**New Jersey DSRIP Successor Program**
**New Jersey Sustain and Transform**
**Executive Summary**

To sustain results achieved by the New Jersey (NJ) DSRIP Program as of July 2020 and to transition New Jersey's hospital system to the next phase of delivery system transformation, the state will implement the "NJ Sustain and Transform" program. A sustainable alternative payment mechanism will be established for this DSRIP successor program authorized under 42 CFR section 438.6(c). The NJ Sustain and Transform program promotes the health of New Jersey's Low-Income population through delivery system transformation and innovation strategies supported by performance payments under the state's Medicaid managed care contract.

The goals of the NJ Sustain and Transform program align with New Jersey's DSRIP goals:

- Improve access and quality of care,
- Improve population health, and
- Reduce costs/increase efficiencies

Specifically, through targeted, evidenced-based strategies, the successor program aims to transform the delivery system, in alignment with the New Jersey Department of Health priorities to:

1. Reduce maternal morbidity and mortality
2. Reduce pediatric disparities by improving access to quality healthcare services, and
3. Increase connections to care

**Eligibility**

All acute care hospitals in the state of New Jersey are eligible to participate in and receive funding through this program. Each hospital wishing to participate will apply to be designated as a 'lead entity' to oversee program implementation by an expanded set of partners. As part of their hospital-specific sustain and transform program, hospitals will identify and develop a business arrangement with one or more partner organization(s) that includes funding for a core set of strategies as well as performance targets, deliverables and gain-sharing for outcomes produced.

Participating hospitals are required to maintain bi-directional data exchange with the New Jersey Health Information Network (NJHIN). Hospitals may accomplish this through connecting directly to the NJHIN or connecting through one of the state's approved health information exchanges (HIEs) or integrated delivery networks (IDNs). The lead entities are required to partner with community-based providers and organizations, adopt toolkits and specific models and approaches to care, and engage in collaborative learning.

**Program Design and Strategies**

Level 1: Reducing Maternal Morbidity and Mortality
Participating hospitals that provide labor and delivery services must begin with Level 1 and implement care pathways to support quality, guideline-concordant, prepared delivery of these services. These entities will then transition to Level 2 after a duration of program time to be defined (e.g. two years). Pathways at this level will aim to: improve access to prenatal care, especially for woman diagnosed with Substance Use Disorder (SUD); increase support for vaginal birth and reduce cesarean and early elective deliveries; improve preparedness, identification and response to obstetric

hemorrhage, preeclampsia, and venous thromboembolism; and prevent, identify, and improve connections to care for postpartum depression.

Level 2: Increasing Connections to Care
Hospitals that do not provide labor and delivery services will begin with Level 2 and implement care pathways to increase connections to appropriate, quality care. Pathways at this level will: improve care transitions and integrate care management; implement depression screening in Emergency Departments; and improve follow-up care for SUD hospitalizations, including Medication Assisted Treatment.

Level 3: Cross-cutting strategy to address Social Determinants of Health
Following completion of Level 2, hospitals will focus on Level 3 to address Social Determinants of Health (SDOH) and cultural competency. Cross-cutting strategies at this level will include: implementation of electronic health record system requirements to track key SDOH data, integrated data sharing agreements with partners, implementation of new and innovative approaches to address SDOH, and leveraging of other federal programs focused on SDOH.

**Payment Methodology**

The state will contribute $83.3 million in state funding to support the NJ Sustain and Transform program with an anticipated federal match rate of approximately 65% based on current case mix. New Jersey's Medicaid Managed Care Organizations (MCOs) will distribute funding to the hospitals, authorized by the MCO contract following CMS approval of a Managed Care contract amendment. The amount necessary to fully fund MCO payments to hospitals meeting their performance targets will be included in the capitation rates. MCOs will distribute funding to the hospitals on a performance basis, with hospital entities earning funds by meeting targets. In accordance with section 438.6(c)(2)(ii)(B), the payment arrangement will be based upon a common set of performance measures across all MCOs and participating hospitals. A Quality Measure Committee will be convened to review, recommend and arrive at a consensus set of performance measures. Existing validated national performance measures will be used to the fullest practical extent.

**Timeline and Transition Steps**

| **Date** | **Deliverable** |
|---|---|
| September 30, 2018 | Final DSRIP Transition Plan submitted to CMS for approval |
| November 15, 2018 | Quality Measure Committee appointed |
| December 30, 2018 | Pre Print Submitted to CMS for approval |
| May 30, 2019 | Detailed program strategies, activities and payment mechanics released |
| June 30, 2019 | Performance measurement framework submitted |
| September 30, 2019 | Sample amended Managed Care contract submitted to CMS |
| December 31, 2019 | Managed Care contract amendment approved |
| January 15, 2020 | Program application released to hospitals |
| April 1, 2020 | Amended Managed Care contract signed by MCOs (effective July 1st) |
| April 15, 2020 | Lead entity applications due |
| June 15, 2020 | Application approvals announced |
| July 1, 2020 | NJ Sustain and Transform Program implementation begins |