

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



State Demonstrations Group

October 4, 2016

Elizabeth Connolly
Acting Commissioner
State of New Jersey
Department of Human Services
P.O. Box 700
Trenton, NJ 08625-0700

Dear Ms. Connolly:

Thank you for your recent request to extend the New Jersey Comprehensive Waiver section 1115(a) demonstration (11-W00279/2). The Centers for Medicare & Medicaid Services (CMS) received your extension request on September 16, 2016. On April 27, 2012, CMS issued a final rule and guidance on section 1115 demonstration projects, outlining specific elements that need to be included in a state's extension request in order for CMS to determine that the request is complete. Once an extension request has been determined complete, CMS can begin the official review process, including initiation of the 30-day federal public comment period.

We have completed a preliminary review of your extension request in accordance with the April 27th final rule. As discussed with members of your staff, we have determined that the state's extension request has not met the requirements for a complete extension request as specified under section 42 CFR 431.412(c). We have included the specific elements we identified during the review as missing in the enclosure.

At this time, we will not begin our 30-day federal public comment and notice process as specified under 42 CFR 431.416(b). Once we receive a revised extension request that includes the missing elements as further described in the enclosure, or explains how the current request addresses the missing elements, we will conduct another preliminary review to determine if the revised request is complete. We will notify you of our determination no later than 15 days after receipt of your revised extension request.

We look forward to working with you and your staff, and are available to provide technical assistance as you revise the state's extension request. If you have additional questions or concerns, please contact your project officer Sandra Phelps, Division of System Reform Demonstrations, at (410) 786-1968, or at Sandra.Phelps@cms.hhs.gov.

Sincerely,

/s/

Angela D. Garner
Director
Division of System Reform Demonstrations

cc: Michael Melendez, Associate Regional Administrator, Region II

New Jersey Comprehensive Waiver Section 1115 Demonstration Elements needed for “Complete” Extension Request

Specifically, the state did not include the following elements in its extension request:

1. Historical Narrative of Demonstration (42 CFR 431.412(c)(2)(1)).
Evidence of how objectives were met or not met. In review of the demonstration application, the state did not provide an overview of whether or not the objectives were met. Please provide an overview of the outcomes of the demonstration objectives.
2. Description of Changes to the Demonstration (42 CFR 431.412(c)(2)(ii)).
 - a. Narrative of the proposed change(s) to the Demonstration. The application included a narrative of the proposed changes to the demonstration, except for the proposed change #7: *Expand and enhance the current value-based purchasing strategies to include additional target populations and data-driven performance metrics*. Please include a narrative for proposed change #7.
 - b. Objective of the change(s). In review of the proposed change narratives within the application, objectives for each of the proposed changes were not clearly highlighted.
3. Quality Reports and Assurance (42 CFR 421.412(c)(2)(iv)).
MCO and State quality assurance monitoring. In review of the application and attachment B, there was an overview of the MCO quality assurance monitoring process; however, information regarding the state quality assurance monitoring process was not included.
4. Research and Evaluation (42 CFR 431.412(c)(2)(vi)).
 - a. Evaluation report of the Demonstration inclusive of evaluation activities and findings to date. In review of attachment C of the application, the evaluation report provided the interim evaluation information on three of the eight demonstration hypotheses. Please include the evaluation report for the remaining five demonstration hypotheses.
 - b. Plans for evaluation activities during the extension period. The plans for evaluation activities during the extension period was not included in the application/evaluation attachment. Please include the plan for the evaluation activities during the extension period.
 - c. If changes are requested, identification of research hypotheses related to the changes and an evaluation design for addressing the proposed revisions. In review of the application, the research hypotheses were included in the application, but there was not a clear evaluation design outlined for addressing the proposed revisions.
5. Documentation of Public Notice Requirements in 431.408 (42 CFR 431.412(c)(2)(vii)).
 - a. Report of the issues raised during the State’s 30 day public comment process and how the state considered the issues raised. In review of attachment E of the application, the state addressed how they would consider public comment in two of the seven proposals; however, it was not clear how the state would address the public comments in the five additional proposals.

- b. Notice included a description of the proposed cost sharing (or link to full request which contains this information). In review of the application and the public notification regarding the demonstration extension on the state's website, there was not a notice provided to the public describing the proposed cost sharing. Please include a public notice describing the proposed cost sharing for the demonstration extension.
 - c. Notice included a description of the proposed budget neutrality (or link to full request which contains this information). In review of the state's website providing public notice of the demonstration, the application provides limited information on the proposed budget neutrality and it is unclear the description of the proposed budget neutrality. Within the application, the state provided the comment: *Budget neutrality will be developed after submission of the renewal application with guidance from CMS.*
 - d. Notice included a description of the proposed hypotheses and evaluation parameters (or link to full request which contains this information). In review of the state's website providing public notice of the demonstration, the application provides an overview of the proposed hypotheses; however, it is unclear what the evaluation parameters are for the proposed hypotheses.
 - e. Notice included the postal and email address to submit comment. The state's website provided a link for acceptance of public comment; however, there was not a statement of a postal address for the public to mail in comments.
 - f. Use of electronic mailing list (or some other mechanism) to notify the public of the demonstration. In review of the application, it was unclear if the state used an electronic mailing list to notify the public of the demonstration.
 - g. At least one of the public hearings had teleconferencing/web capabilities unless it can document that it has afforded the public throughout the state the opportunity to provide comment, such as holding the two public hearings in geographically distinct areas of the state. In review of the application, it was not clear the state provided teleconferencing/web capabilities to the public in the public hearings.
6. Documentation of the post-award public input process in 431.420(c) (42 CFR 431.412(c)(2)(vii)).
- a. Forum held within 6 months of implementation. The post-award input process was not included in the application/attachments. Please include a post-award input process into the application addressing a forum to be held within 6 months of implementation.
 - b. Forum open to the public. The post-award input process was not included in the application/attachments. Please include a post-award input process into the application addressing how the forum will be open to the public.
 - c. State published the date, time and location of the forum on its website 30 days prior to the date of the planned forum. The post-award input process was not included in the application/attachments. Please include a post-award input process into the application clearly stating how the state will public the date, time and location of the forum on its website 30 days prior to the date of the planned forum.