

THE STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES

FEE-FOR-SERVICE TRANSITION CASH ADVANCE AGREEMENT

This AGREEMENT is effective as of the date recorded on the signature page between the Department and the Provider Agency identified on the signature page.

WHEREAS the Provider Agency is transitioning from a cost-reimbursement contract payment system to a Fee-for-Service Payment System for the provision of mental health or substance use disorder services; and

WHEREAS, under its prior cost-reimbursement contract the Provider Agency received advance payment at the beginning of each month; and

WHEREAS, the New Jersey Department of Human Services, Division of Mental Health and Addiction Services (the "Division") has implemented a Fee-for-Service Transition Cash Advance Program to address potential cash flow concerns in during the first months of a provider agency's transition from cost-reimbursement to fee-for-service payments; and

WHEREAS, the Provider Agency has requested a cash advance under that Program; and

WHEREAS, the Division has determined that the Provider Agency meets the criteria to receive a cash advance; and

THEREFORE the Division and the Provider Agency agree as follows:

1. The Division shall give the Provider Agency a cash advance in the amount specified in Attachment A.

2. The Division shall not charge interest on the cash advance provided to Provider Agency under this agreement.

3. The Provider agency shall:

A. Pay back the full amount of all cash advance payments to the Department within twelve (12) months of the month that the Provider Agency transitioned to fee-for-service payments in installments as set forth in Attachment A.

i. Provider Agency acknowledges that failure to submit payment according to paragraph 3.A, above, will result in a stop payment of claims and/or any payments that remain in contract, as well as possible suspension from participating in the FFS network.

B. Notwithstanding Section 3.A., above, the PA shall immediately pay back the full balance of any and all cash advances within

thirty (30) calendar days if the Provider Agency stops providing services through the State-funded system.

C. Use the cash advance received pursuant to this agreement only for allowable costs under the PAs contract with the Division.

D. Have procedures to minimize the time elapsing between the advance of funds from the DHS and the disbursement by the Provider agency.

E. Deposit advances in an interest bearing account until the advanced funds are expended unless:

1. The best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on the cash balance; or

2. The depository would require an average or minimum balance so high that it would not be feasible within the expected cash resources.

F. Remit interest earned on any cash advance received under these guidelines in excess of \$250 to the Department.

G. Execute the Promissory Note attached as Attachment B and return to the Division at the address listed therein.

AGREEMENT SIGNATURES AND DATES

The terms of this Agreement have been read and understood by the persons whose signatures appear below. The parties agree to comply with the terms and conditions of the Agreement and any related Attachments.

This Contract contains ____ pages and is the entire agreement of the parties. Oral evidence tending to contradict, amend or supplement the Contract is inadmissible; the parties having made the Contract as the final and complete expression of their agreement.

BY: _____
(signature)

BY: _____
(signature)

(type name)

(type name)

TITLE: _____
(type)

TITLE: _____
(type)

PROVIDER
AGENCY: _____
(type)

DEPARTMENTAL
COMPONENT: _____
(type)

DATE: _____

DATE: _____

Attachment A
Cash Advance Amount and Repayment Schedule

Provider Agency Name: _____

Amount of Cash Advance: _____

Payment schedule:

Due Date	Payment Amount

Payments are to be made payable to "Treasurer, State of New Jersey" and sent to:

Department of Human Services
Division of Mental Health and Addiction Services
Office of Fiscal & Management Operations
Capital Place One (5th Floor)
222 South Warren Street
PO Box 700
Trenton, NJ 08625

Attachment B

New Jersey Department of Human Services
Division of Mental Health and Addiction Services
Transition to Fee-for-Service Cash Advance Program Promissory Note

Date: _____

In accordance with the terms of a Fee-For-Service Transition Cash Advance Agreement dated _____, the _____ promises to pay to the State of New Jersey, Department of Human Services, the sum of \$_____.

Said sum shall be paid in monthly installments of \$_____, with the first payment due _____, and a like amount due on the last day of each subsequent month until the full amount of this note shall be fully paid.

Payments shall be made payable to Treasurer, State of New Jersey, and sent to:

Department of Human Services
Division of Mental Health and Addiction Services
Office of Fiscal & Management Operations
Capital Place One (5th Floor)
222 South Warren Street
PO Box 700
Trenton, NJ 08625

This note shall take effect as a sealed instrument and be enforced in accordance with the laws of the payee's state.

BY: _____
Authorized Agency Representative

NAME: _____

TITLE: _____

AGENCY: _____

ADDRESS: _____
