

**NEW JERSEY**  
**SECTION 1115 DEMONSTRATION**  
**FACT SHEET**

**Name of Section 1115 Demonstration/Waiver:** New Jersey Comprehensive Waiver

**Initial Application**

Date Proposal	Submitted: September 14, 2011
Date Proposal	Approved: October 2, 2012
Date of Implementation:	October 2, 2012
Date Expires:	June 30, 2017

**SUMMARY**

New Jersey's new section 1115 demonstration entitled New Jersey Comprehensive Waiver (NJCW) is a statewide health reform effort that will expand existing managed care programs to include long term services and supports and expand home and community based services to some populations. This Demonstration builds upon existing managed acute and primary care programs and established provider networks.

The 1115 Demonstration also combines under a single demonstration authority several existing Medicaid and CHIP waiver and demonstration programs, including two 1915(b) managed care waiver programs; a title XIX Medicaid and a title XXI CHIP section 1115 demonstrations and four 1915(c) programs.

This five year demonstration will:

- Maintain Medicaid and CHIP State plan benefits without change;
- Expand access to the services currently delivered fee for service through four existing 1915(c) home and community-based services (HCBS) waivers to demonstration participants. After the State has completed its readiness review, these services will be delivered through managed care;
- Continue the service delivery system under two previous 1915(b) managed care waiver programs that require Medicare and Medicaid eligible beneficiaries to mandatorily enroll in an MCO for State plan services;
- Streamline eligibility requirements with a projected spend down for individuals who meet the nursing facility level of care;
- Eliminate penalties for beneficiaries who transfer assets prior to seeking nursing facility services and have income at or below 100 percent of the Federal Poverty Level ( FPL);
- Cover additional home and community-based services to Medicaid and CHIP beneficiaries with serious emotional disturbance, opioid addiction, pervasive developmental disabilities, and intellectual disabilities/developmental disabilities;
- Expand eligibility to include a population of individuals between 18 and 65 who are not otherwise eligible for Medicaid, have household incomes between 25 and 100 percent of the FPL and are in satisfactory immigration status;

*Date Last Updated: April 9, 2014*

- Transform the State’s behavioral health system for adults by delivering behavioral health through behavioral health administrative service organizations; and
- Furnish premium assistance options to individuals with access to employer-based coverage.

Hospital Delivery System Reform: As the Demonstration begins, the State will end its existing supplemental payment programs for hospitals. Following a one-year transition period, the Demonstration will include a Delivery System Reform Incentive Payment program through which hospitals may receive incentive payments for undertaking health care delivery system reform and quality improvement initiatives.

## **AMENDMENTS**

Number of amendments: 3

Amendment 1: August 8, 2013 CMS approved an amendment to modify the terms and conditions of the Delivery System and Reform Incentive Payment (DSRIP) program extend the Hospital relief Subsidy Fund (HRSF) transition payments from June 30, 2013 to October 31, 2013 due to unforeseeable delays in completing the DSRIP Planning Protocol and DSRIP Funding & Mechanics protocol. This extension will ease the burden of the hospitals in the development of their DSRIP plans as they transition from the HRSF subsidy to the performance-based DSRIP program.

Amendment 2: On December 23, 2013, CMS approved an amendment to modify terms related to the Graduate Medical Education payment program, and to include the adult expansion eligibility group into the demonstration effective January 1, 2014.

Amendment 3: On March 27, 2014, CMS approved an amendment to revise state and CMS action deadlines for DSRIP.

## **ELIGIBILITY**

All individuals eligible under the title XIX State plan are enrolled in the Demonstration in addition to individuals currently enrolled in a title XIX Medicaid and a title XXI CHIP section 1115 demonstrations and four (4) 1915(c) Home and Community Based Services (HCBS) programs. New Jersey also provides both direct coverage and premium assistance with title XXI wrap-around benefits and cost sharing protections under the combined authority of its existing title XXI Section 1115 demonstration, and title XXI state plan family coverage option for premium assistance. New Jersey’s title XXI premium assistance program, referred to as the Premium Support Program, covers individuals that are eligible for New Jersey FamilyCare, who have access to cost effective employer-sponsored insurance (ESI).

Additional Demonstration Programs: This Demonstration provides federal financial participation for programs that provide:

- Community support and coordination services including behavioral health and medication assisted treatment to certain low income individuals 18 years and older with income up to and including 150 percent of the Federal Poverty Level (FPL) who have a mental illness and an opioid addiction diagnosis.
- Coverage to 800 low-income, uninsured individuals with family income between 25 and 100 percent of the FPL including childless adults, which was a state funded only program.
- Select HCBS for individuals who meet an institutional level of care with intellectual disabilities based on the individual's plan of care who resides out of state.
- Date Last Updated: October 10, 2013
- Select HCBS for individuals who meet institutional level of care ages 6-21 with intellectual disabilities and mental illness.
- Three services to children up to age 21 with income up to and including 150 percent of the FPL who have been diagnosed with a serious emotional disturbance (SED). Additionally, these individuals who receive the benefits and who meet an institutional level of care will receive full Medicaid state plan services, if they did not previously.

## **DELIVERY SYSTEM**

Medicaid State plan services will continue to be delivered by four managed care organizations. In addition, following CMS approval of a transition plan and a managed care readiness review, New Jersey will transition the services currently provided under four existing 1915(c) Home and Community Based Services (HCBS) fee for service waivers into managed care under this demonstration effective December 31, 2012. The State will continue to adhere to the HCBS statutory assurances and submit a revised managed care quality strategy that includes these programs. The existing 1915(c) waivers are:

1. Global Options (GO): serves Medicaid beneficiaries over the age of 21 who meet the nursing facility level of care for physical disabilities in the community;
2. Community Resources for People with Disabilities (CRPD): serves Medicaid beneficiaries of all ages who may require a nursing facility level of care and cannot complete at least 3 activities of daily living (ADL);
3. Traumatic Brain Injury (TBI): serves Medicaid beneficiaries 21 to 64 with traumatic brain injury who require assistance with at least 3 ADLs in the community;
4. AIDS Community Care Alternatives Program (ACCAP): serves Medicaid beneficiaries diagnosed with AIDS, and at risk of nursing home placement, in the community.

Behavioral health services are provided through a Behavioral Health Organization (BHO) and are delivered through an Administrated Services Organization. The services are delivered on a non risk basis through an MCO for children and fee for service for adults.

## **BENEFITS**

Demonstration enrollees receive the full benefit package available under the Medicaid State plan. In addition, enrollees in the State's HCBS waivers will continue to receive services under these waivers and contingent upon a satisfactory readiness review, the State will make available the

services provided through those waivers to all demonstration participants based upon their need and plan of care in January 2013.

### **QUALITY AND EVALUATION PLAN**

The quality strategies in place under the section 1915(b) and 1915(c) waivers that were subsumed by this Demonstration have been combined, updated and reflected in the special terms and conditions governing this Demonstration. The impact of each Demonstration-related program during the period of approval, particularly: network adequacy of covered services for Medicaid beneficiaries throughout the State; the impact of the use of eligibility simplifications for low income individuals; the use of and accountability of pool funds at the provider level; and the effectiveness of the DSRIP structure in realizing delivery system improvements, will be evaluated. The State will submit a draft evaluation plan during the first year of the Demonstration.

### **COST-SHARING**

Cost sharing for all demonstration enrollees is in accordance with the Medicaid State plan.

### **STATE FUNDING SOURCE**

The demonstration is funded by a combination of state general revenue funds, certified public expenditures (CPEs) and intergovernmental transfers (IGTs).

### **CMS Contact**

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