



## State of New Jersey

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES  
222 SOUTH WARREN STREET  
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CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

ELIZABETH CONNOLLY  
*Acting Commissioner*

VALERIE L. MIELKE, MSW  
*Assistant Commissioner*

### Memorandum

**TO:** Mental Health Providers Transitioning to Fee-For-Service on July 1, 2017

**FROM:** Morris Friedman, CFO *mf*  
Division of Mental Health and Addiction Services

**DATE:** May 25, 2017

**SUBJECT:** Fee-for-Service Cash Advance Documents

The Division of Mental Health and Addiction Services is pleased to announce implementation of its Fee-for-Service (FFS) Cash Advance Program for providers transitioning to FFS on July 1, 2017. This program is designed to assist providers that are transitioning from a cost-reimbursement contract to fee-for-service payment with potential cash flow challenges during the initial months of the transition. The enclosed Cash Advance Agreement document includes the amount of the cash advance, repayment requirements and procedures to request a cash advance. The New Jersey Mental Health Application for Provider Payment (NJMHAPP) system is anticipated to be operational by July 11, 2017.

Under the Cash Advance Program qualified providers will receive a two-month cash advance based on the monthly limits developed in each provider's Fee-For-Service (FFS) annual award contract. Providers will pay back the two-month cash advance granted under the FFS Cash Advance Program in ten equal installments over a ten month period beginning September 30, 2017.

Providers wishing to accept the two-month cash advance must complete the attached Fee-for-Service Cash Advance Agreement and Cash Advance Amount and Repayment documents.

These documents must be submitted to the following address by **June 9, 2017** in order to be considered for a cash advance:

**ATTN: John Fogliano**  
Department of Human Services  
Division of Mental Health and Addiction Services  
Office of Fiscal & Management Operations  
222 South Warren Street, 5<sup>th</sup> Floor  
P.O. Box 700  
Trenton, NJ 08625

If you require further guidance in completing the documents or have questions regarding the FFS Cash Advance Program, please contact John Fogliano at (609) 984-3210.

Thank you for your continuing cooperation and understanding as we move forward with the transition to fee-for-service.

VLM:pjt  
Enclosure

c: Renee Burawski  
Beverly Bradley  
Christopher Bailey  
Eric Kaufmann  
Roxanne Kennedy  
John Fogliano