



State of New Jersey

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES  
CAPITAL PLACE ONE, 222 S. WARREN STREET  
PO BOX 700, 5<sup>TH</sup> FLOOR  
TRENTON, NJ 08625-0700

CHRIS CHRISTIE  
Governor

ELIZABETH CONNOLLY  
Acting Commissioner

KIM GUADAGNO  
Lt. Governor

May 23, 2016

VALERIE L. MIELKE, MSW  
Assistant Commissioner

Dear Provider:

The Division of Mental Health and Addictions Services acknowledges your request to continue contracted mental health services in the cost-based contract method. As such, DMHAS will renew your contract(s) using the Award Summaries previously issued - a six (6) month Award Summary for services converting to Fee-for-Service, or a twelve (12) month Award Summary.

We request that providers communicate to the Division no later than September 15<sup>th</sup>, 2016, their desired date to begin FFS participation; either January 1<sup>st</sup>, 2017 or July 1<sup>st</sup>, 2017. This time-frame will allow your agency the opportunity to monitor the fiscal impact of new Medicaid rates on business operations, and to use that information to inform the date of transition. Please note that agency services cannot be unbundled. A provider cannot transition some services and not others. All must move to FFS at the same time.

For providers who choose to defer transition to Fee-for-Service contracts until July 1, 2017, contracts that were renewed for a six (6) month term (July, 2016 – December, 2016) will be modified to extend the term, contract commitments and funding for the second six (6) months of FY 17. As was done for the six (6) month award summaries, the contract ceiling for the second half of FY 17 will be reduced due to higher Medicaid rates. DMHAS will use 4th Quarter FY 16 ROE data as the baseline for computing the increase in revenue.

Please provide this written communication to your Contract Administrator and Program Analyst(s).

Thank you.

Matthew J. Shaw, CFO

c: Valerie L. Mielke, Assistant Commissioner  
Contract Administrators  
Program Analysts