy Goat Delgado at Kathleen.Goat@dhs.state.nj.us. DMHAS is continuing to review the NJ SAMS for compliance with the roster requirement. It is imperative that NJ SAMS is accurate and up to date. Failure to maintain NJ SAMS may have an impact on funding. Should you need any assistance with NJ SAMS, you may contact Kyu Kyu Hlaing at (609) 292-1466.

C. Services Provided Under Both Contract and Fee-For-Service

If your organization provides the same type of treatment services under both a slot based contract as well as through the FFS system please be reminded that the FFS system cannot be billed during the same period that you have a vacant slot in your slot based program. The FFS may only be billed for approved services during periods of full occupancy in your slot based program as regards the same types of service. The Division is aware of FFS claims being paid while slots for the same service have remained vacant and will be pursuing recovery as applicable.

Finally, please remember to check your inbox in CIMS for “Items requiring attention” to ensure any outstanding issues/modifications to your contract are addressed in a timely manner. Please also remember to click on the dog icon in CIMS for contract news updates throughout the year.