

LEGISLATIVE HISTORY CHECKLIST
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(Managed Care)

NJSA: 26:2H-18.52

LAWS OF: 1996 CHAPTER: 28

BILL NO: A1532

SPONSOR(S): Kavanaugh

DATE INTRODUCED: February 15, 1996

COMMITTEE: ASSEMBLY: Appropriations

SENATE: ---

AMENDED DURING PASSAGE: Yes Amendments during passage
Assembly Committee denoted by superscript numbers
Substitute (1R)

DATE OF PASSAGE: ASSEMBLY: May 6, 1996
SENATE: May 16, 1996

DATE OF APPROVAL: May 16, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes Also attached: statement to
Assembly Committee substitute,
with floor amendments, adopted
5-2-96

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: No

FISCAL NOTE: ~~No~~ YES

VETO MESSAGE: No

MESSAGE ON SIGNING: ~~Yes~~

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See newspaper clippings--attached:

"Charity, jobless funding enacted," 5-17-96, The Record.

"Charity care gets temporary cure," 5-17-96, Asbury Park Press.

"Assembly oks bill for charity care," 5-7-96, Atlantic City Press.

"Charity care bill in NJ advances," 5-7-96, Philadelphia Inquirer.

KBP:pp

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§§7-9
C.26:2H-18.59e to
26:2H-18.59g
§§10, 11
C.26:2H-18.58b &
26:2H-18.58c
§12 - T & E
§18 - Note to all
sections

P.L. 1996, CHAPTER 28, *approved May 16, 1996*
Assembly Committee Substitute (*First Reprint*) for
Assembly No. 1532

1 **AN ACT** concerning the provision of health care services to low
2 income persons and revising parts of statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 2 of P.L.1992, c.160 (C.26:2H-18.52) is amended to
8 read as follows:

9 2. As used in sections 1 through 17 of **[this act and] P.L.1992,**
10 **c.160 (C.26:2H-18.51 through 26:2H-18.67),** sections 12 through 15
11 of P.L.1995, c.133 (C.26:2H-18.59a through C.26:2H-18.59d) **and**
12 **sections 7 through 12 of P.L. ., c. (C.)**(pending before the
13 **Legislature as this bill**):

14 "Administrator" means the administrator of the Health Care
15 Subsidy Fund appointed by the commissioner.

16 "Charity care" means care provided at disproportionate share
17 hospitals that may be eligible for a charity care subsidy pursuant to this
18 act.

19 "Charity care subsidy" means the component of the
20 disproportionate share payment that is attributable to care provided at
21 a disproportionate share hospital to persons unable to pay for that
22 care, as provided in this act.

23 "Commission" means the New Jersey Essential Health Services
24 Commission established pursuant to section 4 of this act.

25 "Commissioner" means the Commissioner of Health.

26 "Department" means the Department of Health.

27 "Disproportionate share hospital" means a hospital designated by
28 the Commissioner of Human Services pursuant to Pub.L.89-97 (42
29 U.S.C. §1396a et seq.) and Pub.L.102-234.

30 "Disproportionate share payment" means those payments made by
31 the Division of Medical Assistance and Health Services in the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly floor amendments adopted May 2, 1996.

1 Department of Human Services to hospitals defined as
2 disproportionate share hospitals by the Commissioner of Human
3 Services in accordance with federal laws and regulations applicable to
4 hospitals serving a disproportionate number of low income patients.

5 "Fund" means the Health Care Subsidy Fund established pursuant
6 to section 8 of this act.

7 "Hospital" means an acute care hospital licensed by the Department
8 of Health pursuant to P.L.1971, c.136 (C.26:2H-1 et al.).

9 "Medicaid" means the New Jersey Medical Assistance and Health
10 Services Program in the Department of Human Services established
11 pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.).

12 "Medicare" means the program established pursuant to
13 Pub.L.89-97 (42 U.S.C. §1395 et seq.).

14 "Other uncompensated care" means all costs not reimbursed by
15 hospital payers excluding charity care, graduate medical education,
16 discounts, bad debt and reduction in Medicaid payments.

17 "Poverty level" means the official poverty level based on family
18 size established and adjusted under Section 673(2) of Subtitle B, the
19 "Community Services Block Grant Act," Pub.L. 97-35 (42 U.S.C.
20 §9902(2)).

21 "Preliminary cost base" means the preliminary cost base defined in
22 section 2 of P.L.1971, c.136 (C.26:2H-2), as determined by the
23 Hospital Rate Setting Commission.

24 (cf: P.L.1995, c.133, s.1)

25

26 2. Section 5 of P.L.1992, c.160 (C.26:2H-18.55) is amended to
27 read as follows:

28 5. The commissioner shall:

29 a. Administer the fund and establish a mechanism to allocate
30 monies received from the Commissioner of Labor pursuant to section
31 29 of P.L.1992, c.160 (C.43:21-7b) to the appropriate accounts in the
32 fund as specified in this act;

33 b. Establish eligibility determination and claims pricing systems for
34 the charity care component of the disproportionate share subsidy,
35 including the development of uniform forms for determining eligibility
36 and submitting claims. The commissioner may contract with a private
37 claims administrator or processor for the purpose of processing
38 hospital claims for charity care pursuant to this act;

39 c. Establish and implement by January 1, 1997, a schedule of
40 payments for reimbursement of the charity care component of the
41 disproportionate share payment for services provided to emergency
42 room patients who do not require those services on an emergency
43 basis;

44 d. In cooperation with the Departments of Insurance and Human
45 Services, develop and provide for the implementation of the Health
46 Access New Jersey program pursuant to section 15 of [this act]

- 1 P.L.1992, c.160 (C.26:2H-18.65);
2 e. Study and, if feasible, establish hospital cost and outcome
3 reports to provide assistance to consumers of health care in this State
4 in making prudent health care choices;
5 f. Compile demographic information on recipients of, and types of
6 services paid for by, the charity care component of the
7 disproportionate share payment and periodically report a summary of
8 this information to the Governor and Legislature. The demographic
9 information shall include, at a minimum, the recipient's age, sex,
10 marital status, employment status, type of health insurance coverage,
11 if any, and if the recipient is a child under 18 years of age who does
12 not have health insurance coverage or a married person who does not
13 have health insurance coverage, whether the child's parent or the
14 married person's spouse, as the case may be, has health insurance;
15 g. (Deleted by amendment, P.L.1995, c.133.)
16 h. (Deleted by amendment, P.L.1995, c.133.)
17 i. (Deleted by amendment, P.L.1995, c.133.)
18 j (Deleted by amendment, P.L.1995, c.133.)
19 k. (Deleted by amendment, P.L.1995, c.133.)
20 l. Encourage the use of centralized data storage and transmission
21 technology that utilizes personal and image identification systems as
22 well as identity verification technology for the purposes of enabling a
23 hospital to access medical history, insurance information and other
24 personal information, as appropriate;
25 m. (Deleted by amendment, P.L.1995, c.133.)
26 n. (Deleted by amendment, P.L.1995, c.133.)
27 o. Take such other actions as the commissioner deems necessary
28 and appropriate to carry out the provisions of P.L.1992, c.160
29 (C.26:2H-18.51 et al.); and
30 p. Report annually, by December 1 of each year, to the Governor
31 and the [Legislature] Senate and General Assembly standing reference
32 committees on budget and appropriations on the status of the fund.
33 (cf: P.L.1995, c.133, s.2)
34
35 3. Section 8 of P.L.1992, c.160 (C.26:2H-18.58) is amended to
36 read as follows:
37 8. There is established the Health Care Subsidy Fund in the
38 Department of Health.
39 a. The fund shall be comprised of revenues from employee and
40 employer contributions made pursuant to section 29 of P.L.1992,
41 c.160 (C.43:21-7b), revenues from the hospital assessment made
42 pursuant to section 12 of [this act] P.L.1992, c.160 (C.26:2H-18.62),
43 revenues pursuant to section 11 of P.L. , c. (C.)(pending before
44 the Legislature as this bill), revenues from interest and penalties
45 collected pursuant to this act and revenues from such other sources as
46 the Legislature shall determine. Interest earned on the monies in the

1 fund shall be credited to the fund. The fund shall be a nonlapsing fund
2 dedicated for use by the State to: (1) distribute charity care and other
3 uncompensated care disproportionate share payments to hospitals and
4 other eligible providers, and provide subsidies for the Health Access
5 New Jersey program established pursuant to section 15 of [this act]
6 P.L.1992, c.160 (C.26:2H-18.65); and (2) assist hospitals and other
7 health care facilities in the underwriting of innovative and necessary
8 health care services.

9 b. The fund shall be administered by a person appointed by the
10 commissioner.

11 The administrator of the fund is responsible for overseeing and
12 coordinating the collection and reimbursement of fund monies. The
13 administrator is responsible for promptly informing the commissioner
14 if monies are not or are not reasonably expected to be collected or
15 disbursed [or if the fund's reserve as established in subsection c. of this
16 section falls below the required level].

17 c.[The fund shall maintain a reserve in an amount not to exceed
18 \$20 million.] The commissioner shall adopt rules and regulations to
19 [govern the use of the reserve and to] ensure the integrity of the fund,
20 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
21 (C.52:14B-1 et seq.).

22 d. The administrator shall establish separate accounts for the
23 charity care component of the disproportionate share hospital subsidy,
24 other uncompensated care component of the disproportionate share
25 hospital subsidy, hospital and other health care initiatives funding and
26 the payments for subsidies for insurance premiums to provide care in
27 disproportionate share hospitals, known as the Health Access New
28 Jersey subsidy account, respectively.

29 e. In the event that the charity care component of the
30 disproportionate share hospital subsidy account has a surplus in a
31 given year after payments are distributed pursuant to the methodology
32 established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and
33 section 7 of P.L. , c. (C.)(pending before the Legislature as this
34 bill) and within the limitations provided in subsection e. of section 9
35 of P.L.1992, c.160 (C.26:2H-18.59), the [commissioner may
36 reallocate the] surplus monies [to the Health Access New Jersey
37 subsidy account] in calendar years 1996 and 1997 shall lapse to the
38 unemployment compensation fund established pursuant to R.S.43:21-
39 9, and each year thereafter shall lapse to the charity care component
40 of the disproportionate share hospital subsidy account for distribution
41 in subsequent years.

42 (cf: P.L.1995, c.133, s.4)

43
44 4. Section 9 of P.L.1992, c.160 (C.26:2H-18.59) is amended to
45 read as follows:

46 9. a. The commissioner shall allocate such funds as specified in

1 subsection e. of this section to the charity care component of the
2 disproportionate share hospital subsidy account. In a given year, the
3 department shall transfer from the fund to the Division of Medical
4 Assistance and Health Services in the Department of Human Services
5 such funds as may be necessary for the total approved charity care
6 disproportionate share payments to hospitals for that year.

7 b. For the period January 1, 1993 to December 31, 1993, the
8 commission shall allocate \$500 million to the charity care component
9 of the disproportionate share hospital subsidy account. The
10 Department of Health shall recommend the amount that the Division
11 of Medical Assistance and Health Services shall pay to an eligible
12 hospital on a provisional, monthly basis pursuant to paragraphs (1) and
13 (2) of this subsection. The department shall also advise the
14 commission and each eligible hospital of the amount a hospital is
15 entitled to receive.

16 (1) The department shall determine if a hospital is eligible to
17 receive a charity care subsidy in 1993 based on the following:

$$\begin{array}{l}
18 \\
19 \quad \text{Hospital Specific Approved Uncompensated Care-1991} \\
20 \quad \text{.....} \\
21 \quad \text{Hospital Specific Preliminary Cost Base-1992} \\
22 \quad = \text{Hospital Specific \% Uncompensated Care (\%UC)} \\
23
\end{array}$$

24 A hospital is eligible for a charity care subsidy in 1993 if, upon
25 establishing a rank order of the %UC for all hospitals, the hospital is
26 among the 80% of hospitals with the highest %UC.

27 (2) The maximum amount of the charity care subsidy an eligible
28 hospital may receive in 1993 shall be based on the following:

$$\begin{array}{l}
29 \quad \text{Hospital Specific Approved Uncompensated Care-1991} \\
30 \quad \text{.....} \\
31 \quad \text{Total approved Uncompensated Care All Eligible Hospitals-1991} \\
32 \quad \quad \text{X \$500 million} \\
33 \quad = \text{Maximum Amount of Hospital Specific} \\
34 \quad \quad \text{Charity Care Subsidy for 1993}
\end{array}$$

35 (3) A hospital shall be required to submit all claims for charity
36 care cost reimbursement, as well as demographic information about
37 the persons who qualify for charity care, to the department in a manner
38 and time frame specified by the Commissioner of Health, in order to
39 continue to be eligible for a charity care subsidy in 1993 and in
40 subsequent years.

41 The demographic information shall include the recipient's age, sex,
42 marital status, employment status, type of health insurance coverage,
43 if any, and if the recipient is a child under 18 years of age who does
44 not have health insurance coverage or a married person who does not
45 have health insurance coverage, whether the child's parent or the
46 married person's spouse, as the case may be, has health insurance.

1 (4) A hospital shall be reimbursed for the cost of eligible charity
2 care at the same rate paid to that hospital by the Medicaid program;
3 except that charity care services provided to emergency room patients
4 who do not require those services on an emergency basis shall be
5 reimbursed at a rate appropriate for primary care, according to a
6 schedule of payments developed by the commission.

7 (5) The department shall provide for an audit of a hospital's
8 charity care for 1993 within a time frame established by the
9 department.

10 c. For the period January 1, 1994 to December 31, 1994, a
11 hospital shall receive disproportionate share payments from the
12 Division of Medical Assistance and Health Services based on the
13 amount of charity care submitted to the commission or its designated
14 agent, in a form and manner specified by the commission. The
15 commission or its designated agent shall review and price all charity
16 care claims and notify the Division of Medical Assistance and Health
17 Services of the amount it shall pay to each hospital on a monthly basis
18 based on actual services rendered.

19 (1) (Deleted by amendment, P.L.1995, c.133.)

20 (2) If the commission is not able to fully implement the charity
21 care claims pricing system by January 1, 1994, the commission shall
22 continue to make provisional disproportionate share payments to
23 eligible hospitals, through the Division of Medical Assistance and
24 Health Services, based on the charity care costs incurred by all
25 hospitals in 1993, until such time as the commission is able to
26 implement the claims pricing system.

27 If there are additional charity care balances available after the 1994
28 distribution based on 1993 charity care costs, the department shall
29 transfer these available balances from the fund to the Division of
30 Medical Assistance and Health Services for an approved one-time
31 additional disproportionate share payment to hospitals according to
32 the methodology provided in section 12 of P.L.1995, c.133
33 (C.26:2H-18.59a). The total payment for all hospitals shall not exceed
34 \$75.5 million.

35 (3) A hospital shall be reimbursed for the cost of eligible charity
36 care at the same rate paid to that hospital by the Medicaid program;
37 except that charity care services provided to emergency room patients
38 who do not require those services on an emergency basis shall be
39 reimbursed at a rate appropriate for primary care, according to a
40 schedule of payments developed by the commission.

41 (4) (Deleted by amendment, P.L.1995, c.133.)

42 d. (Deleted by amendment, P.L.1995, c.133.)

43 e. The total amount allocated for charity care subsidy payments
44 shall be: in 1994, \$450 million [and]; in 1995, \$400 million; in 1996,
45 \$310 million; and in 1997, \$300 million. Total payments to hospitals
46 shall not exceed the amount allocated for each given year.

1 f. Beginning January 1, 1995:

2 (1) The charity care subsidy shall be determined pursuant to
3 section 13 of P.L.1995, c.133 (C.26:2H-18.59b).

4 (2) A charity care claim shall be valued at the same rate paid to
5 that hospital by the Medicaid program, except that charity care
6 services provided to emergency room patients who do not require
7 those services on an emergency basis shall be valued at a rate
8 appropriate for primary care according to a schedule of payments
9 adopted by the commissioner.

10 (3) The department shall provide for an audit of a hospital's
11 charity care within a time frame established by the commissioner.
12 (cf:P.L.1995,c.133,s.5)

13

14 5. Section 14 of P.L.1995, c.133 (C.26:2H-18.59c) is amended to
15 read as follows:

16 14. All acute care hospitals licensed pursuant to P.L.1971, c.136
17 (C.26:2H-1 et al.) shall submit to the department all demographic and
18 financial data specified in this section, in a manner and time frame
19 specified by the commissioner.

20 a. A hospital shall submit demographic information about the
21 persons who qualify for charity care or to whom the hospital provides
22 uncompensated care, which includes, at a minimum: the individual's
23 age, sex, marital status, employment status, type of health insurance
24 coverage, if any, and if the individual is a child under 18 years of age
25 who does not have health insurance coverage or a married person who
26 does not have health insurance coverage, whether the child's parent or
27 the married person's spouse, as the case may be, has health insurance.

28 b. A hospital shall submit all financial data required by the
29 department for the purposes of calculating the payer mix factor as
30 defined in sections 12 and 13 of P.L.1995, c.133 (C.26:2H-18.59a and
31 C.26:2H-18.59b) and section 7 of P.L. , c. (C.)(pending before
32 the Legislature as this bill).

33 c. A hospital which fails to provide the information required
34 pursuant to this section in a manner and time frame specified by the
35 commissioner, shall be liable to a civil penalty not to exceed \$1,000
36 for each day in which the hospital is not in compliance. The
37 commissioner shall recover the penalty in an administrative proceeding
38 held pursuant to the "Administrative Procedure Act," P.L.1968, c.410
39 (C.52:14B-1 et seq.).

40 (cf: P.L.1995, c.133, s.14).

41

42 6. Section 13 of P.L.1992, c.160 (C.26:2H-18.63) is amended to
43 read as follows:

44 13. a. [A] Any person or entity who makes a false statement or
45 misrepresentation of a material fact in order to qualify any person or
46 entity for any benefits to which he is not entitled under this act or

1 P.L. c. (C.)(pending before the Legislature as this bill), [and a
2 hospital or an employee thereof in the course of his employment who
3 makes a false statement or misrepresentation of a material fact in order
4 to receive disproportionate share hospital subsidy payments to which
5 the hospital is not entitled under this act] shall be liable to civil
6 penalties of:

7 (1) payment of interest on the amount of the excess benefits or
8 subsidy payments at the maximum legal rate in effect on the date the
9 benefits were provided to the person or payment was made to the
10 [hospital] person or entity, for the period from the date upon which
11 benefits were provided or payment was made to the date upon which
12 repayment is made to the department; and

13 (2) payment of an amount not to exceed three times the amount
14 of the excess benefit or subsidy payment.

15 b. A hospital which, without intent to violate this act, obtains a
16 subsidy payment in excess of the amount to which it is entitled, shall
17 be liable to a civil penalty of payment of interest on the amount of the
18 excess payment at the maximum legal rate in effect on the date the
19 payment was made to the hospital, from the date upon which payment
20 was made to the date upon which repayment is made to the
21 department, except that a hospital shall not be liable to the civil
22 penalty when an excess subsidy payment is obtained by the hospital as
23 a result of an error made by the department, as determined by the
24 commissioner.

25 c. All interest and civil penalties provided for in this section shall
26 be recovered in an administrative proceeding held pursuant to the
27 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
28 seq.).

29 d. In order to satisfy any recovery claim asserted against a hospital
30 under this section, whether or not that claim has been the subject of
31 final agency adjudication, the commissioner is authorized to withhold
32 subsidy payments otherwise payable under this act to the hospital.

33 (cf: P.L.1995, c.133, s.9)

34

35 7. (New section) a. Beginning January 1, 1996 through December
36 31, 1997, and except as provided in section 8 of P.L. , c.
37 (C.) (pending before the Legislature as this bill), the charity care
38 subsidy shall be determined according to the following methodology.

39 If the Statewide total of adjusted charity care is less than available
40 charity care funding, a hospital's charity care subsidy shall equal its
41 adjusted charity care.

42 If the Statewide total of adjusted charity care is greater than
43 available charity care funding, then the hospital-specific charity care
44 subsidy shall be determined by allocating available charity care funds
45 so as to equalize hospital-specific payer mix factors to the Statewide
46 target payer mix factor. Those hospitals with a payer mix factor

1 greater than the Statewide target payer mix factor shall be eligible to
2 receive a subsidy sufficient to reduce their factor to that Statewide
3 level; those hospitals with a payer mix factor that is equal to or less
4 than the Statewide target payer mix factor shall not be eligible to
5 receive a subsidy.

6 Charity care subsidy payments shall be based upon actual
7 documented hospital charity care.

8 As used in this section:

9 (1) The hospital-specific "documented charity care" shall be equal
10 to the dollar amount of charity care provided by the hospital that is
11 verified in the department's most recent charity care audit conducted
12 under the most recent charity care eligibility rules adopted by the
13 department and valued at the same rate paid to that hospital by the
14 Medicaid program.

15 For 1996, documented charity care shall equal the audited,
16 Medicaid-priced amounts reported for the first three quarters of 1995.
17 This amount shall be multiplied by 1.33 to determine the annualized
18 1995 charity care amount. For 1997, documented charity care shall be
19 equal to the audited Medicaid-priced amounts for the last quarter two
20 years prior to the payment period and the first three quarters of the
21 year prior to the payment period;

22 (2) In 1996, the hospital-specific "operating margin" shall be equal
23 to: the hospital's 1993 and 1994 income from operations minus its
24 1993 and 1994 charity care subsidies divided by its 1993 and 1994
25 total operating revenue minus its 1993 and 1994 charity care subsidies.
26 After calculating each hospital's operating margin, the department shall
27 determine the Statewide median operating margin.

28 In 1997, the hospital-specific "operating margin" shall be
29 calculated in the same manner as for 1996, but on the basis of income
30 from operations, total operating revenue and charity care subsidies
31 data from the three most current years;

32 (3) The hospital-specific "profitability factor" shall be determined
33 annually as follows. Those hospitals that are equal to or below the
34 Statewide median operating margin shall be assigned a profitability
35 factor of "1". For those hospitals that are above the Statewide median
36 operating margin, the profitability factor shall be equal to:

37
$$.75 \times (\text{hospital specific operating}$$

38
$$\text{margin} - \text{Statewide median operating margin})$$

39
$$1 - \dots\dots\dots$$

40
$$\text{highest hospital specific operating}$$

41
$$\text{margin} - \text{Statewide median operating margin}$$

42

43 (4) The hospital-specific "adjusted charity care" shall be equal to
44 a hospital's documented charity care times its profitability factor;

45 (5) The hospital-specific "revenue from private payers" shall be
46 equal to the sum of the gross revenues, as reported to the department

1 in the hospital's most recently available New Jersey Hospital Cost
2 Reports for all non-governmental third party payers including, but not
3 limited to, Blue Cross and Blue Shield plans, commercial insurers and
4 health maintenance organizations;

5 (6) The hospital-specific "payer mix factor" shall be equal to a
6 hospital's adjusted charity care divided by its revenue from private
7 payers; and

8 (7) The "Statewide target payer mix factor" is the lowest payer
9 mix factor to which all hospitals receiving charity care subsidies can
10 be reduced by spending all available charity care subsidy funding for
11 that year.

12 b. For the purposes of this section, "income from operations" and
13 "total operating revenue" shall be defined by the department in
14 accordance with financial reporting requirements established pursuant
15 to N.J.A.C.8:31B-3.3.

16 c. Charity care subsidy payments shall commence on or after the
17 date of enactment of P.L. , c. (pending before the Legislature as this
18 bill) and the full calendar year 1996 allocation shall be disbursed by
19 January 31, 1997.

20

21 8. (New section) Within 30 days of the date of enactment of
22 P.L. , c. (pending before the Legislature as this bill), the
23 Commissioner of Human Services, in consultation with the
24 Commissioner of Health and the State Treasurer, shall pursue for any
25 necessary waivers from the federal Department of Health and Human
26 Services in order to implement a health care program to provide low
27 income residents of the State who qualify pursuant to section 10 of
28 P.L.1992, c.160 (C.26:2H-18.60), with eligible charity care services
29 on a managed care basis. The program shall be implemented by the
30 Commissioner of Health in consultation with the Commissioner of
31 Human Services and the State Treasurer.

32 a. The program shall be administered Statewide by one or more
33 program administrators under contract with the State Treasurer
34 pursuant to this section. For the purposes of this section, program
35 administrator may include, but not be limited to, an acute care hospital
36 which receives charity care reimbursements or a health maintenance
37 organization.

38 b. The Commissioner of Health, in consultation with the
39 Commissioner of Human Services and the State Treasurer, shall,
40 within 30 days after approval of the federal waiver, and at appropriate
41 intervals thereafter, solicit proposals from entities in the State
42 interested in administering the health care program.

43 c. The contract shall include, but not be limited to, provisions for:

44 (1) providing charity care services on a managed care basis as
45 specified by the Commissioner of Health, in consultation with the
46 Commissioner of Human Services and the State Treasurer. An

1 administrator shall be responsible for determining the most appropriate
2 and cost-effective means of providing the health care services required
3 by an eligible person and for directing the person to that means for
4 receipt of the services;

5 (2) the determination of eligibility criteria for health care providers
6 who choose to participate in the program;

7 (3) a methodology established by the Commissioner of Health for
8 reimbursement of participating hospitals and other health care
9 providers;

10 (4) the development and use of a uniform method for determining
11 eligibility of State residents for health care services under the program;
12 and

13 (5) the submission of quarterly reports to the Department of
14 Health and the Department of the Treasury, in a form and manner
15 required by the department, detailing expenditures of health care
16 funds in the program.

17 The contract shall also provide that provider participation in the
18 program shall ensure the maximum receipt by the State of federal
19 disproportionate share monies pursuant to Pub.L.89-97 (42
20 U.S.C.§1396a et seq.) and Pub.L.102-234.

21 d. The Commissioner of Health shall report 12 months after the
22 contract with the administrator or administrators is entered into by the
23 State Treasurer and each year thereafter to the standing reference
24 committees on health and appropriations of the Senate and General
25 Assembly and the Governor on:

26 (1) expenditures related to the provision of health care services
27 on a managed care basis, the number of persons served, the types of
28 services provided, the hospitals participating in the program, the
29 number and types of other health care providers participating in the
30 program and such other information as may be required by the
31 Legislature;

32 (2) the effectiveness of the program in containing or reducing
33 costs for providing health care services to qualified low income
34 residents of the State; and

35 (3) recommendations developed in consultation with the
36 Commissioner of Human Services and the State Treasurer concerning
37 additional cost containment actions that may be adopted for the
38 provision of health care services to qualified low income persons.

39 e. Nothing in this section shall be construed to expand covered
40 health care services to include services not covered by the charity care
41 program in effect on the effective date of this act.

42 f. The implementation of the health care program pursuant to this
43 section or other subsidies for charity care that affect the Medicaid
44 State plan shall be contingent upon receipt of federal approvals that
45 assure continuation of an acceptable level of federal Medicaid
46 matching funds, including disproportionate share monies, as

1 determined by the Director of the Division of Medical Assistance and
2 Health Services in the Department of Human Services and the Director
3 of the Division of Budget and Accounting in the Department of the
4 Treasury.

5
6 9. (New section) The Commissioner of Health, in consultation
7 with the State Treasurer, shall establish a technology infrastructure to
8 support the Statewide health care program established pursuant to
9 section 8 of P.L. , c. (C.)(pending before the Legislature as this
10 bill).

11 The State Treasurer, in consultation with the Commissioners of
12 Health and Human Services may, if deemed to be in the State's best
13 interests, include system features and provisions in the technology
14 infrastructure to satisfy the requirements of multiple programs and
15 purposes, including, but not limited to, programs such as, Medicaid,
16 food stamps, public assistance, and purposes such as the exchange and
17 consolidation of health care information permitted by law, eligibility
18 and identity verification, claims processing, the use of electronic
19 patient identification technology and electronic data interchange.

20
21 10. (New section) With the exception of the Catastrophic Illness
22 in Children Relief Fund, established pursuant to P.L.1987, c.370
23 (C.26:2-148 et seq.) and the Victims of Crime Compensation Board
24 established pursuant to section 3 of P.L.1971, c.317 (C.52:4B-3), the
25 Health Care Subsidy Fund is the payer of last resort for persons who
26 otherwise qualify for charity care or managed health care services
27 pursuant to P.L.1992, c.160 (C.26:2H-18.51 et al.) and P.L. , c.
28 (pending before the Legislature as this bill). A hospital or other health
29 care provider shall not submit a claim for charity care or managed
30 health care services reimbursement on behalf of any individual
31 otherwise eligible for charity care or managed health care services for
32 whom the hospital or other health care provider is eligible to receive
33 reimbursement under any State or federal program not specifically
34 exempted in this section or any other third party payer.

35
36 11. (New section) a. The Health Care Subsidy Fund shall be
37 funded with \$15 million in General Fund revenues in calendar year
38 1996 and \$41 million in General Fund revenues in calendar year 1997.

39 b. In calendar year 1998, the Health Care Subsidy Fund shall be
40 supported with revenues derived from efficiencies achieved by State
41 use of an electronic data interchange system for health care claims and
42 related information, in amounts necessary to provide funding for the
43 health care program pursuant to section 8 of P.L. , c.
44 (C.)(pending before the Legislature as this bill).

1 12. (New section) a. The Commissioner of Health shall transfer
2 to the Hospital Health Care Subsidy account in the Division of
3 Medical Assistance and Health Services of the Department of Human
4 Services from the Health Care Subsidy Fund, \$35 million in calendar
5 year 1996 and \$71 million in calendar year 1997, according to a
6 schedule to be determined by the Commissioner of Health in
7 consultation with the Commissioner of Human Services. These funds
8 shall be distributed to eligible disproportionate share hospitals
9 according to a methodology adopted by the Commissioner of Human
10 Services pursuant to N.J.A.C.10:52-8.2, using hospital expenditure
11 data for the most recent calendar year available for reimbursements
12 from these funds.

13 b. In calendar years 1996 and 1997, the Governor shall
14 recommend and the Legislature shall appropriate to the Hospital
15 Health Care Subsidy account for distribution to disproportionate share
16 hospitals which are eligible for reimbursement pursuant to subsection
17 a. of this section, those federal funds received in connection with the
18 provision of hospital reimbursements from that account.

19

20 13. R.S.43:21-7 is amended to read as follows:

21 43:21-7. Contributions. Employers other than governmental
22 entities, whose benefit financing provisions are set forth in section 4
23 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
24 liable for payment in lieu of contributions on the basis set forth in
25 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller
26 for the unemployment compensation fund, contributions as set forth
27 in subsections (a), (b) and (c) hereof, and the provisions of subsections
28 (d) and (e) shall be applicable to all employers, consistent with the
29 provisions of the "unemployment compensation law" and the
30 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
31 seq.).

32 (a) Payment.

33 (1) Contributions shall accrue and become payable by each
34 employer for each calendar year in which he is subject to this chapter
35 (R.S.43:21-1 et seq.), with respect to having individuals in his employ
36 during that calendar year, at the rates and on the basis hereinafter set
37 forth. Such contributions shall become due and be paid by each
38 employer to the controller for the fund, in accordance with such
39 regulations as may be prescribed, and shall not be deducted, in whole
40 or in part, from the remuneration of individuals in his employ.

41 (2) In the payment of any contributions, a fractional part of a cent
42 shall be disregarded unless it amounts to \$0.005 or more, in which
43 case it shall be increased to \$0.01.

44 (b) Rate of contributions. Each employer shall pay the following
45 contributions:

46 (1) For the calendar year 1947, and each calendar year thereafter,

1 2 7/10% of wages paid by him during each such calendar year, except
2 as otherwise prescribed by subsection (c) of this section.

3 (2) The "wages" of any individual, with respect to any one
4 employer, as the term is used in this subsection (b) and in subsections
5 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid
6 during calendar year 1975, for services performed either within or
7 without this State; provided that no contribution shall be required by
8 this State with respect to services performed in another state if such
9 other state imposes contribution liability with respect thereto. If an
10 employer (hereinafter referred to as a successor employer) during any
11 calendar year acquires substantially all the property used in a trade or
12 business of another employer (hereinafter referred to as a
13 predecessor), or used in a separate unit of a trade or business of a
14 predecessor, and immediately after the acquisition employs in his
15 trade or business an individual who immediately prior to the
16 acquisition was employed in the trade or business of such predecessor,
17 then, for the purpose of determining whether the successor employer
18 has paid wages with respect to employment equal to the first
19 \$4,800.00 paid during calendar year 1975, any wages paid to such
20 individual by such predecessor during such calendar year and prior to
21 such acquisition shall be considered as having been paid by such
22 successor employer.

23 (3) For calendar years beginning on and after January 1, 1976, the
24 "wages" of any individual, as defined in the preceding paragraph (2)
25 of this subsection (b), shall be established and promulgated by the
26 Commissioner of Labor on or before September 1 of the preceding
27 year and shall be 28 times the Statewide average weekly remuneration
28 paid to workers by employers, as determined under R.S.43:21-3(c),
29 raised to the next higher multiple of \$100.00 if not already a multiple
30 thereof, provided that if the amount of wages so determined for a
31 calendar year is less than the amount similarly determined for the
32 preceding year, the greater amount will be used; provided, further, that
33 if the amount of such wages so determined does not equal or exceed
34 the amount of wages as defined in subsection (b) of section 3306 of
35 the Federal Unemployment Tax Act, Chapter 23 of the Internal
36 Revenue Code of 1986 (26 U.S.C. §3306(b)), the wages as determined
37 in this paragraph in any calendar year shall be raised to equal the
38 amount established under the Federal Unemployment Tax Act for that
39 calendar year.

40 (c) Future rates based on benefit experience.

41 (1) A separate account for each employer shall be maintained and
42 this shall be credited with all the contributions which he has paid on
43 his own behalf on or before January 31 of any calendar year with
44 respect to employment occurring in the preceding calendar year;
45 provided, however, that if January 31 of any calendar year falls on a
46 Saturday or Sunday, an employer's account shall be credited as of

1 January 31 of such calendar year with all the contributions which he
2 has paid on or before the next succeeding day which is not a Saturday
3 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be
4 construed to grant any employer or individuals in his service prior
5 claims or rights to the amounts paid by him into the fund either on his
6 own behalf or on behalf of such individuals. Benefits paid with respect
7 to benefit years commencing on and after January 1, 1953, to any
8 individual on or before December 31 of any calendar year with respect
9 to unemployment in such calendar year and in preceding calendar years
10 shall be charged against the account or accounts of the employer or
11 employers in whose employment such individual established base
12 weeks constituting the basis of such benefits. Benefits paid under a
13 given benefit determination shall be charged against the account of the
14 employer to whom such determination relates. When each benefit
15 payment is made, either a copy of the benefit check or other form of
16 notification shall be promptly sent to the employer against whose
17 account the benefits are to be charged. Such copy or notification shall
18 identify the employer against whose account the amount of such
19 payment is being charged, shall show at least the name and social
20 security account number of the claimant and shall specify the period
21 of unemployment to which said check applies. If the total amount of
22 benefits paid to a claimant and charged to the account of the
23 appropriate employer exceeds 50% of the total base year, base week
24 wages paid to the claimant by that employer, then such employer shall
25 have canceled from his account such excess benefit charges as
26 specified above.

27 Each employer shall be furnished an annual summary statement of
28 benefits charged to his account.

29 (2) Regulations may be prescribed for the establishment,
30 maintenance, and dissolution of joint accounts by two or more
31 employers, and shall, in accordance with such regulations and upon
32 application by two or more employers to establish such an account, or
33 to merge their several individual accounts in a joint account, maintain
34 such joint account as if it constituted a single employer's account.

35 (3) No employer's rate shall be lower than 5.4% unless assignment
36 of such lower rate is consistent with the conditions applicable to
37 additional credit allowance for such year under section 3303(a)(1) of
38 the Internal Revenue Code of 1986 (26 U.S.C. §3303(a)(1)), any other
39 provision of this section to the contrary notwithstanding.

40 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
41 8/10%, except as otherwise provided in the following provisions. No
42 employer's rate for the 12 months commencing July 1 of any calendar
43 year shall be other than 2 8/10%, unless as of the preceding January 31
44 such employer shall have paid contributions with respect to wages paid
45 in each of the three calendar years immediately preceding such year,
46 in which case such employer's rate for the 12 months commencing July

1 of any calendar year shall be determined on the basis of his record up
2 to the beginning of such calendar year. If, at the beginning of such
3 calendar year, the total of all his contributions, paid on his own behalf,
4 for all past years exceeds the total benefits charged to his account for
5 all such years, his contribution rate shall be:

6 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
7 5%, of his average annual payroll (as defined in paragraph (2),
8 subsection (a) of R.S.43:21-19);

9 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less than
10 6%, of his average annual payroll;

11 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less than
12 7%, of his average annual payroll;

13 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less than
14 8%, of his average annual payroll;

15 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less than
16 9%, of his average annual payroll;

17 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
18 of his average annual payroll;

19 (7) $\frac{7}{10}$ of 1%, if such excess equals or exceeds 10%, but is less
20 than 11%, of his average annual payroll;

21 (8) $\frac{4}{10}$ of 1%, if such excess equals or exceeds 11% of his
22 average annual payroll.

23 (B) If the total of an employer's contributions, paid on his own
24 behalf, for all past periods for the purposes of this paragraph (4), is
25 less than the total benefits charged against his account during the same
26 period, his rate shall be:

27 (1) 4%, if such excess is less than 10% of his average annual
28 payroll;

29 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
30 20%, of his average annual payroll;

31 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
32 annual payroll.

33 (C) Specially assigned rates. If no contributions were paid on
34 wages for employment in any calendar year used in determining the
35 average annual payroll of an employer eligible for an assigned rate
36 under this paragraph (4), the employer's rate shall be specially assigned
37 as follows:

38 (i) if the reserve balance in its account is positive, its assigned rate
39 shall be the highest rate in effect for positive balance accounts for that
40 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in
41 its account is negative, its assigned rate shall be the highest rate in
42 effect for deficit accounts for that period.

43 (D) The contribution rates prescribed by subparagraphs (A) and
44 (B) of this paragraph (4) shall be increased or decreased in accordance
45 with the provisions of paragraph (5) of this subsection (c) for
46 experience rating periods through June 30, 1986.

1 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
2 31 of any calendar year the balance in the unemployment trust fund
3 equals or exceeds 4% but is less than 7% of the total taxable wages
4 reported to the controller as of that date in respect to employment
5 during the preceding calendar year, the contribution rate, effective July
6 1 following, of each employer eligible for a contribution rate
7 calculation based upon benefit experience, shall be increased by 3/10
8 of 1% over the contribution rate otherwise established under the
9 provisions of paragraph (3) or (4) of this subsection. If on March 31
10 of any calendar year the balance of the unemployment trust fund
11 exceeds 2 1/2% but is less than 4% of the total taxable wages reported
12 to the controller as of that date in respect to employment during the
13 preceding calendar year, the contribution rate, effective July 1
14 following, of each employer eligible for a contribution rate calculation
15 based upon benefit experience, shall be increased by 6/10 of 1% over
16 the contribution rate otherwise established under the provisions of
17 paragraph (3) or (4) of this subsection.

18 If on March 31 of any calendar year the balance of the
19 unemployment trust fund is less than 2 1/2% of the total taxable wages
20 reported to the controller as of that date in respect to employment
21 during the preceding calendar year, the contribution rate, effective July
22 1 following, of each employer (1) eligible for a contribution rate
23 calculation based upon benefit experience, shall be increased by (i)
24 6/10 of 1% over the contribution rate otherwise established under the
25 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and
26 (ii) an additional amount equal to 20% of the total rate established
27 herein, provided, however, that the final contribution rate for each
28 employer shall be computed to the nearest multiple of 1/10% if not
29 already a multiple thereof; (2) not eligible for a contribution rate
30 calculation based upon benefit experience, shall be increased by 6/10
31 of 1% over the contribution rate otherwise established under the
32 provisions of paragraph (4) of this subsection. For the period
33 commencing July 1, 1984 and ending June 30, 1986, the contribution
34 rate for each employer liable to pay contributions under R.S.43:21-7
35 shall be increased by a factor of 10% computed to the nearest multiple
36 of 1/10% if not already a multiple thereof.

37 (B) If on March 31 of any calendar year the balance in the
38 unemployment trust fund equals or exceeds 10% but is less than 12
39 1/2% of the total taxable wages reported to the controller as of that
40 date in respect to employment during the preceding calendar year, the
41 contribution rate, effective July 1 following, of each employer eligible
42 for a contribution rate calculation based upon benefit experience, shall
43 be reduced by 3/10 of 1% under the contribution rate otherwise
44 established under the provisions of paragraphs (3) and (4) of this
45 subsection; provided that in no event shall the contribution rate of any
46 employer be reduced to less than 4/10 of 1%. If on March 31 of any

1 calendar year the balance in the unemployment trust fund equals or
 2 exceeds 12 1/2% of the total taxable wages reported to the controller
 3 as of that date in respect to employment during the preceding calendar
 4 year, the contribution rate, effective July 1 following, of each
 5 employer eligible for a contribution rate calculation based upon benefit
 6 experience, shall be reduced by 6/10 of 1% if his account for all past
 7 periods reflects an excess of contributions paid over total benefits
 8 charged of 3% or more of his average annual payroll, otherwise by
 9 3/10 of 1% under the contribution rate otherwise established under the
 10 provisions of paragraphs (3) and (4) of this subsection; provided that
 11 in no event shall the contribution rate of any employer be reduced to
 12 less than 4/10 of 1%.

13 (C) The "balance" in the unemployment trust fund, as the term is
 14 used in subparagraphs (A) and (B) above, shall not include moneys
 15 credited to the State's account under section 903 of the Social Security
 16 Act, as amended (42 U.S.C. §1103), during any period in which such
 17 moneys are appropriated for the payment of expenses incurred in the
 18 administration of the "unemployment compensation law."

19 (D) Prior to July 1 of each calendar year the controller shall
 20 determine the Unemployment Trust Reserve Ratio, which shall be
 21 calculated by dividing the balance of the unemployment trust fund as
 22 of the prior March 31 by total taxable wages reported to the controller
 23 by all employers as of March 31 with respect to their employment
 24 during the last calendar year.

25 (E)(i) With respect to experience rating years beginning on or
 26 after July 1, 1986 and before July 1, 1997, the new employer rate or
 27 the unemployment experience rate of an employer under this section
 28 shall be the rate which appears in the column headed by the
 29 Unemployment Trust Fund Reserve Ratio as of the applicable
 30 calculation date and on the line with the Employer Reserve Ratio, as
 31 defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set
 32 forth in the following table:

33
 34 EXPERIENCE RATING TAX TABLE

35
 36 Fund Reserve Ratio¹

37	38	39	40	41	42
	10.00%	7.00%	4.00%	2.50%	2.49%
39 Employer	and	to	to	to	and
40 Reserve	Over	9.99%	6.99%	3.99%	Under
41 Ratio ²	A	B	C	D	E
43 Positive Reserve Ratio:					
44 17% and over	0.3	0.4	0.5	0.6	1.2
45 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
46 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
47 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
48 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
49 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2

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1	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
2	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
3	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
4	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
5	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
7	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
8	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
9	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
10	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
11	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
12	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
13	Deficit Reserve Ratio:					
14	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
15	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
16	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
17	-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
18	-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
19	-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
20	-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
21	-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
22	-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
23	-35.00% and under	5.4	5.4	5.8	6.4	7.0
24	New Employer Rate	2.8	2.8	2.8	3.1	3.4

25 ¹Fund balance as of March 31 as a percentage of taxable wages in the prior calendar
26 year.

27 ²Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's
28 taxable wages).

31 (ii) With respect to experience rating years beginning on or after July
32 1, 1997, the new employer rate or the unemployment experience rate of
33 an employer under this section shall be the rate which appears in the
34 column headed by the Unemployment Trust Fund Reserve Ratio as of the
35 applicable calculation date and on the line with the Employer Reserve
36 Ratio, as defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)),
37 as set forth in the following table:

39 EXPERIENCE RATING TAX TABLE

		<u>Fund Reserve Ratio¹</u>				
		<u>¹5.00%</u>	<u>4.00%</u>	<u>3.00%</u>	<u>2.00%</u>	<u>1.99%</u>
44	<u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
45	<u>Reserve</u>	<u>Over</u>	<u>4.99%</u>	<u>3.99%</u>	<u>2.99%</u>	<u>Under</u>
46	<u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
47		<u>6.00%</u>	<u>4.00%</u>	<u>3.00%</u>	<u>2.50%</u>	<u>2.49%</u>
48	<u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
49	<u>Reserve</u>	<u>Over</u>	<u>5.99%</u>	<u>3.99%</u>	<u>2.99%</u>	<u>Under</u>
50	<u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E¹</u>
52	<u>Positive Reserve Ratio:</u>					
53	<u>17% and over</u>	<u>0.3</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>1.2</u>
54	<u>16.00% to 16.99%</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>1.2</u>

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1	<u>15.00% to 15.99%</u>	<u>0.4</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>1.2</u>
2	<u>14.00% to 14.99%</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>1.2</u>
3	<u>13.00% to 13.99%</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>1.2</u>
4	<u>12.00% to 12.99%</u>	<u>0.6</u>	<u>0.8</u>	<u>0.9</u>	<u>1.0</u>	<u>1.2</u>
5	<u>11.00% to 11.99%</u>	<u>0.7</u>	<u>0.8</u>	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>
6	<u>10.00% to 10.99%</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.6</u>
7	<u>9.00% to 9.99%</u>	<u>1.0</u>	<u>1.3</u>	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>
8	<u>8.00% to 8.99%</u>	<u>1.3</u>	<u>1.6</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
9	<u>7.00% to 7.99%</u>	<u>1.4</u>	<u>1.8</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>
10	<u>6.00% to 6.99%</u>	<u>1.7</u>	<u>2.1</u>	<u>2.5</u>	<u>2.8</u>	<u>3.0</u>
11	<u>5.00% to 5.99%</u>	<u>1.9</u>	<u>2.4</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>
12	<u>4.00% to 4.99%</u>	<u>2.0</u>	<u>2.6</u>	<u>3.1</u>	<u>3.4</u>	<u>3.7</u>
13	<u>3.00% to 3.99%</u>	<u>2.1</u>	<u>2.7</u>	<u>3.2</u>	<u>3.6</u>	<u>3.9</u>
14	<u>2.00% to 2.99%</u>	<u>2.2</u>	<u>2.8</u>	<u>3.3</u>	<u>3.7</u>	<u>4.0</u>
15	<u>1.00% to 1.99%</u>	<u>2.3</u>	<u>2.9</u>	<u>3.4</u>	<u>3.8</u>	<u>4.1</u>
16	<u>0.00% to 0.99%</u>	<u>2.4</u>	<u>3.0</u>	<u>3.6</u>	<u>4.0</u>	<u>4.3</u>
17	<u>Deficit Reserve Ratio:</u>					
18	<u>-0.00% to -2.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.6</u>	<u>6.1</u>
19	<u>-3.00% to -5.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.7</u>	<u>6.2</u>
20	<u>-6.00% to -8.99%</u>	<u>3.5</u>	<u>4.4</u>	<u>5.2</u>	<u>5.8</u>	<u>6.3</u>
21	<u>-9.00% to -11.99%</u>	<u>3.5</u>	<u>4.5</u>	<u>5.3</u>	<u>5.9</u>	<u>6.4</u>
22	<u>-12.00% to -14.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.4</u>	<u>6.0</u>	<u>6.5</u>
23	<u>-15.00% to -19.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.5</u>	<u>6.1</u>	<u>6.6</u>
24	<u>-20.00% to -24.99%</u>	<u>3.7</u>	<u>4.7</u>	<u>5.6</u>	<u>6.2</u>	<u>6.7</u>
25	<u>-25.00% to -29.99%</u>	<u>3.7</u>	<u>4.8</u>	<u>5.6</u>	<u>6.3</u>	<u>6.8</u>
26	<u>-30.00% to -34.99%</u>	<u>3.8</u>	<u>4.8</u>	<u>5.7</u>	<u>6.3</u>	<u>6.9</u>
27	<u>-35.00% and under</u>	<u>5.4</u>	<u>5.4</u>	<u>5.8</u>	<u>6.4</u>	<u>7.0</u>
28	<u>New Employer Rate</u>	<u>2.8</u>	<u>2.8</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>

29 ¹Fund balance as of March 31 as a percentage of taxable wages in the prior calendar
30 year.

31 ²Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's
32 taxable wages).

33

34 (F)(i) With respect to experience rating years beginning on or after
35 July 1, 1986 and before July 1, 1997, if the balance of the unemployment
36 trust fund as of the prior March 31 is negative, the contribution rate for
37 each employer liable to pay contributions, as computed under
38 subparagraph E of this paragraph (5), shall be increased by a factor of
39 10% computed to the nearest multiple of 1/10% if not already a multiple
40 thereof.

41 (ii) With respect to experience rating years beginning on or after July
42 1, 1997, if the fund reserve ratio, based on the fund balance as of the prior
43 March 31, is less than 1.00%, the contribution rate for each employer
44 liable to pay contributions, as computed under subparagraph E of this
45 paragraph (5), shall be increased by a factor of 10% computed to the
46 nearest multiple of 1/10% if not already a multiple thereof.

47 (G) On or after January 1, 1993, notwithstanding any other provisions
48 of this paragraph (5), the contribution rate for each employer liable to pay
49 contributions, as computed under subparagraph (E) of this paragraph (5),
50 shall be decreased by 0.1%, except that, during any experience rating year
51 in which the fund reserve ratio is equal to or greater than 7.00%, there

1 shall be no decrease pursuant to this subparagraph (G) in the contribution
2 of any employer who has a deficit reserve ratio of negative 35.00% or
3 under.

4 (H) On or after January 1, 1993 until December 31, 1993,
5 notwithstanding any other provisions of this paragraph (5), the
6 contribution rate for each employer liable to pay contributions, as
7 computed under subparagraph (E) of this paragraph (5), shall be decreased
8 by a factor of 52.0% computed to the nearest multiple of 1/10%, except
9 that, if an employer has a deficit reserve ratio of negative 35.0% or under,
10 the employer's rate of contribution shall not be reduced pursuant to this
11 subparagraph (H) to less than 5.4%. The amount of the reduction in the
12 employer contributions stipulated by this subparagraph (H) shall be in
13 addition to the amount of the reduction in the employer contributions
14 stipulated by subparagraph (G) of this paragraph (5), except that the rate
15 of contribution of an employer who has a deficit reserve ratio of negative
16 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
17 less than 5.4% and the rate of contribution of any other employer shall not
18 be reduced to less than 0.0%.

19 On or after January 1, 1994 until December 31, 1995, except as
20 provided pursuant to subparagraph (I) of this paragraph (5),
21 notwithstanding any other provisions of this paragraph (5), the
22 contribution rate for each employer liable to pay contributions, as
23 computed under subparagraph (E) of this paragraph (5), shall be decreased
24 by a factor of 36.0% computed to the nearest multiple of 1/10%, except
25 that, if an employer has a deficit reserve ratio of negative 35.0% or under,
26 the employer's rate of contribution shall not be reduced pursuant to this
27 subparagraph (H) to less than 5.4%. The amount of the reduction in the
28 employer contributions stipulated by this subparagraph (H) shall be in
29 addition to the amount of the reduction in the employer contributions
30 stipulated by subparagraph (G) of this paragraph (5), except that the rate
31 of contribution of an employer who has a deficit reserve ratio of negative
32 35.0% or under shall not be reduced pursuant to this subparagraph (H)
33 to less than 5.4% and the rate of contribution of any other employer shall
34 not be reduced to less than 0.0%.

35 On or after April 1, 1996 until December 31, 1996, the contribution
36 rate for each employer liable to pay contributions, as computed under
37 subparagraph (E) of this paragraph (5), shall be decreased by a factor of
38 25.0% computed to the nearest multiple of 1/10%, except that, if an
39 employer has a deficit reserve ratio of negative 35.0% or under, the
40 employer's rate of contribution shall not be reduced pursuant to this
41 subparagraph (H) to less than 5.4%. The amount of the reduction in the
42 employer contributions stipulated by this subparagraph (H) shall be in
43 addition to the amount of the reduction in the employer contributions
44 stipulated by subparagraph (G) of this paragraph (5), except that the rate
45 of contribution of an employer who has a deficit reserve ratio of negative
46 35.0% or under shall not be reduced pursuant to this subparagraph (H) to

1 less than 5.4% and the rate of contribution of any other employer shall not
2 be reduced to less than 0.0%.

3 On or after January 1, 1997 until December 31, 1997, the contribution
4 rate for each employer liable to pay contributions, as computed under
5 subparagraph (E) of this paragraph (5), shall be decreased by a factor of
6 10.0% computed to the nearest multiple of 1/10%, except that, if an
7 employer has a deficit reserve ratio of negative 35.0% or under, the
8 employer's rate of contribution shall not be reduced pursuant to this
9 subparagraph (H) to less than 5.4%. The amount of the reduction in the
10 employer contributions stipulated by this subparagraph (H) shall be in
11 addition to the amount of the reduction in the employer contributions
12 stipulated by subparagraph (G) of this paragraph (5), except that the rate
13 of contribution of an employer who has a deficit reserve ratio of negative
14 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
15 less than 5.4% and the rate of contribution of any other employer shall not
16 be reduced to less than 0.0%.

17 (I) If the fund reserve ratio decreases to a level of less than 4.00% on
18 March 31 of calendar year 1994 or calendar year 1995, the provisions of
19 subparagraph (H) of this paragraph (5) shall cease to be in effect as of July
20 1 of that calendar year.

21 If, upon calculating the unemployment compensation fund reserve ratio
22 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, ¹[1998,] 1997,¹ the
23 controller finds that the fund reserve ratio has decreased to a level of less
24 than 3.00%, the Commissioner of Labor shall notify the State Treasurer
25 of this fact and of the dollar amount necessary to bring the fund reserve
26 ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31,
27 ¹[1998,] 1997,¹ transfer from the General Fund to the unemployment
28 compensation fund, revenues in the amount specified by the commissioner
29 and which, upon deposit in the unemployment compensation fund, shall
30 result, upon recalculation, in a fund reserve ratio used to determine
31 employer contributions beginning July 1, ¹[1998] 1997,¹ of at least 3.00%.

32 If, upon calculating the unemployment compensation fund reserve ratio
33 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, ¹[1999,] 1998,¹ the
34 controller finds that the fund reserve ratio has decreased to a level of less
35 than 3.00%, the Commissioner of Labor shall notify the State Treasurer
36 of this fact and of the dollar amount necessary to bring the fund reserve
37 ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31,
38 ¹[1999,] 1998,¹ transfer from the General Fund to the unemployment
39 compensation fund, revenues in the amount specified by the commissioner
40 and which, upon deposit in the unemployment compensation fund, shall
41 result, upon recalculation, in a fund reserve ratio used to determine
42 employer contributions beginning July 1, ¹[1999] 1998¹ of at least 3.00%.

43 (6) Additional contributions.

44 Notwithstanding any other provision of law, any employer who has
45 been assigned a contribution rate pursuant to subsection (c) of this section
46 for the year commencing July 1, 1948, and for any year commencing July

1 1 thereafter, may voluntarily make payment of additional contributions,
2 and upon such payment shall receive a recomputation of the experience
3 rate applicable to such employer, including in the calculation the additional
4 contribution so made. Any such additional contribution shall be made
5 during the 30-day period following the date of the mailing to the
6 employer of the notice of his contribution rate as prescribed in this
7 section, unless, for good cause, the time for payment has been extended
8 by the controller for not to exceed an additional 60 days; provided that in
9 no event may such payments which are made later than 120 days after the
10 beginning of the year for which such rates are effective be considered in
11 determining the experience rate for the year in which the payment is made.
12 Any employer receiving any extended period of time within which to make
13 such additional payment and failing to make such payment timely shall be,
14 in addition to the required amount of additional payment, a penalty of 5%
15 thereof or \$5.00, whichever is greater, not to exceed \$50.00. Any
16 adjustment under this subsection shall be made only in the form of credits
17 against accrued or future contributions.

18 (7) Transfers.

19 (A) Upon the transfer of the organization, trade or business, or
20 substantially all the assets of an employer to a successor in interest,
21 whether by merger, consolidation, sale, transfer, descent or otherwise, the
22 controller shall transfer the employment experience of the predecessor
23 employer to the successor in interest, including credit for past years,
24 contributions paid, annual payrolls, benefit charges, et cetera, applicable
25 to such predecessor employer, pursuant to regulation, if it is determined
26 that the employment experience of the predecessor employer with respect
27 to the organization, trade, assets or business which has been transferred
28 may be considered indicative of the future employment experience of the
29 successor in interest. Unless the predecessor employer was owned or
30 controlled (by legally enforceable means or otherwise), directly or
31 indirectly, by the successor in interest, or the predecessor employer and
32 the successor in interest were owned or controlled (by legally enforceable
33 means or otherwise), directly or indirectly, by the same interest or
34 interests, the transfer of the employment experience of the predecessor
35 shall not be effective if such successor in interest, within four months of
36 the date of such transfer of the organization, trade, assets or business, or
37 thereafter upon good cause shown, files a written notice protesting the
38 transfer of the employment experience of the predecessor employer.

39 (B) An employer who transfers part of his or its organization, trade,
40 assets or business to a successor in interest, whether by merger,
41 consolidation, sale, transfer, descent or otherwise, may jointly make
42 application with such successor in interest for transfer of that portion of
43 the employment experience of the predecessor employer relating to the
44 portion of the organization, trade, assets or business transferred to the
45 successor in interest, including credit for past years, contributions paid,
46 annual payrolls, benefit charges, et cetera, applicable to such predecessor

1 employer. The transfer of employment experience may be allowed
2 pursuant to regulation only if it is found that the employment experience
3 of the predecessor employer with respect to the portion of the
4 organization, trade, assets or business which has been transferred may be
5 considered indicative of the future employment experience of the
6 successor in interest. Credit shall be given to the successor in interest
7 only for the years during which contributions were paid by the predecessor
8 employer with respect to that part of the organization, trade, assets or
9 business transferred.

10 (C) A transfer of the employment experience in whole or in part having
11 become final, the predecessor employer thereafter shall not be entitled to
12 consideration for an adjusted rate based upon his or its experience or the
13 part thereof, as the case may be, which has thus been transferred. A
14 successor in interest to whom employment experience or a part thereof is
15 transferred pursuant to this subsection shall, as of the date of the transfer
16 of the organization, trade, assets or business, or part thereof, immediately
17 become an employer if not theretofore an employer subject to this chapter
18 (R.S.43:21-1 et seq.).

19 (d) Contributions of workers to the unemployment compensation fund
20 and the State disability benefits fund.

21 (1) (A) For periods after January 1, 1975, each worker shall
22 contribute to the fund 1% of his wages with respect to his employment
23 with an employer, which occurs on and after January 1, 1975, after such
24 employer has satisfied the condition set forth in subsection (h) of
25 R.S.43:21-19 with respect to becoming an employer; provided, however,
26 that such contributions shall be at the rate of 1/2 of 1% of wages paid with
27 respect to employment while the worker is in the employ of the State of
28 New Jersey, or any governmental entity or instrumentality which is an
29 employer as defined under R.S.43:21-19(h)(5), or is covered by an
30 approved private plan under the "Temporary Disability Benefits Law" or
31 while the worker is exempt from the provisions of the "Temporary
32 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110
33 (C.43:21-31).

34 (B) Effective January 1, 1978 there shall be no contributions by
35 workers in the employ of any governmental or nongovernmental employer
36 electing or required to make payments in lieu of contributions unless the
37 employer is covered by the State plan under the "Temporary Disability
38 Benefits Law" (C.43:21-37 et seq.), and in that case contributions shall be
39 at the rate of 1/2 of 1%, except that commencing July 1, 1986, workers
40 in the employ of any nongovernmental employer electing or required to
41 make payments in lieu of contributions shall be required to make
42 contributions to the fund at the same rate prescribed for workers of other
43 nongovernmental employers.

44 (C) (i) Notwithstanding the above provisions of this paragraph (1),
45 during the period starting July 1, 1986 and ending December 31, 1992,
46 each worker shall contribute to the fund 1.125% of wages paid with

1 respect to his employment with a governmental employer electing or
2 required to pay contributions or nongovernmental employer, including a
3 nonprofit organization which is an employer as defined under
4 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization
5 elects or is required to finance its benefit costs with contributions to the
6 fund or by payments in lieu of contributions, after that employer has
7 satisfied the conditions set forth in subsection R.S.43:21-19(h) with
8 respect to becoming an employer. Contributions, however, shall be at the
9 rate of 0.625% while the worker is covered by an approved private plan
10 under the "Temporary Disability Benefits Law" while the worker is
11 exempt under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
12 other provision of that law; provided that such contributions shall be at the
13 rate of 0.625% of wages paid with respect to employment with the State
14 of New Jersey or any other governmental entity or instrumentality electing
15 or required to make payments in lieu of contributions and which is
16 covered by the State plan under the "Temporary Disability Benefits Law,"
17 except that, while the worker is exempt from the provisions of the
18 "Temporary Disability Benefits Law" under section 7 of that law,
19 P.L.1948, c.110 (C.43:21-31) or any other provision of that law, or is
20 covered for disability benefits by an approved private plan of the
21 employer, the contributions to the fund shall be 0.125%.

22 (ii) (Deleted by amendment, P.L.1995, c.422.)

23 (D) Notwithstanding any other provisions of this paragraph (1), during
24 the period starting January 1, 1993 and ending June 30, 1994, each worker
25 shall contribute to the unemployment compensation fund 0.5% of wages
26 paid with respect to the worker's employment with a governmental
27 employer electing or required to pay contributions or nongovernmental
28 employer, including a nonprofit organization which is an employer as
29 defined under paragraph 6 of subsection (h) of R.S.43:21-19, regardless
30 of whether that nonprofit organization elects or is required to finance its
31 benefit costs with contributions to the fund or by payments in lieu of
32 contributions, after that employer has satisfied the conditions set forth in
33 subsection (h) of R.S.43:21-19 with respect to becoming an employer. No
34 contributions, however, shall be made by the worker while the worker is
35 covered by an approved private plan under the "Temporary Disability
36 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker
37 is exempt under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
38 provision of that law; provided that the contributions shall be at the rate
39 of 0.50% of wages paid with respect to employment with the State of New
40 Jersey or any other governmental entity or instrumentality electing or
41 required to make payments in lieu of contributions and which is covered
42 by the State plan under the "Temporary Disability Benefits Law," except
43 that, while the worker is exempt from the provisions of the "Temporary
44 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110
45 (C.43:21-31) or any other provision of that law, or is covered for
46 disability benefits by an approved private plan of the employer, no

1 contributions shall be made to the fund.

2 Each worker shall, starting on January 1, 1996 and ending March 31,
3 1996, contribute to the unemployment compensation fund 0.60% of wages
4 paid with respect to the worker's employment with a governmental
5 employer electing or required to pay contributions or nongovernmental
6 employer, including a nonprofit organization which is an employer as
7 defined under paragraph 6 of subsection (h) of R.S.43:21-19, regardless
8 of whether that nonprofit organization elects or is required to finance its
9 benefit costs with contributions to the fund or by payments in lieu of
10 contributions, after that employer has satisfied the conditions set forth in
11 subsection (h) of R.S.43:21-19 with respect to becoming an employer,
12 provided that the contributions shall be at the rate of 0.10% of wages paid
13 with respect to employment with the State of New Jersey or any other
14 governmental entity or instrumentality electing or required to make
15 payments in lieu of contributions.

16 Each worker shall, starting on January 1, 1998 contribute to the
17 unemployment compensation fund 0.40% of wages paid with respect to
18 the worker's employment with a governmental employer electing or
19 required to pay contributions or nongovernmental employer, including a
20 nonprofit organization which is an employer as defined under paragraph
21 6 of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit
22 organization elects or is required to finance its benefit costs with
23 contributions to the fund or by payments in lieu of contributions, after that
24 employer has satisfied the conditions set forth in subsection (h) of
25 R.S.43:21-19 with respect to becoming an employer, provided that the
26 contributions shall be at the rate of 0.10% of wages paid with respect to
27 employment with the State of New Jersey or any other governmental
28 entity or instrumentality electing or required to make payments in lieu of
29 contributions.

30 (E) Each employer shall, notwithstanding any provision of law in this
31 State to the contrary, withhold in trust the amount of his workers'
32 contributions from their wages at the time such wages are paid, shall show
33 such deduction on his payroll records, shall furnish such evidence thereof
34 to his workers as the division or controller may prescribe, and shall
35 transmit all such contributions, in addition to his own contributions, to the
36 office of the controller in such manner and at such times as may be
37 prescribed. If any employer fails to deduct the contributions of any of his
38 workers at the time their wages are paid, or fails to make a deduction
39 therefor at the time wages are paid for the next succeeding payroll period,
40 he alone shall thereafter be liable for such contributions, and for the
41 purpose of R.S.43:21-14, such contributions shall be treated as employer's
42 contributions required from him.

43 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the
44 context clearly requires otherwise, the term "contributions" shall include
45 the contributions of workers pursuant to this section.

46 (G) Each worker shall, starting on July 1, 1994, contribute to the State

1 disability benefits fund an amount equal to 0.50% of wages paid with
2 respect to the worker's employment with a government employer electing
3 or required to pay contributions to the State disability benefits fund or
4 nongovernmental employer, including a nonprofit organization which is an
5 employer as defined under paragraph 6 of subsection (h) of R.S. 43:21-19,
6 unless the employer is covered by an approved private disability plan or
7 is exempt from the provisions of the "Temporary Disability Benefits Law,"
8 P.L.1948 c.110 (C.43:21-25 et seq.) under section 7 of that law
9 (C.43:21-31) or any other provision of that law.

10 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

11 (B) (Deleted by amendment, P.L.1984, c.24.)

12 (C) (Deleted by amendment, P.L.1994, c.112.)

13 (D) (Deleted by amendment, P.L.1994, c.112.)

14 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

15 (ii) [Notwithstanding any other provision of this paragraph (2), with
16 respect to wages paid during the period beginning on January 1, 1993 and
17 ending June 30, 1994, there shall be deposited in and credited to the State
18 disability benefits fund all worker contributions received by the
19 controller.](Deleted by amendment, P.L. . c.).

20 (iii) (Deleted by amendment, P.L.1994, c.112.)

21 (3) If an employee receives wages from more than one employer
22 during any calendar year, and either the sum of his contributions deposited
23 in and credited to the State disability benefits fund [(in accordance with
24 paragraph (2) of this subsection)] plus the amount of his contributions, if
25 any, required towards the costs of benefits under one or more approved
26 private plans under the provisions of section 9 of the "Temporary
27 Disability Benefits Law" (C.43:21-33) and deducted from his wages, or
28 the sum of such latter contributions, if the employee is covered during
29 such calendar year only by two or more private plans, exceeds an amount
30 equal to 1/2 of 1% of the "wages" determined in accordance with the
31 provisions of R.S.43:21-7(b)(3) during the calendar years beginning on or
32 after January 1, 1976, the employee shall be entitled to a refund of the
33 excess if he makes a claim to the controller within two years after the end
34 of the calendar year in which the wages are received with respect to which
35 the refund is claimed and establishes his right to such refund. Such refund
36 shall be made by the controller from the State disability benefits fund. No
37 interest shall be allowed or paid with respect to any such refund. The
38 controller shall, in accordance with prescribed regulations, determine the
39 portion of the aggregate amount of such refunds made during any calendar
40 year which is applicable to private plans for which deductions were made
41 under section 9 of the "Temporary Disability Benefits Law," such
42 determination to be based upon the ratio of the amount of such wages
43 exempt from contributions to such fund, as provided in subparagraph (B)
44 of paragraph (1) of this subsection with respect to coverage under private
45 plans, to the total wages so exempt plus the amount of such wages subject
46 to contributions to the disability benefits fund, as provided in

1 subparagraph ~~[(B)]~~ G of paragraph ~~[(2)]~~ 1 of this subsection. The
2 controller shall, in accordance with prescribed regulations, prorate the
3 amount so determined among the applicable private plans in the
4 proportion that the wages covered by each plan bear to the total private
5 plan wages involved in such refunds, and shall assess against and recover
6 from the employer, or the insurer if the insurer has indemnified the
7 employer with respect thereto, the amount so prorated. The provisions of
8 R.S.43:21-14 with respect to collection of employer contributions shall
9 apply to such assessments. The amount so recovered by the controller
10 shall be paid into the State disability benefits fund.

11 (4) If an individual does not receive any wages from the employing
12 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is treated
13 as his employer, or receives his wages from some other employing unit,
14 such employer shall nevertheless be liable for such individual's
15 contributions in the first instance; and after payment thereof such
16 employer may deduct the amount of such contributions from any sums
17 payable by him to such employing unit, or may recover the amount of such
18 contributions from such employing unit, or, in the absence of such an
19 employing unit, from such individual, in a civil action; provided
20 proceedings therefor are instituted within three months after the date on
21 which such contributions are payable. General rules shall be prescribed
22 whereby such an employing unit may recover the amount of such
23 contributions from such individuals in the same manner as if it were the
24 employer.

25 (5) Every employer who has elected to become an employer subject to
26 this chapter (R.S.43:21-1 et seq.), or to cease to be an employer subject
27 to this chapter (R.S.43:21-1 et seq.), pursuant to the provisions of
28 R.S.43:21-8, shall post and maintain printed notices of such election on
29 his premises, of such design, in such numbers, and at such places as the
30 director may determine to be necessary to give notice thereof to persons
31 in his service.

32 (6) Contributions by workers, payable to the controller as herein
33 provided, shall be exempt from garnishment, attachment, execution, or any
34 other remedy for the collection of debts.

35 (e) Contributions by employers to State disability benefits fund.

36 (1) Except as hereinafter provided, each employer shall, in addition to
37 the contributions required by subsections (a), (b), and (c) of this section,
38 contribute 1/2 of 1% of the wages paid by such employer to workers with
39 respect to employment unless he is not a covered employer as defined in
40 section 3 of the "Temporary Disability Benefits Law" (C.43:21-27 (a)),
41 except that the rate for the State of New Jersey shall be 1/10 of 1% for the
42 calendar year 1980 and for the first six months of 1981. Prior to July 1,
43 1981 and prior to July 1 each year thereafter, the controller shall review
44 the experience accumulated in the account of the State of New Jersey and
45 establish a rate for the next following fiscal year which, in combination
46 with worker contributions, will produce sufficient revenue to keep the

1 account in balance; except that the rate so established shall not be less
2 than 1/10 of 1%. Such contributions shall become due and be paid by the
3 employer to the controller for the State disability benefits fund as
4 established by law, in accordance with such regulations as may be
5 prescribed, and shall not be deducted, in whole or in part, from the
6 remuneration of individuals in his employ. In the payment of any
7 contributions, a fractional part of a cent shall be disregarded unless it
8 amounts to \$0.005 or more, in which case it shall be increased to \$0.01.

9 (2) During the continuance of coverage of a worker by an approved
10 private plan of disability benefits under the "Temporary Disability Benefits
11 Law," the employer shall be exempt from the contributions required by
12 subparagraph (1) above with respect to wages paid to such worker.

13 (3) (A) The rates of contribution as specified in subparagraph (1)
14 above shall be subject to modification as provided herein with respect to
15 employer contributions due on and after July 1, 1951.

16 (B) A separate disability benefits account shall be maintained for each
17 employer required to contribute to the State disability benefits fund and
18 such account shall be credited with contributions deposited in and credited
19 to such fund with respect to employment occurring on and after January
20 1, 1949. Each employer's account shall be credited with all contributions
21 paid on or before January 31 of any calendar year on his own behalf and
22 on behalf of individuals in his service with respect to employment
23 occurring in preceding calendar years; provided, however, that if January
24 31 of any calendar year falls on a Saturday or Sunday an employer's
25 account shall be credited as of January 31 of such calendar year with all
26 the contributions which he has paid on or before the next succeeding day
27 which is not a Saturday or Sunday. But nothing in this act shall be
28 construed to grant any employer or individuals in his service prior claims
29 or rights to the amounts paid by him to the fund either on his own behalf
30 or on behalf of such individuals. Benefits paid to any covered individual
31 in accordance with Article III of the "Temporary Disability Benefits Law"
32 on or before December 31 of any calendar year with respect to disability
33 in such calendar year and in preceding calendar years shall be charged
34 against the account of the employer by whom such individual was
35 employed at the commencement of such disability or by whom he was last
36 employed, if out of employment.

37 (C) The controller may prescribe regulations for the establishment,
38 maintenance, and dissolution of joint accounts by two or more employers,
39 and shall, in accordance with such regulations and upon application by two
40 or more employers to establish such an account, or to merge their several
41 individual accounts in a joint account, maintain such joint account as if it
42 constituted a single employer's account.

43 (D) Prior to July 1 of each calendar year, the controller shall make a
44 preliminary determination of the rate of contribution for the 12 months
45 commencing on such July 1 for each employer subject to the contribution
46 requirements of this subsection (e).

- 1 (1) Such preliminary rate shall be 1/2 of 1% unless on the preceding
2 January 31 of such year such employer shall have been a covered employer
3 who has paid contributions to the State disability benefits fund with
4 respect to employment in the three calendar years immediately preceding
5 such year.
- 6 (2) If the minimum requirements in (1) above have been fulfilled and
7 the credited contributions exceed the benefits charged by more than
8 \$500.00, such preliminary rate shall be as follows:
- 9 (i) 2/10 of 1% if such excess over \$500.00 exceeds 1% but is less than
10 1 1/4% of his average annual payroll (as defined in this chapter
11 (R.S.43:21-1 et seq.));
- 12 (ii) 15/100 of 1% if such excess over \$500.00 equals or exceeds 1
13 1/4% but is less than 1 1/2% of his average annual payroll;
- 14 (iii) 1/10 of 1% if such excess over \$500.00 equals or exceeds 1 1/2%
15 of his average annual payroll.
- 16 (3) If the minimum requirements in (1) above have been fulfilled and
17 the contributions credited exceed the benefits charged but by not more
18 than \$500.00 plus 1% of his average annual payroll, or if the benefits
19 charged exceed the contributions credited but by not more than \$500.00,
20 the preliminary rate shall be 1/4 of 1%.
- 21 (4) If the minimum requirements in (1) above have been fulfilled and
22 the benefits charged exceed the contributions credited by more than
23 \$500.00, such preliminary rate shall be as follows:
- 24 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of 1% of
25 his average annual payroll;
- 26 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds 1/4
27 of 1% but is less than 1/2 of 1% of his average annual payroll;
- 28 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds 1/2
29 of 1% but is less than 3/4 of 1% of his average annual payroll;
- 30 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds 3/4
31 of 1% but is less than 1% of his average annual payroll;
- 32 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds 1%
33 of his average annual payroll.
- 34 (5) Determination of the preliminary rate as specified in (2), (3) and
35 (4) above shall be subject, however, to the condition that it shall in no
36 event be decreased by more than 1/10 of 1% of wages or increased by
37 more than 2/10 of 1% of wages from the preliminary rate determined for
38 the preceding year in accordance with (1), (2), (3) or (4), whichever shall
39 have been applicable.
- 40 (E) (1) Prior to July 1 of each calendar year the controller shall
41 determine the amount of the State disability benefits fund as of December
42 31 of the preceding calendar year, increased by the contributions paid
43 thereto during January of the current calendar year with respect to
44 employment occurring in the preceding calendar year. If such amount
45 exceeds the net amount withdrawn from the unemployment trust fund
46 pursuant to section 23 of the "Temporary Disability Benefits Law,"

1 P.L.1948, c.110 (C.43:21-47) plus the amount at the end of such
2 preceding calendar year of the unemployment disability account (as
3 defined in section 22 of said law (C.43:21-46)), such excess shall be
4 expressed as a percentage of the wages on which contributions were paid
5 to the State disability benefits fund on or before January 31 with respect
6 to employment in the preceding calendar year.

7 (2) The controller shall then make a final determination of the rates of
8 contribution for the 12 months commencing July 1 of such year for
9 employers whose preliminary rates are determined as provided in (D)
10 hereof, as follows:

11 (i) If the percentage determined in accordance with paragraph (E)(1)
12 of this subsection equals or exceeds 1 1/4%, the final employer rates shall
13 be the preliminary rates determined as provided in (D) hereof, except that
14 if the employer's preliminary rate is determined as provided in (D)(2) or
15 (D)(3) hereof, the final employer rate shall be the preliminary employer
16 rate decreased by such percentage of excess taken to the nearest 5/100 of
17 1%, but in no case shall such final rate be less than 1/10 of 1%.

18 (ii) If the percentage determined in accordance with paragraph (E)(1)
19 of this subsection equals or exceeds 3/4 of 1% and is less than 1 1/4
20 of 1%, the final employer rates shall be the preliminary employer rates.

21 (iii) If the percentage determined in accordance with paragraph (E)(1)
22 of this subsection is less than 3/4 of 1%, but in excess of 1/4 of 1%, the
23 final employer rates shall be the preliminary employer rates determined as
24 provided in (D) hereof increased by the difference between 3/4 of 1% and
25 such percentage taken to the nearest 5/100 of 1%; provided, however, that
26 no such final rate shall be more than 1/4 of 1% in the case of an employer
27 whose preliminary rate is determined as provided in (D)(2) hereof, more
28 than 1/2 of 1% in the case of an employer whose preliminary rate is
29 determined as provided in (D)(1) and (D)(3) hereof, nor more than 3/4 of
30 1% in the case of an employer whose preliminary rate is determined as
31 provided in (D)(4) hereof.

32 (iv) If the amount of the State disability benefits fund determined as
33 provided in paragraph (E)(1) of this subsection is equal to or less than 1/4
34 of 1%, then the final rate shall be 2/5 of 1% in the case of an employer
35 whose preliminary rate is determined as provided in (D)(2) hereof, 7/10
36 of 1% in the case of an employer whose preliminary rate is determined as
37 provided in (D)(1) and (D)(3) hereof, and 1.1% in the case of an employer
38 whose preliminary rate is determined as provided in (D)(4) hereof.
39 Notwithstanding any other provision of law or any determination made by
40 the controller with respect to any 12-month period commencing on July
41 1, 1970, the final rates for all employers for the period beginning January
42 1, 1971, shall be as set forth herein.

43 (cf: P.L.1995, c.422, s.1)

44

45 14. Section 29 of P.L.1992, c.160 (C.43:21-7b) is amended to read as
46 follows:

1 29. a. Beginning January 1, 1993 until December 31, 1995, except as
2 provided pursuant to subsection b. of this section, each employee shall, in
3 such a manner and at such times as determined by the commissioner,
4 contribute to the fund an amount equal to 0.6% of the employee's taxable
5 wages.

6 Beginning April 1, 1996 through December 31, 1996, each employee
7 shall, in such a manner and at such times as determined by the
8 commissioner, contribute to the fund an amount equal to 0.6% of the
9 employee's taxable wages, except that the total amount contributed to the
10 fund when combined with the employee's contribution made pursuant to
11 R.S.43:31-7(d)(1)(D) for the period January 1, 1996 through March 31,
12 1996, shall not not exceed 0.6% of the employee's taxable wages for the
13 1996 calendar year.

14 Beginning January 1, 1997 through December 31, 1997, each
15 employee shall, in such a manner and at such times as determined by the
16 commissioner, contribute to the fund an amount equal to 0.5% of the
17 employee's taxable wages.

18 Also beginning on January 1, 1993 until December 31, 1995 [, except
19 as provided pursuant to subsection b. of this section] and beginning April
20 1, 1996 until December 31, 1997, each employer shall, in such a manner
21 and at such times as determined by the commissioner, contribute to the
22 fund an amount equal to the amount that the employer's contribution to
23 the unemployment compensation fund is decreased pursuant to
24 subparagraph (H) of paragraph (5) of subsection (c) of R.S.43:21-7.

25 b. If the unemployment compensation fund reserve ratio, as determined
26 pursuant to paragraph (5) of subsection (c) of R.S.43:21-7, decreases to
27 a level of less than 4.00% on March 31 of calendar year 1994 or calendar
28 year 1995, the provisions of subsection a. of this section shall cease to be
29 in effect as of July 1 of that calendar year and each employer who would
30 be subject to making the contributions pursuant to subsection a. of this
31 section if that subsection were in effect shall, beginning on July 1 of that
32 calendar year, contribute to the fund an amount equal to 0.62% of the
33 total wages paid by the employer and shall continue to contribute that
34 amount until December 31, 1995.

35 c. If the total amount of contributions to the fund pursuant to this
36 section during the calendar year 1993 exceeds \$600 million, all
37 contributions which exceed \$600 million shall be deposited in the
38 unemployment compensation fund. If the total amount of contributions
39 to the fund pursuant to this section during calendar year 1994 or calendar
40 year 1995 exceeds \$500 million, all contributions which exceed \$500
41 million shall be deposited in the unemployment compensation fund. If the
42 total amount of contributions made to the fund pursuant to this section for
43 the calendar year 1996 or 1997 exceeds \$330 million, all contributions
44 which exceed \$330 million in calendar year 1996 or 1997 shall be
45 deposited in the unemployment compensation fund.

46 d. All necessary administrative costs related to the collection of

1 contributions pursuant to this section shall be paid from the contributions.
2 (cf: P.L.1992, c.160, s.29)

3
4 15. Section 32 of P.L.1992, c.160 (C.43:21-7e) is amended to read as
5 follows:

6 32. a. If an employee receives wages from more than one employer
7 during any calendar year, and the sum of the employee's contributions
8 deposited in the fund exceeds an amount equal to 0.6% of the wages
9 determined in accordance with the provisions of paragraph (3) of
10 subsection (b) of R.S.43:21-7 during calendar year 1993, calendar year
11 1994 or calendar year 1995, the employee shall be entitled to a refund of
12 the excess if a claim establishing the employee's right to the refund is made
13 within two years after the end of the respective calendar year in which the
14 wages are received and are the subject of the claim. The commissioner
15 shall refund any overpayment from the fund without interest.

16 If an employee receives wages from more than one employer during the
17 calendar year 1996 and the sum of the employee's contributions deposited
18 in the unemployment compensation fund during the period January 1,
19 1996 through March 31, 1996 and the employee's contributions deposited
20 in the health care subsidy fund during the period April 1, 1996 through
21 December 31, 1996 exceeds an amount equal to 0.6% of the wages
22 determined in accordance with the provisions of paragraph (3) of
23 subsection (b) of R.S.43:21-7 which wages are received during the period
24 January 1, 1996 through December 31, 1996, the employee shall be
25 entitled to a refund of the excess if a claim establishing the employee's
26 right to the refund is made within two years after the end of the respective
27 calendar year in which the wages are received and are the subject of the
28 claim. The commissioner shall refund any overpayment without interest
29 from the unemployment compensation fund or the health care subsidy
30 fund, or both, as appropriate.

31 If an employee receives wages from more than one employer during the
32 calendar year 1997, and the sum of the employee's contributions deposited
33 in the fund exceeds an amount equal to 0.5% of the wages determined in
34 accordance with the provisions of paragraph (3) of subsection (b) of
35 R.S.43:21-7 during calendar year 1997, the employee shall be entitled to
36 a refund of the excess if a claim establishing the employee's right to the
37 refund is made within two years after the end of the respective calendar
38 year in which the wages are received and are the subject of the claim. The
39 commissioner shall refund any overpayment from the fund without
40 interest.

41 b. Any employee who is a taxpayer and entitled, pursuant to the
42 provisions of subsection a. of this section, to a refund of contributions
43 deducted during a tax year from his wages shall, in lieu of the refund, be
44 entitled to a credit in the full amount thereof against the tax otherwise due
45 on his New Jersey gross income for that tax year if he submits his claim
46 for the credit and accompanies that claim with evidence of his right to the

1 credit in the manner provided by regulation by the Director of the Division
2 of Taxation. In any case in which the amount, or any portion thereof, of
3 any credit allowed hereunder results in or increases an excess of income
4 tax payment over income tax liability, the amount of the new or increased
5 excess shall be considered an overpayment and shall be refunded to the
6 taxpayer in the manner provided by subsection (a) of N.J.S.54A:9-7.
7 (cf: P.L.1992, c.160, s.32)

8

9 16. Section 4 of P.L.1971, c.346 (C.43:21-7.3) is amended to read as
10 follows:

11 4. (a) Notwithstanding any other provisions of the "unemployment
12 compensation law" for the payment of contributions, benefits paid to
13 individuals based upon wages earned in the employ of any governmental
14 entity or instrumentality which is an employer defined under
15 R.S.43:21-19(h)(5) shall, to the extent that such benefits are chargeable
16 to the account of such governmental entity or instrumentality in
17 accordance with the provisions of R.S.43:21-1 et seq., be financed by
18 payments in lieu of contributions.

19 (b) Any governmental entity or instrumentality may, as an alternative
20 to financing benefits by payments in lieu of contributions, elect to pay
21 contributions beginning with the date on which its subjectivity begins by
22 filing written notice of its election with the department no later than 120
23 days after such subjectivity begins, provided that such election shall be
24 effective for at least two full calendar years; or it may elect to pay
25 contributions for a period of not less than two calendar years beginning
26 January 1 of any year if written notice of such election is filed with the
27 department not later than February 1 of such year; provided, further, that
28 such governmental entity or instrumentality shall remain liable for
29 payments in lieu of contributions with respect to all benefits paid based on
30 base year wages earned in the employ of such entity or instrumentality in
31 the period during which it financed its benefits by payments in lieu of
32 contributions.

33 (c) Any governmental entity or instrumentality may terminate its
34 election to pay contributions as of January 1 of any year by filing written
35 notice not later than February 1 of any year with respect to which
36 termination is to become effective. It may not revert to a contributions
37 method of financing for at least two full calendar years after such
38 termination.

39 (d) Any governmental entity or instrumentality electing the option for
40 contributions financing shall report and pay contributions in accordance
41 with the provisions of R.S.43:21-7 except that, notwithstanding the
42 provisions of that section, the contribution rate for such governmental
43 entity or instrumentality shall be 1% for the entire calendar year 1978 and
44 the contribution rate for any subsequent calendar years shall be the rate
45 established for governmental entities or instrumentalities under subsection
46 (e) of this section.

1 (e) On or before September 1 of each year, the Commissioner of Labor
2 shall review the composite benefit cost experience of all governmental
3 entities and instrumentalities electing to pay contributions and, on the
4 basis of that experience, establish the contribution rate for the next
5 following calendar year which can be expected to yield sufficient revenue
6 in combination with worker contributions to equal or exceed the projected
7 costs for that calendar year.

8 (f) Any covered governmental entity or instrumentality electing to pay
9 contributions shall each year appropriate, out of its general funds, moneys
10 to pay the projected costs of benefits at the rate determined under
11 subsection (e) of this section. These funds shall be held in a trust fund
12 maintained by the governmental entity for this purpose. Any surplus
13 remaining in this trust fund may be retained in reserve for payment of
14 benefit costs for subsequent years either by contributions or payments in
15 lieu of contributions.

16 (g) Any governmental entity or instrumentality electing to finance
17 benefit costs with payments in lieu of contributions shall pay into the fund
18 an amount equal to all benefit costs for which it is liable pursuant to the
19 provisions of the "unemployment compensation law." Each subject
20 governmental entity or instrumentality shall require payments from its
21 workers in the same manner and amount as prescribed under
22 R.S.43:21-7(d) for governmental entities and instrumentalities financing
23 their benefit costs with contributions. No such payment shall be used for
24 a purpose other than to meet the benefits liability of such governmental
25 entity or instrumentality. In addition, each subject governmental entity or
26 instrumentality shall appropriate out of its general funds sufficient moneys
27 which, in addition to any worker payments it requires, are necessary to
28 pay its annual benefit costs estimated on the basis of its past benefit cost
29 experience; provided that for its first year of coverage, its benefit costs
30 shall be deemed to require an appropriation equal to 1% of the projected
31 total of its taxable wages for the year. These appropriated moneys and
32 worker payments shall be held in a trust fund maintained by the
33 governmental entity or instrumentality for this purpose. Any surplus
34 remaining in this trust fund shall be retained in reserve for payment of
35 benefit costs in subsequent years. If a governmental entity or
36 instrumentality requires its workers to make payments as authorized
37 herein, such workers shall not be subject to the contributions required in
38 R.S.43:21-7(d).

39 (h) Notwithstanding the provisions of the above subsection (g),
40 commencing July 1, 1986 worker contributions to the unemployment trust
41 fund with respect to wages paid by any governmental entity or
42 instrumentality electing or required to make payments in lieu of
43 contributions, including the State of New Jersey, shall be made in
44 accordance with the provisions of R.S.43:21-7(d)(1)(C) or
45 R.S.43:21-7(d)(1)(D), as applicable, and, in addition, each governmental
46 entity or instrumentality electing or required to make payments in lieu of

1 contributions shall, except during the period starting January 1, 1993 and
2 ending December 31, 1995 and the period starting April 1, 1996 and
3 ending December 31, 1996 or, if the unemployment compensation fund
4 reserve ratio, as determined pursuant to paragraph (5) of subsection (c)
5 of R.S.43:21-7, decreases to a level of less than 4.00% on March 31 of
6 calendar year 1994 or calendar year 1995, ending July 1 of that calendar
7 year, require payments from its workers at the [rate of 0.50%] following
8 rates of wages paid, which amounts are to be held in the trust fund
9 maintained by the governmental entity or instrumentality for payment of
10 benefit costs: for calendar year 1998 and each calendar year thereafter.
11 0.30%.

12 (cf: P.L1992, c.205, s.1)

13

14 17. Section 1 of P.L.1944, c.81 (C.43:21-14.1) is amended to read as
15 follows:

16 1. Any employee who is paid wages by two or more employers
17 aggregating more than [\$3,000.00 during any calendar year prior to
18 January 1, 1968, \$3,600.00 during any calendar year commencing on or
19 after January 1, 1968 and prior to January 1, 1972, \$4,200.00 during any
20 calendar year commencing on or after January 1, 1972 and prior to
21 January 1, 1975, or \$4,800.00 during any calendar year commencing on
22 or after January 1, 1975, and prior to January 1, 1976, and thereafter] the
23 amount of "wages" determined in accordance with the provisions of
24 R.S.43:21-7(b)(3) shall be entitled to a refund of the amount of
25 contributions deducted from such wages and paid to the Division of
26 Employment Security in excess of the contribution which is determined
27 pursuant to R.S.43:21-7(d)(1)(D) required on [\$3,000.00 of such wages
28 paid during any calendar year prior to January 1, 1968, \$3,600.00 during
29 any calendar year commencing on or after January 1, 1968 and prior to
30 January 1, 1972, \$4,200.00 during any calendar year commencing on or
31 after January 1, 1972 and prior to January 1, 1975, or \$4,800.00 during
32 any calendar year commencing on or after January 1, 1975, and prior to
33 January 1, 1976, and thereafter] the amount of "wages" determined in
34 accordance with the provisions of R.S.43:21-7(b)(3) except that no such
35 refund shall be made unless the employee makes a claim, establishing his
36 right thereto, within 2 years after the calendar year in which the wages are
37 paid with respect to which refund of contribution is claimed. No interest
38 shall be allowed or paid with respect to any such refund.

39 (cf: P.L.1974, c.86, s.6)

40

41 18. This act shall take effect immediately and shall be retroactive to
42 January 1, 1996.

1

2

3 Provides funding for charity care subsidies and establishes health care

4 program for low income persons.

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 1532

STATE OF NEW JERSEY

ADOPTED MAY 2, 1996

Sponsored by Assemblymen KAVANAUGH, GREGG,
Assemblywoman VANDERVALK, Assemblymen FELICE,
Augustine, Blee, Lance, Malone, Assemblywomen Murphy,
J. Smith and Assemblyman Zecker

1 AN ACT concerning the provision of health care services to low
2 income persons and revising parts of statutory law.

3

4 BE IT ENACTED by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 2 of P.L.1992, c.160 (C.26:2H-18.52) is amended to
8 read as follows:

9 2. As used in sections 1 through 17 of **[this act and] P.L.1992,**
10 c.160 (C.26:2H-18.51 through 26:2H-18.67), sections 12 through 15
11 of P.L.1995, c.133 (C.26:2H-18.59a through C.26:2H-18.59d) and
12 sections 7 through 12 of P.L. , c. (C.)(pending before the
13 Legislature as this bill):

14 "Administrator" means the administrator of the Health Care
15 Subsidy Fund appointed by the commissioner.

16 "Charity care" means care provided at disproportionate share
17 hospitals that may be eligible for a charity care subsidy pursuant to this
18 act.

19 "Charity care subsidy" means the component of the
20 disproportionate share payment that is attributable to care provided at
21 a disproportionate share hospital to persons unable to pay for that
22 care, as provided in this act.

23 "Commission" means the New Jersey Essential Health Services
24 Commission established pursuant to section 4 of this act.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly floor amendments adopted May 2, 1996.

1 "Commissioner" means the Commissioner of Health.

2 "Department" means the Department of Health.

3 "Disproportionate share hospital" means a hospital designated by
4 the Commissioner of Human Services pursuant to Pub.L.89-97 (42
5 U.S.C. §1396a et seq.) and Pub.L.102-234.

6 "Disproportionate share payment" means those payments made by
7 the Division of Medical Assistance and Health Services in the
8 Department of Human Services to hospitals defined as
9 disproportionate share hospitals by the Commissioner of Human
10 Services in accordance with federal laws and regulations applicable to
11 hospitals serving a disproportionate number of low income patients.

12 "Fund" means the Health Care Subsidy Fund established pursuant
13 to section 8 of this act.

14 "Hospital" means an acute care hospital licensed by the Department
15 of Health pursuant to P.L.1971, c.136 (C.26:2H-1 et al.).

16 "Medicaid" means the New Jersey Medical Assistance and Health
17 Services Program in the Department of Human Services established
18 pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.).

19 "Medicare" means the program established pursuant to
20 Pub.L.89-97 (42 U.S.C. §1395 et seq.).

21 "Other uncompensated care" means all costs not reimbursed by
22 hospital payers excluding charity care, graduate medical education,
23 discounts, bad debt and reduction in Medicaid payments.

24 "Poverty level" means the official poverty level based on family
25 size established and adjusted under Section 673(2) of Subtitle B, the
26 "Community Services Block Grant Act," Pub.L. 97-35 (42 U.S.C.
27 §9902(2)).

28 "Preliminary cost base" means the preliminary cost base defined in
29 section 2 of P.L.1971, c.136 (C.26:2H-2), as determined by the
30 Hospital Rate Setting Commission.

31 (cf: P.L.1995, c.133, s.1)

32

33 2. Section 5 of P.L.1992, c.160 (C.26:2H-18.55) is amended to
34 read as follows:

35 5. The commissioner shall:

36 a. Administer the fund and establish a mechanism to allocate
37 monies received from the Commissioner of Labor pursuant to section
38 29 of P.L.1992, c.160 (C.43:21-7b) to the appropriate accounts in the
39 fund as specified in this act;

40 b. Establish eligibility determination and claims pricing systems for
41 the charity care component of the disproportionate share subsidy,
42 including the development of uniform forms for determining eligibility
43 and submitting claims. The commissioner may contract with a private
44 claims administrator or processor for the purpose of processing
45 hospital claims for charity care pursuant to this act;

46 c. Establish and implement by January 1, 1997, a schedule of

1 payments for reimbursement of the charity care component of the
2 disproportionate share payment for services provided to emergency
3 room patients who do not require those services on an emergency
4 basis;

5 d. In cooperation with the Departments of Insurance and Human
6 Services, develop and provide for the implementation of the Health
7 Access New Jersey program pursuant to section 15 of **[this act]**
8 P.L.1992, c.160 (C.26:2H-18.65);

9 e. Study and, if feasible, establish hospital cost and outcome
10 reports to provide assistance to consumers of health care in this State
11 in making prudent health care choices;

12 f. Compile demographic information on recipients of, and types of
13 services paid for by, the charity care component of the
14 disproportionate share payment and periodically report a summary of
15 this information to the Governor and Legislature. The demographic
16 information shall include, at a minimum, the recipient's age, sex,
17 marital status, employment status, type of health insurance coverage,
18 if any, and if the recipient is a child under 18 years of age who does
19 not have health insurance coverage or a married person who does not
20 have health insurance coverage, whether the child's parent or the
21 married person's spouse, as the case may be, has health insurance;

22 g. (Deleted by amendment, P.L.1995, c.133.)

23 h. (Deleted by amendment, P.L.1995, c.133.)

24 i. (Deleted by amendment, P.L.1995, c.133.)

25 j (Deleted by amendment, P.L.1995, c.133.)

26 k. (Deleted by amendment, P.L.1995, c.133.)

27 l. Encourage the use of centralized data storage and transmission
28 technology that utilizes personal and image identification systems as
29 well as identity verification technology for the purposes of enabling a
30 hospital to access medical history, insurance information and other
31 personal information, as appropriate;

32 m. (Deleted by amendment, P.L.1995, c.133.)

33 n. (Deleted by amendment, P.L.1995, c.133.)

34 o. Take such other actions as the commissioner deems necessary
35 and appropriate to carry out the provisions of P.L.1992, c.160
36 (C.26:2H-18.51 et al.); and

37 p. Report annually, by December 1 of each year, to the Governor
38 and the **[Legislature]** Senate and General Assembly standing reference
39 committees on budget and appropriations on the status of the fund.
40 (cf: P.L.1995, c.133, s.2)

41

42 3. Section 8 of P.L.1992, c.160 (C.26:2H-18.58) is amended to
43 read as follows:

44 8. There is established the Health Care Subsidy Fund in the
45 Department of Health.

46 a. The fund shall be comprised of revenues from employee and

1 employer contributions made pursuant to section 29 of P.L.1992,
2 c.160 (C.43:21-7b), revenues from the hospital assessment made
3 pursuant to section 12 of **[this act]** P.L.1992, c.160 (C.26:2H-18.62),
4 revenues pursuant to section 11 of P.L. , c. (C.)(pending before
5 the Legislature as this bill), revenues from interest and penalties
6 collected pursuant to this act and revenues from such other sources as
7 the Legislature shall determine. Interest earned on the monies in the
8 fund shall be credited to the fund. The fund shall be a nonlapsing fund
9 dedicated for use by the State to: (1) distribute charity care and other
10 uncompensated care disproportionate share payments to hospitals and
11 other eligible providers, and provide subsidies for the Health Access
12 New Jersey program established pursuant to section 15 of **[this act]**
13 P.L.1992, c.160 (C.26:2H-18.65); and (2) assist hospitals and other
14 health care facilities in the underwriting of innovative and necessary
15 health care services.

16 b. The fund shall be administered by a person appointed by the
17 commissioner.

18 The administrator of the fund is responsible for overseeing and
19 coordinating the collection and reimbursement of fund monies. The
20 administrator is responsible for promptly informing the commissioner
21 if monies are not or are not reasonably expected to be collected or
22 disbursed **[or if the fund's reserve as established in subsection c. of**
23 **this section falls below the required level].**

24 c.**[The fund shall maintain a reserve in an amount not to exceed**
25 **\$20 million.]** The commissioner shall adopt rules and regulations to
26 **[govern the use of the reserve and to]** ensure the integrity of the fund,
27 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
28 (C.52:14B-1 et seq.).

29 d. The administrator shall establish separate accounts for the
30 charity care component of the disproportionate share hospital subsidy,
31 other uncompensated care component of the disproportionate share
32 hospital subsidy, hospital and other health care initiatives funding and
33 the payments for subsidies for insurance premiums to provide care in
34 disproportionate share hospitals, known as the Health Access New
35 Jersey subsidy account, respectively.

36 e. In the event that the charity care component of the
37 disproportionate share hospital subsidy account has a surplus in a
38 given year after payments are distributed pursuant to the methodology
39 established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and
40 section 7 of P.L. , c. (C.)(pending before the Legislature as this
41 bill) and within the limitations provided in subsection e. of section 9
42 of P.L.1992, c.160 (C.26:2H-18.59), the **[commissioner may**
43 **reallocate the]** surplus monies **[to the Health Access New Jersey**
44 **subsidy account]** in calendar years 1996 and 1997 shall lapse to the
45 unemployment compensation fund established pursuant to R.S.43:21-

1 9. and each year thereafter shall lapse to the charity care component
2 of the disproportionate share hospital subsidy account for distribution
3 in subsequent years.

4 (cf: P.L.1995, c.133, s.4)

5

6 4. Section 9 of P.L.1992, c.160 (C.26:2H-18.59) is amended to
7 read as follows:

8 9. a. The commissioner shall allocate such funds as specified in
9 subsection e. of this section to the charity care component of the
10 disproportionate share hospital subsidy account. In a given year, the
11 department shall transfer from the fund to the Division of Medical
12 Assistance and Health Services in the Department of Human Services
13 such funds as may be necessary for the total approved charity care
14 disproportionate share payments to hospitals for that year.

15 b. For the period January 1, 1993 to December 31, 1993, the
16 commission shall allocate \$500 million to the charity care component
17 of the disproportionate share hospital subsidy account. The
18 Department of Health shall recommend the amount that the Division
19 of Medical Assistance and Health Services shall pay to an eligible
20 hospital on a provisional, monthly basis pursuant to paragraphs (1) and
21 (2) of this subsection. The department shall also advise the
22 commission and each eligible hospital of the amount a hospital is
23 entitled to receive.

24 (1) The department shall determine if a hospital is eligible to
25 receive a charity care subsidy in 1993 based on the following:

26

$$\begin{aligned}
& \text{Hospital Specific Approved Uncompensated Care-1991} \\
& \dots\dots\dots \\
& \text{Hospital Specific Preliminary Cost Base-1992} \\
& = \text{Hospital Specific \% Uncompensated Care (\%UC)}
\end{aligned}$$

31

32 A hospital is eligible for a charity care subsidy in 1993 if, upon
33 establishing a rank order of the %UC for all hospitals, the hospital is
34 among the 80% of hospitals with the highest %UC.

35 (2) The maximum amount of the charity care subsidy an eligible
36 hospital may receive in 1993 shall be based on the following:

$$\begin{aligned}
& \text{Hospital Specific Approved Uncompensated Care-1991} \\
& \dots\dots\dots \\
& \text{Total approved Uncompensated Care All Eligible Hospitals-1991} \\
& \quad \text{X \$500 million} \\
& = \text{Maximum Amount of Hospital Specific} \\
& \quad \text{Charity Care Subsidy for 1993}
\end{aligned}$$

43 (3) A hospital shall be required to submit all claims for charity
44 care cost reimbursement, as well as demographic information about
45 the persons who qualify for charity care, to the department in a manner
46 and time frame specified by the Commissioner of Health, in order to

1 continue to be eligible for a charity care subsidy in 1993 and in
2 subsequent years.

3 The demographic information shall include the recipient's age, sex,
4 marital status, employment status, type of health insurance coverage,
5 if any, and if the recipient is a child under 18 years of age who does
6 not have health insurance coverage or a married person who does not
7 have health insurance coverage, whether the child's parent or the
8 married person's spouse, as the case may be, has health insurance.

9 (4) A hospital shall be reimbursed for the cost of eligible charity
10 care at the same rate paid to that hospital by the Medicaid program;
11 except that charity care services provided to emergency room patients
12 who do not require those services on an emergency basis shall be
13 reimbursed at a rate appropriate for primary care, according to a
14 schedule of payments developed by the commission.

15 (5) The department shall provide for an audit of a hospital's
16 charity care for 1993 within a time frame established by the
17 department.

18 c. For the period January 1, 1994 to December 31, 1994, a
19 hospital shall receive disproportionate share payments from the
20 Division of Medical Assistance and Health Services based on the
21 amount of charity care submitted to the commission or its designated
22 agent, in a form and manner specified by the commission. The
23 commission or its designated agent shall review and price all charity
24 care claims and notify the Division of Medical Assistance and Health
25 Services of the amount it shall pay to each hospital on a monthly basis
26 based on actual services rendered.

27 (1) (Deleted by amendment, P.L.1995, c.133.)

28 (2) If the commission is not able to fully implement the charity
29 care claims pricing system by January 1, 1994, the commission shall
30 continue to make provisional disproportionate share payments to
31 eligible hospitals, through the Division of Medical Assistance and
32 Health Services, based on the charity care costs incurred by all
33 hospitals in 1993, until such time as the commission is able to
34 implement the claims pricing system.

35 If there are additional charity care balances available after the 1994
36 distribution based on 1993 charity care costs, the department shall
37 transfer these available balances from the fund to the Division of
38 Medical Assistance and Health Services for an approved one-time
39 additional disproportionate share payment to hospitals according to
40 the methodology provided in section 12 of P.L.1995, c.133
41 (C.26:2H-18.59a). The total payment for all hospitals shall not exceed
42 \$75.5 million.

43 (3) A hospital shall be reimbursed for the cost of eligible charity
44 care at the same rate paid to that hospital by the Medicaid program;
45 except that charity care services provided to emergency room patients
46 who do not require those services on an emergency basis shall be

1 reimbursed at a rate appropriate for primary care, according to a
2 schedule of payments developed by the commission.

3 (4) (Deleted by amendment, P.L.1995, c.133.)

4 d. (Deleted by amendment, P.L.1995, c.133.)

5 e. The total amount allocated for charity care subsidy payments
6 shall be: in 1994, \$450 million ~~and~~; in 1995, \$400 million; ~~in 1996,~~
7 ~~\$310 million; and in 1997, \$300 million.~~ Total payments to hospitals
8 shall not exceed the amount allocated for each given year.

9 f. Beginning January 1, 1995:

10 (1) The charity care subsidy shall be determined pursuant to
11 section 13 of P.L.1995, c.133 (C.26:2H-18.59b).

12 (2) A charity care claim shall be valued at the same rate paid to
13 that hospital by the Medicaid program, except that charity care
14 services provided to emergency room patients who do not require
15 those services on an emergency basis shall be valued at a rate
16 appropriate for primary care according to a schedule of payments
17 adopted by the commissioner.

18 (3) The department shall provide for an audit of a hospital's
19 charity care within a time frame established by the commissioner.

20 (cf:P.L.1995,c.133,s.5)

21

22 5. Section 14 of P.L.1995, c.133 (C.26:2H-18.59c) is amended to
23 read as follows:

24 14. All acute care hospitals licensed pursuant to P.L.1971, c.136
25 (C.26:2H-1 et al.) shall submit to the department all demographic and
26 financial data specified in this section, in a manner and time frame
27 specified by the commissioner.

28 a. A hospital shall submit demographic information about the
29 persons who qualify for charity care or to whom the hospital provides
30 uncompensated care, which includes, at a minimum: the individual's
31 age, sex, marital status, employment status, type of health insurance
32 coverage, if any, and if the individual is a child under 18 years of age
33 who does not have health insurance coverage or a married person who
34 does not have health insurance coverage, whether the child's parent or
35 the married person's spouse, as the case may be, has health insurance.

36 b. A hospital shall submit all financial data required by the
37 department for the purposes of calculating the payer mix factor as
38 defined in sections 12 and 13 of P.L.1995, c.133 (C.26:2H-18.59a and
39 C.26:2H-18.59b) and section 7 of P.L. , c. (C.)(pending before
40 the Legislature as this bill).

41 c. A hospital which fails to provide the information required
42 pursuant to this section in a manner and time frame specified by the
43 commissioner, shall be liable to a civil penalty not to exceed \$1,000
44 for each day in which the hospital is not in compliance. The
45 commissioner shall recover the penalty in an administrative proceeding
46 held pursuant to the "Administrative Procedure Act," P.L.1968, c.410

1 (C.52:14B-1 et seq.).
2 (cf: P.L.1995, c.133, s.14).

3
4 6. Section 13 of P.L.1992, c.160 (C.26:2H-18.63) is amended to
5 read as follows:

6 13. a. **[A]** Any person or entity who makes a false statement or
7 misrepresentation of a material fact in order to qualify any person or
8 entity for any benefits to which he is not entitled under this act or
9 P.L. c. (C.)(pending before the Legislature as this bill), **[and a**
10 hospital or an employee thereof in the course of his employment who
11 makes a false statement or misrepresentation of a material fact in order
12 to receive disproportionate share hospital subsidy payments to which
13 the hospital is not entitled under this act**]** shall be liable to civil
14 penalties of:

15 (1) payment of interest on the amount of the excess benefits or
16 subsidy payments at the maximum legal rate in effect on the date the
17 benefits were provided to the person or payment was made to the
18 **[hospital]** person or entity, for the period from the date upon which
19 benefits were provided or payment was made to the date upon which
20 repayment is made to the department; and

21 (2) payment of an amount not to exceed three times the amount
22 of the excess benefit or subsidy payment.

23 b. A hospital which, without intent to violate this act, obtains a
24 subsidy payment in excess of the amount to which it is entitled, shall
25 be liable to a civil penalty of payment of interest on the amount of the
26 excess payment at the maximum legal rate in effect on the date the
27 payment was made to the hospital, from the date upon which payment
28 was made to the date upon which repayment is made to the
29 department, except that a hospital shall not be liable to the civil
30 penalty when an excess subsidy payment is obtained by the hospital as
31 a result of an error made by the department, as determined by the
32 commissioner.

33 c. All interest and civil penalties provided for in this section shall
34 be recovered in an administrative proceeding held pursuant to the
35 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
36 seq.).

37 d. In order to satisfy any recovery claim asserted against a hospital
38 under this section, whether or not that claim has been the subject of
39 final agency adjudication, the commissioner is authorized to withhold
40 subsidy payments otherwise payable under this act to the hospital.
41 (cf: P.L.1995, c.133, s.9)

42
43 7. (New section) a. Beginning January 1, 1996 through December
44 31, 1997, and except as provided in section 8 of P.L. , c.
45 (C.) (pending before the Legislature as this bill), the charity care
46 subsidy shall be determined according to the following methodology.

1 If the Statewide total of adjusted charity care is less than available
2 charity care funding, a hospital's charity care subsidy shall equal its
3 adjusted charity care.

4 If the Statewide total of adjusted charity care is greater than
5 available charity care funding, then the hospital-specific charity care
6 subsidy shall be determined by allocating available charity care funds
7 so as to equalize hospital-specific payer mix factors to the Statewide
8 target payer mix factor. Those hospitals with a payer mix factor
9 greater than the Statewide target payer mix factor shall be eligible to
10 receive a subsidy sufficient to reduce their factor to that Statewide
11 level; those hospitals with a payer mix factor that is equal to or less
12 than the Statewide target payer mix factor shall not be eligible to
13 receive a subsidy.

14 Charity care subsidy payments shall be based upon actual
15 documented hospital charity care.

16 As used in this section:

17 (1) The hospital-specific "documented charity care" shall be equal
18 to the dollar amount of charity care provided by the hospital that is
19 verified in the department's most recent charity care audit conducted
20 under the most recent charity care eligibility rules adopted by the
21 department and valued at the same rate paid to that hospital by the
22 Medicaid program.

23 For 1996, documented charity care shall equal the audited,
24 Medicaid-priced amounts reported for the first three quarters of 1995.
25 This amount shall be multiplied by 1.33 to determine the annualized
26 1995 charity care amount. For 1997, documented charity care shall be
27 equal to the audited Medicaid-priced amounts for the last quarter two
28 years prior to the payment period and the first three quarters of the
29 year prior to the payment period;

30 (2) In 1996, the hospital-specific "operating margin" shall be equal
31 to: the hospital's 1993 and 1994 income from operations minus its
32 1993 and 1994 charity care subsidies divided by its 1993 and 1994
33 total operating revenue minus its 1993 and 1994 charity care subsidies.
34 After calculating each hospital's operating margin, the department shall
35 determine the Statewide median operating margin.

36 In 1997, the hospital-specific "operating margin" shall be
37 calculated in the same manner as for 1996, but on the basis of income
38 from operations, total operating revenue and charity care subsidies
39 data from the three most current years;

40 (3) The hospital-specific "profitability factor" shall be determined
41 annually as follows. Those hospitals that are equal to or below the
42 Statewide median operating margin shall be assigned a profitability
43 factor of "1". For those hospitals that are above the Statewide median
44 operating margin, the profitability factor shall be equal to:

1 .75 x (hospital specific operating
2 margin - Statewide median operating margin)
3 1 -
4 highest hospital specific operating
5 margin - Statewide median operating margin
6

7 (4) The hospital-specific "adjusted charity care" shall be equal to
8 a hospital's documented charity care times its profitability factor;

9 (5) The hospital-specific "revenue from private payers" shall be
10 equal to the sum of the gross revenues, as reported to the department
11 in the hospital's most recently available New Jersey Hospital Cost
12 Reports for all non-governmental third party payers including, but not
13 limited to, Blue Cross and Blue Shield plans, commercial insurers and
14 health maintenance organizations;

15 (6) The hospital-specific "payer mix factor" shall be equal to a
16 hospital's adjusted charity care divided by its revenue from private
17 payers; and

18 (7) The "Statewide target payer mix factor" is the lowest payer
19 mix factor to which all hospitals receiving charity care subsidies can
20 be reduced by spending all available charity care subsidy funding for
21 that year.

22 b. For the purposes of this section, "income from operations" and
23 "total operating revenue" shall be defined by the department in
24 accordance with financial reporting requirements established pursuant
25 to N.J.A.C.8:31B-3.3.

26 c. Charity care subsidy payments shall commence on or after the
27 date of enactment of P.L. , c. (pending before the Legislature as this
28 bill) and the full calendar year 1996 allocation shall be disbursed by
29 January 31, 1997.
30

31 8. (New section) Within 30 days of the date of enactment of
32 P.L. , c. (pending before the Legislature as this bill), the
33 Commissioner of Human Services, in consultation with the
34 Commissioner of Health and the State Treasurer, shall pursue for any
35 necessary waivers from the federal Department of Health and Human
36 Services in order to implement a health care program to provide low
37 income residents of the State who qualify pursuant to section 10 of
38 P.L.1992, c.160 (C.26:2H-18.60), with eligible charity care services
39 on a managed care basis. The program shall be implemented by the
40 Commissioner of Health in consultation with the Commissioner of
41 Human Services and the State Treasurer.

42 a. The program shall be administered Statewide by one or more
43 program administrators under contract with the State Treasurer
44 pursuant to this section. For the purposes of this section, program
45 administrator may include, but not be limited to, an acute care hospital
46 which receives charity care reimbursements or a health maintenance

1 organization.

2 b. The Commissioner of Health, in consultation with the
3 Commissioner of Human Services and the State Treasurer, shall,
4 within 30 days after approval of the federal waiver, and at appropriate
5 intervals thereafter, solicit proposals from entities in the State
6 interested in administering the health care program.

7 c. The contract shall include, but not be limited to, provisions for:

8 (1) providing charity care services on a managed care basis as
9 specified by the Commissioner of Health, in consultation with the
10 Commissioner of Human Services and the State Treasurer. An
11 administrator shall be responsible for determining the most appropriate
12 and cost-effective means of providing the health care services required
13 by an eligible person and for directing the person to that means for
14 receipt of the services;

15 (2) the determination of eligibility criteria for health care providers
16 who choose to participate in the program;

17 (3) a methodology established by the Commissioner of Health for
18 reimbursement of participating hospitals and other health care
19 providers;

20 (4) the development and use of a uniform method for determining
21 eligibility of State residents for health care services under the program;
22 and

23 (5) the submission of quarterly reports to the Department of
24 Health and the Department of the Treasury, in a form and manner
25 required by the department, detailing expenditures of health care
26 funds in the program.

27 The contract shall also provide that provider participation in the
28 program shall ensure the maximum receipt by the State of federal
29 disproportionate share monies pursuant to Pub.L.89-97 (42
30 U.S.C. §1396a et seq.) and Pub.L.102-234.

31 d. The Commissioner of Health shall report 12 months after the
32 contract with the administrator or administrators is entered into by the
33 State Treasurer and each year thereafter to the standing reference
34 committees on health and appropriations of the Senate and General
35 Assembly and the Governor on:

36 (1) expenditures related to the provision of health care services
37 on a managed care basis, the number of persons served, the types of
38 services provided, the hospitals participating in the program, the
39 number and types of other health care providers participating in the
40 program and such other information as may be required by the
41 Legislature;

42 (2) the effectiveness of the program in containing or reducing
43 costs for providing health care services to qualified low income
44 residents of the State; and

45 (3) recommendations developed in consultation with the
46 Commissioner of Human Services and the State Treasurer concerning

1 additional cost containment actions that may be adopted for the
2 provision of health care services to qualified low income persons.

3 e. Nothing in this section shall be construed to expand covered
4 health care services to include services not covered by the charity care
5 program in effect on the effective date of this act.

6 f. The implementation of the health care program pursuant to this
7 section or other subsidies for charity care that affect the Medicaid
8 State plan shall be contingent upon receipt of federal approvals that
9 assure continuation of an acceptable level of federal Medicaid
10 matching funds, including disproportionate share monies, as
11 determined by the Director of the Division of Medical Assistance and
12 Health Services in the Department of Human Services and the Director
13 of the Division of Budget and Accounting in the Department of the
14 Treasury.

15

16 9. (New section) The Commissioner of Health, in consultation
17 with the State Treasurer, shall establish a technology infrastructure to
18 support the Statewide health care program established pursuant to
19 section 8 of P.L. , c. (C.)(pending before the Legislature as this
20 bill).

21 The State Treasurer, in consultation with the Commissioners of
22 Health and Human Services may, if deemed to be in the State's best
23 interests, include system features and provisions in the technology
24 infrastructure to satisfy the requirements of multiple programs and
25 purposes, including, but not limited to, programs such as, Medicaid,
26 food stamps, public assistance, and purposes such as the exchange and
27 consolidation of health care information permitted by law, eligibility
28 and identity verification, claims processing, the use of electronic
29 patient identification technology and electronic data interchange.

30

31 10. (New section) With the exception of the Catastrophic Illness
32 in Children Relief Fund, established pursuant to P.L.1987, c.370
33 (C.26:2-148 et seq.) and the Victims of Crime Compensation Board
34 established pursuant to section 3 of P.L.1971, c.317 (C.52:4B-3), the
35 Health Care Subsidy Fund is the payer of last resort for persons who
36 otherwise qualify for charity care or managed health care services
37 pursuant to P.L.1992, c.160 (C.26:2H-18.51 et al.) and P.L. , c.
38 (pending before the Legislature as this bill). A hospital or other health
39 care provider shall not submit a claim for charity care or managed
40 health care services reimbursement on behalf of any individual
41 otherwise eligible for charity care or managed health care services for
42 whom the hospital or other health care provider is eligible to receive
43 reimbursement under any State or federal program not specifically
44 exempted in this section or any other third party payer.

45

46 11. (New section) a. The Health Care Subsidy Fund shall be

1 funded with \$15 million in General Fund revenues in calendar year
2 1996 and \$41 million in General Fund revenues in calendar year 1997.

3 b. In calendar year 1998, the Health Care Subsidy Fund shall be
4 supported with revenues derived from efficiencies achieved by State
5 use of an electronic data interchange system for health care claims and
6 related information, in amounts necessary to provide funding for the
7 health care program pursuant to section 8 of P.L. , c.
8 (C.)(pending before the Legislature as this bill).

9

10 12. (New section) a. The Commissioner of Health shall transfer
11 to the Hospital Health Care Subsidy account in the Division of
12 Medical Assistance and Health Services of the Department of Human
13 Services from the Health Care Subsidy Fund, \$35 million in calendar
14 year 1996 and \$71 million in calendar year 1997, according to a
15 schedule to be determined by the Commissioner of Health in
16 consultation with the Commissioner of Human Services. These funds
17 shall be distributed to eligible disproportionate share hospitals
18 according to a methodology adopted by the Commissioner of Human
19 Services pursuant to N.J.A.C.10:52-8.2, using hospital expenditure
20 data for the most recent calendar year available for reimbursements
21 from these funds.

22 b. In calendar years 1996 and 1997, the Governor shall
23 recommend and the Legislature shall appropriate to the Hospital
24 Health Care Subsidy account for distribution to disproportionate share
25 hospitals which are eligible for reimbursement pursuant to subsection
26 a. of this section, those federal funds received in connection with the
27 provision of hospital reimbursements from that account.

28

29 13. R.S.43:21-7 is amended to read as follows:

30 43:21-7. Contributions. Employers other than governmental
31 entities, whose benefit financing provisions are set forth in section 4
32 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
33 liable for payment in lieu of contributions on the basis set forth in
34 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller
35 for the unemployment compensation fund, contributions as set forth
36 in subsections (a), (b) and (c) hereof, and the provisions of subsections
37 (d) and (e) shall be applicable to all employers, consistent with the
38 provisions of the "unemployment compensation law" and the
39 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
40 seq.).

41 (a) Payment.

42 (1) Contributions shall accrue and become payable by each
43 employer for each calendar year in which he is subject to this chapter
44 (R.S.43:21-1 et seq.), with respect to having individuals in his employ
45 during that calendar year, at the rates and on the basis hereinafter set
46 forth. Such contributions shall become due and be paid by each

1 employer to the controller for the fund, in accordance with such
2 regulations as may be prescribed, and shall not be deducted, in whole
3 or in part, from the remuneration of individuals in his employ.

4 (2) In the payment of any contributions, a fractional part of a cent
5 shall be disregarded unless it amounts to \$0.005 or more, in which
6 case it shall be increased to \$0.01.

7 (b) Rate of contributions. Each employer shall pay the following
8 contributions:

9 (1) For the calendar year 1947, and each calendar year thereafter,
10 $2\frac{7}{10}\%$ of wages paid by him during each such calendar year, except
11 as otherwise prescribed by subsection (c) of this section.

12 (2) The "wages" of any individual, with respect to any one
13 employer, as the term is used in this subsection (b) and in subsections
14 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid
15 during calendar year 1975, for services performed either within or
16 without this State; provided that no contribution shall be required by
17 this State with respect to services performed in another state if such
18 other state imposes contribution liability with respect thereto. If an
19 employer (hereinafter referred to as a successor employer) during any
20 calendar year acquires substantially all the property used in a trade or
21 business of another employer (hereinafter referred to as a
22 predecessor), or used in a separate unit of a trade or business of a
23 predecessor, and immediately after the acquisition employs in his
24 trade or business an individual who immediately prior to the
25 acquisition was employed in the trade or business of such predecessor,
26 then, for the purpose of determining whether the successor employer
27 has paid wages with respect to employment equal to the first
28 \$4,800.00 paid during calendar year 1975, any wages paid to such
29 individual by such predecessor during such calendar year and prior to
30 such acquisition shall be considered as having been paid by such
31 successor employer.

32 (3) For calendar years beginning on and after January 1, 1976, the
33 "wages" of any individual, as defined in the preceding paragraph (2)
34 of this subsection (b), shall be established and promulgated by the
35 Commissioner of Labor on or before September 1 of the preceding
36 year and shall be 28 times the Statewide average weekly remuneration
37 paid to workers by employers, as determined under R.S.43:21-3(c),
38 raised to the next higher multiple of \$100.00 if not already a multiple
39 thereof, provided that if the amount of wages so determined for a
40 calendar year is less than the amount similarly determined for the
41 preceding year, the greater amount will be used; provided, further, that
42 if the amount of such wages so determined does not equal or exceed
43 the amount of wages as defined in subsection (b) of section 3306 of
44 the Federal Unemployment Tax Act, Chapter 23 of the Internal
45 Revenue Code of 1986 (26 U.S.C. §3306(b)), the wages as determined
46 in this paragraph in any calendar year shall be raised to equal the

1 amount established under the Federal Unemployment Tax Act for that
2 calendar year.

3 (c) Future rates based on benefit experience.

4 (1) A separate account for each employer shall be maintained and
5 this shall be credited with all the contributions which he has paid on
6 his own behalf on or before January 31 of any calendar year with
7 respect to employment occurring in the preceding calendar year;
8 provided, however, that if January 31 of any calendar year falls on a
9 Saturday or Sunday, an employer's account shall be credited as of
10 January 31 of such calendar year with all the contributions which he
11 has paid on or before the next succeeding day which is not a Saturday
12 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be
13 construed to grant any employer or individuals in his service prior
14 claims or rights to the amounts paid by him into the fund either on his
15 own behalf or on behalf of such individuals. Benefits paid with respect
16 to benefit years commencing on and after January 1, 1953, to any
17 individual on or before December 31 of any calendar year with respect
18 to unemployment in such calendar year and in preceding calendar years
19 shall be charged against the account or accounts of the employer or
20 employers in whose employment such individual established base
21 weeks constituting the basis of such benefits. Benefits paid under a
22 given benefit determination shall be charged against the account of the
23 employer to whom such determination relates. When each benefit
24 payment is made, either a copy of the benefit check or other form of
25 notification shall be promptly sent to the employer against whose
26 account the benefits are to be charged. Such copy or notification shall
27 identify the employer against whose account the amount of such
28 payment is being charged, shall show at least the name and social
29 security account number of the claimant and shall specify the period
30 of unemployment to which said check applies. If the total amount of
31 benefits paid to a claimant and charged to the account of the
32 appropriate employer exceeds 50% of the total base year, base week
33 wages paid to the claimant by that employer, then such employer shall
34 have canceled from his account such excess benefit charges as
35 specified above.

36 Each employer shall be furnished an annual summary statement of
37 benefits charged to his account.

38 (2) Regulations may be prescribed for the establishment,
39 maintenance, and dissolution of joint accounts by two or more
40 employers, and shall, in accordance with such regulations and upon
41 application by two or more employers to establish such an account, or
42 to merge their several individual accounts in a joint account, maintain
43 such joint account as if it constituted a single employer's account.

44 (3) No employer's rate shall be lower than 5.4% unless assignment
45 of such lower rate is consistent with the conditions applicable to
46 additional credit allowance for such year under section 3303(a)(1) of

1 the Internal Revenue Code of 1986 (26 U.S.C. §3303(a)(1)), any other
2 provision of this section to the contrary notwithstanding.

3 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
4 $\frac{8}{10}\%$, except as otherwise provided in the following provisions. No
5 employer's rate for the 12 months commencing July 1 of any calendar
6 year shall be other than $\frac{2}{8}\frac{8}{10}\%$, unless as of the preceding January 31
7 such employer shall have paid contributions with respect to wages paid
8 in each of the three calendar years immediately preceding such year,
9 in which case such employer's rate for the 12 months commencing July
10 1 of any calendar year shall be determined on the basis of his record up
11 to the beginning of such calendar year. If, at the beginning of such
12 calendar year, the total of all his contributions, paid on his own behalf,
13 for all past years exceeds the total benefits charged to his account for
14 all such years, his contribution rate shall be:

15 (1) $\frac{2}{5}\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
16 5%, of his average annual payroll (as defined in paragraph (2),
17 subsection (a) of R.S.43:21-19);

18 (2) $\frac{2}{2}\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less than
19 6%, of his average annual payroll;

20 (3) $\frac{1}{9}\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less than
21 7%, of his average annual payroll;

22 (4) $\frac{1}{6}\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less than
23 8%, of his average annual payroll;

24 (5) $\frac{1}{3}\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less than
25 9%, of his average annual payroll;

26 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
27 of his average annual payroll;

28 (7) $\frac{7}{10}$ of 1%, if such excess equals or exceeds 10%, but is less
29 than 11%, of his average annual payroll;

30 (8) $\frac{4}{10}$ of 1%, if such excess equals or exceeds 11% of his
31 average annual payroll.

32 (B) If the total of an employer's contributions, paid on his own
33 behalf, for all past periods for the purposes of this paragraph (4), is
34 less than the total benefits charged against his account during the same
35 period, his rate shall be:

36 (1) 4%, if such excess is less than 10% of his average annual
37 payroll;

38 (2) $\frac{4}{3}\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
39 20%, of his average annual payroll;

40 (3) $\frac{4}{6}\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
41 annual payroll.

42 (C) Specially assigned rates. If no contributions were paid on
43 wages for employment in any calendar year used in determining the
44 average annual payroll of an employer eligible for an assigned rate
45 under this paragraph (4), the employer's rate shall be specially assigned
46 as follows:

1 (i) if the reserve balance in its account is positive, its assigned rate
2 shall be the highest rate in effect for positive balance accounts for that
3 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in
4 its account is negative, its assigned rate shall be the highest rate in
5 effect for deficit accounts for that period.

6 (D) The contribution rates prescribed by subparagraphs (A) and
7 (B) of this paragraph (4) shall be increased or decreased in accordance
8 with the provisions of paragraph (5) of this subsection (c) for
9 experience rating periods through June 30, 1986.

10 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
11 31 of any calendar year the balance in the unemployment trust fund
12 equals or exceeds 4% but is less than 7% of the total taxable wages
13 reported to the controller as of that date in respect to employment
14 during the preceding calendar year, the contribution rate, effective July
15 1 following, of each employer eligible for a contribution rate
16 calculation based upon benefit experience, shall be increased by 3/10
17 of 1% over the contribution rate otherwise established under the
18 provisions of paragraph (3) or (4) of this subsection. If on March 31
19 of any calendar year the balance of the unemployment trust fund
20 exceeds 2 1/2% but is less than 4% of the total taxable wages reported
21 to the controller as of that date in respect to employment during the
22 preceding calendar year, the contribution rate, effective July 1
23 following, of each employer eligible for a contribution rate calculation
24 based upon benefit experience, shall be increased by 6/10 of 1% over
25 the contribution rate otherwise established under the provisions of
26 paragraph (3) or (4) of this subsection.

27 If on March 31 of any calendar year the balance of the
28 unemployment trust fund is less than 2 1/2% of the total taxable wages
29 reported to the controller as of that date in respect to employment
30 during the preceding calendar year, the contribution rate, effective July
31 1 following, of each employer (1) eligible for a contribution rate
32 calculation based upon benefit experience, shall be increased by (i)
33 6/10 of 1% over the contribution rate otherwise established under the
34 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and
35 (ii) an additional amount equal to 20% of the total rate established
36 herein, provided, however, that the final contribution rate for each
37 employer shall be computed to the nearest multiple of 1/10% if not
38 already a multiple thereof; (2) not eligible for a contribution rate
39 calculation based upon benefit experience, shall be increased by 6/10
40 of 1% over the contribution rate otherwise established under the
41 provisions of paragraph (4) of this subsection. For the period
42 commencing July 1, 1984 and ending June 30, 1986, the contribution
43 rate for each employer liable to pay contributions under R.S.43:21-7
44 shall be increased by a factor of 10% computed to the nearest multiple
45 of 1/10% if not already a multiple thereof.

46 (B) If on March 31 of any calendar year the balance in the

1 unemployment trust fund equals or exceeds 10% but is less than 12
2 1/2% of the total taxable wages reported to the controller as of that
3 date in respect to employment during the preceding calendar year, the
4 contribution rate, effective July 1 following, of each employer eligible
5 for a contribution rate calculation based upon benefit experience, shall
6 be reduced by 3/10 of 1% under the contribution rate otherwise
7 established under the provisions of paragraphs (3) and (4) of this
8 subsection; provided that in no event shall the contribution rate of any
9 employer be reduced to less than 4/10 of 1%. If on March 31 of any
10 calendar year the balance in the unemployment trust fund equals or
11 exceeds 12 1/2% of the total taxable wages reported to the controller
12 as of that date in respect to employment during the preceding calendar
13 year, the contribution rate, effective July 1 following, of each
14 employer eligible for a contribution rate calculation based upon benefit
15 experience, shall be reduced by 6/10 of 1% if his account for all past
16 periods reflects an excess of contributions paid over total benefits
17 charged of 3% or more of his average annual payroll, otherwise by
18 3/10 of 1% under the contribution rate otherwise established under the
19 provisions of paragraphs (3) and (4) of this subsection; provided that
20 in no event shall the contribution rate of any employer be reduced to
21 less than 4/10 of 1%.

22 (C) The "balance" in the unemployment trust fund, as the term is
23 used in subparagraphs (A) and (B) above, shall not include moneys
24 credited to the State's account under section 903 of the Social Security
25 Act, as amended (42 U.S.C. § 1103), during any period in which such
26 moneys are appropriated for the payment of expenses incurred in the
27 administration of the "unemployment compensation law."

28 (D) Prior to July 1 of each calendar year the controller shall
29 determine the Unemployment Trust Reserve Ratio, which shall be
30 calculated by dividing the balance of the unemployment trust fund as
31 of the prior March 31 by total taxable wages reported to the controller
32 by all employers as of March 31 with respect to their employment
33 during the last calendar year.

34 (E)(i) With respect to experience rating years beginning on or
35 after July 1, 1986 and before July 1, 1997, the new employer rate or
36 the unemployment experience rate of an employer under this section
37 shall be the rate which appears in the column headed by the
38 Unemployment Trust Fund Reserve Ratio as of the applicable
39 calculation date and on the line with the Employer Reserve Ratio, as
40 defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set
41 forth in the following table:

EXPERIENCE RATING TAX TABLE

	Fund Reserve Ratio ¹				
	10.00%	7.00%	4.00%	2.50%	2.49%
Employer Reserve Ratio ²	and Over A	to 9.99% B	to 6.99% C	to 3.99% D	and Under E
Positive Reserve Ratio:					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
Deficit Reserve Ratio:					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
-35.00% and under	5.4	5.4	5.8	6.4	7.0
New Employer Rate	2.8	2.8	2.8	3.1	3.4

¹Fund balance as of March 31 as a percentage of taxable wages in the prior calendar year.

²Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's taxable wages).

(ii) With respect to experience rating years beginning on or after July 1, 1997, the new employer rate or the unemployment experience rate of an employer under this section shall be the rate which appears in the column headed by the Unemployment Trust Fund Reserve Ratio as of the applicable calculation date and on the line with the Employer Reserve Ratio, as defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following table:

EXPERIENCE RATING TAX TABLE

		<u>Fund Reserve Ratio¹</u>				
		<u>5.00%</u>	<u>4.00%</u>	<u>3.00%</u>	<u>2.00%</u>	<u>1.99%</u>
	<u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
	<u>Reserve</u>	<u>Over</u>	<u>4.99%</u>	<u>3.99%</u>	<u>2.99%</u>	<u>Under</u>
	<u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
		<u>6.00%</u>	<u>4.00%</u>	<u>3.00%</u>	<u>2.50%</u>	<u>2.49%</u>
	<u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
	<u>Reserve</u>	<u>Over</u>	<u>5.99%</u>	<u>3.99%</u>	<u>2.99%</u>	<u>Under</u>
	<u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
	<u>Positive Reserve Ratio:</u>					
	<u>17% and over</u>	<u>0.3</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>1.2</u>
	<u>16.00% to 16.99%</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>1.2</u>
	<u>15.00% to 15.99%</u>	<u>0.4</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>1.2</u>
	<u>14.00% to 14.99%</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>1.2</u>
	<u>13.00% to 13.99%</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>1.2</u>
	<u>12.00% to 12.99%</u>	<u>0.6</u>	<u>0.8</u>	<u>0.9</u>	<u>1.0</u>	<u>1.2</u>
	<u>11.00% to 11.99%</u>	<u>0.7</u>	<u>0.8</u>	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>
	<u>10.00% to 10.99%</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.6</u>
	<u>9.00% to 9.99%</u>	<u>1.0</u>	<u>1.3</u>	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>
	<u>8.00% to 8.99%</u>	<u>1.3</u>	<u>1.6</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
	<u>7.00% to 7.99%</u>	<u>1.4</u>	<u>1.8</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>
	<u>6.00% to 6.99%</u>	<u>1.7</u>	<u>2.1</u>	<u>2.5</u>	<u>2.8</u>	<u>3.0</u>
	<u>5.00% to 5.99%</u>	<u>1.9</u>	<u>2.4</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>
	<u>4.00% to 4.99%</u>	<u>2.0</u>	<u>2.6</u>	<u>3.1</u>	<u>3.4</u>	<u>3.7</u>
	<u>3.00% to 3.99%</u>	<u>2.1</u>	<u>2.7</u>	<u>3.2</u>	<u>3.6</u>	<u>3.9</u>
	<u>2.00% to 2.99%</u>	<u>2.2</u>	<u>2.8</u>	<u>3.3</u>	<u>3.7</u>	<u>4.0</u>
	<u>1.00% to 1.99%</u>	<u>2.3</u>	<u>2.9</u>	<u>3.4</u>	<u>3.8</u>	<u>4.1</u>
	<u>0.00% to 0.99%</u>	<u>2.4</u>	<u>3.0</u>	<u>3.6</u>	<u>4.0</u>	<u>4.3</u>
	<u>Deficit Reserve Ratio:</u>					
	<u>-0.00% to -2.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.6</u>	<u>6.1</u>
	<u>-3.00% to -5.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.7</u>	<u>6.2</u>
	<u>-6.00% to -8.99%</u>	<u>3.5</u>	<u>4.4</u>	<u>5.2</u>	<u>5.8</u>	<u>6.3</u>
	<u>-9.00% to -11.99%</u>	<u>3.5</u>	<u>4.5</u>	<u>5.3</u>	<u>5.9</u>	<u>6.4</u>
	<u>-12.00% to -14.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.4</u>	<u>6.0</u>	<u>6.5</u>
	<u>-15.00% to -19.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.5</u>	<u>6.1</u>	<u>6.6</u>
	<u>-20.00% to -24.99%</u>	<u>3.7</u>	<u>4.7</u>	<u>5.6</u>	<u>6.2</u>	<u>6.7</u>
	<u>-25.00% to -29.99%</u>	<u>3.7</u>	<u>4.8</u>	<u>5.6</u>	<u>6.3</u>	<u>6.8</u>
	<u>-30.00% to -34.99%</u>	<u>3.8</u>	<u>4.8</u>	<u>5.7</u>	<u>6.3</u>	<u>6.9</u>
	<u>-35.00% and under</u>	<u>5.4</u>	<u>5.4</u>	<u>5.8</u>	<u>6.4</u>	<u>7.0</u>
	<u>New Employer Rate</u>	<u>2.8</u>	<u>2.8</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>

¹Fund balance as of March 31 as a percentage of taxable wages in the prior calendar year.

²Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's taxable wages).

(F)(i) With respect to experience rating years beginning on or after July 1, 1986 and before July 1, 1997, if the balance of the unemployment trust fund as of the prior March 31 is negative, the contribution rate for each employer liable to pay contributions, as computed under subparagraph E of this paragraph (5), shall be increased by a factor of

1 10% computed to the nearest multiple of 1/10% if not already a multiple
2 thereof.

3 (ii) With respect to experience rating years beginning on or after July
4 1, 1997, if the fund reserve ratio, based on the fund balance as of the prior
5 March 31, is less than 1.00%, the contribution rate for each employer
6 liable to pay contributions, as computed under subparagraph E of this
7 paragraph (5), shall be increased by a factor of 10% computed to the
8 nearest multiple of 1/10% if not already a multiple thereof.

9 (G) On or after January 1, 1993, notwithstanding any other provisions
10 of this paragraph (5), the contribution rate for each employer liable to pay
11 contributions, as computed under subparagraph (E) of this paragraph (5),
12 shall be decreased by 0.1%, except that, during any experience rating year
13 in which the fund reserve ratio is equal to or greater than 7.00%, there
14 shall be no decrease pursuant to this subparagraph (G) in the contribution
15 of any employer who has a deficit reserve ratio of negative 35.00% or
16 under.

17 (H) On or after January 1, 1993 until December 31, 1993,
18 notwithstanding any other provisions of this paragraph (5), the
19 contribution rate for each employer liable to pay contributions, as
20 computed under subparagraph (E) of this paragraph (5), shall be decreased
21 by a factor of 52.0% computed to the nearest multiple of 1/10%, except
22 that, if an employer has a deficit reserve ratio of negative 35.0% or under,
23 the employer's rate of contribution shall not be reduced pursuant to this
24 subparagraph (H) to less than 5.4%. The amount of the reduction in the
25 employer contributions stipulated by this subparagraph (H) shall be in
26 addition to the amount of the reduction in the employer contributions
27 stipulated by subparagraph (G) of this paragraph (5), except that the rate
28 of contribution of an employer who has a deficit reserve ratio of negative
29 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
30 less than 5.4% and the rate of contribution of any other employer shall not
31 be reduced to less than 0.0%.

32 On or after January 1, 1994 until December 31, 1995, except as
33 provided pursuant to subparagraph (I) of this paragraph (5),
34 notwithstanding any other provisions of this paragraph (5), the
35 contribution rate for each employer liable to pay contributions, as
36 computed under subparagraph (E) of this paragraph (5), shall be decreased
37 by a factor of 36.0% computed to the nearest multiple of 1/10%, except
38 that, if an employer has a deficit reserve ratio of negative 35.0% or under,
39 the employer's rate of contribution shall not be reduced pursuant to this
40 subparagraph (H) to less than 5.4%. The amount of the reduction in the
41 employer contributions stipulated by this subparagraph (H) shall be in
42 addition to the amount of the reduction in the employer contributions
43 stipulated by subparagraph (G) of this paragraph (5), except that the rate
44 of contribution of an employer who has a deficit reserve ratio of negative
45 35.0% or under shall not be reduced pursuant to this subparagraph (H)
46 to less than 5.4% and the rate of contribution of any other employer shall

1 not be reduced to less than 0.0%.

2 On or after April 1, 1996 until December 31, 1996, the contribution
3 rate for each employer liable to pay contributions, as computed under
4 subparagraph (E) of this paragraph (5), shall be decreased by a factor of
5 25.0% computed to the nearest multiple of 1/10%, except that, if an
6 employer has a deficit reserve ratio of negative 35.0% or under, the
7 employer's rate of contribution shall not be reduced pursuant to this
8 subparagraph (H) to less than 5.4%. The amount of the reduction in the
9 employer contributions stipulated by this subparagraph (H) shall be in
10 addition to the amount of the reduction in the employer contributions
11 stipulated by subparagraph (G) of this paragraph (5), except that the rate
12 of contribution of an employer who has a deficit reserve ratio of negative
13 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
14 less than 5.4% and the rate of contribution of any other employer shall not
15 be reduced to less than 0.0%.

16 On or after January 1, 1997 until December 31, 1997, the contribution
17 rate for each employer liable to pay contributions, as computed under
18 subparagraph (E) of this paragraph (5), shall be decreased by a factor of
19 10.0% computed to the nearest multiple of 1/10%, except that, if an
20 employer has a deficit reserve ratio of negative 35.0% or under, the
21 employer's rate of contribution shall not be reduced pursuant to this
22 subparagraph (H) to less than 5.4%. The amount of the reduction in the
23 employer contributions stipulated by this subparagraph (H) shall be in
24 addition to the amount of the reduction in the employer contributions
25 stipulated by subparagraph (G) of this paragraph (5), except that the rate
26 of contribution of an employer who has a deficit reserve ratio of negative
27 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
28 less than 5.4% and the rate of contribution of any other employer shall not
29 be reduced to less than 0.0%.

30 (I) If the fund reserve ratio decreases to a level of less than 4.00% on
31 March 31 of calendar year 1994 or calendar year 1995, the provisions of
32 subparagraph (H) of this paragraph (5) shall cease to be in effect as of July
33 1 of that calendar year.

34 If, upon calculating the unemployment compensation fund reserve ratio
35 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, ¹[1998.] 1997,¹ the
36 controller finds that the fund reserve ratio has decreased to a level of less
37 than 3.00%, the Commissioner of Labor shall notify the State Treasurer
38 of this fact and of the dollar amount necessary to bring the fund reserve
39 ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31,
40 ¹[1998.] 1997,¹ transfer from the General Fund to the unemployment
41 compensation fund, revenues in the amount specified by the commissioner
42 and which, upon deposit in the unemployment compensation fund, shall
43 result, upon recalculation, in a fund reserve ratio used to determine
44 employer contributions beginning July 1, ¹[1998] 1997,¹ of at least
45 3.00%.

46 If, upon calculating the unemployment compensation fund reserve ratio

1 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, ¹[1999.] 1998,¹ the
2 controller finds that the fund reserve ratio has decreased to a level of less
3 than 3.00%, the Commissioner of Labor shall notify the State Treasurer
4 of this fact and of the dollar amount necessary to bring the fund reserve
5 ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31,
6 ¹[1999.] 1998,¹ transfer from the General Fund to the unemployment
7 compensation fund, revenues in the amount specified by the commissioner
8 and which, upon deposit in the unemployment compensation fund, shall
9 result, upon recalculation, in a fund reserve ratio used to determine
10 employer contributions beginning July 1, ¹[1999] 1998¹ of at least 3.00%.

11 (6) Additional contributions.

12 Notwithstanding any other provision of law, any employer who has
13 been assigned a contribution rate pursuant to subsection (c) of this section
14 for the year commencing July 1, 1948, and for any year commencing July
15 1 thereafter, may voluntarily make payment of additional contributions,
16 and upon such payment shall receive a recomputation of the experience
17 rate applicable to such employer, including in the calculation the additional
18 contribution so made. Any such additional contribution shall be made
19 during the 30-day period following the date of the mailing to the
20 employer of the notice of his contribution rate as prescribed in this
21 section, unless, for good cause, the time for payment has been extended
22 by the controller for not to exceed an additional 60 days; provided that in
23 no event may such payments which are made later than 120 days after the
24 beginning of the year for which such rates are effective be considered in
25 determining the experience rate for the year in which the payment is made.
26 Any employer receiving any extended period of time within which to make
27 such additional payment and failing to make such payment timely shall be,
28 in addition to the required amount of additional payment, a penalty of 5%
29 thereof or \$5.00, whichever is greater, not to exceed \$50.00. Any
30 adjustment under this subsection shall be made only in the form of credits
31 against accrued or future contributions.

32 (7) Transfers.

33 (A) Upon the transfer of the organization, trade or business, or
34 substantially all the assets of an employer to a successor in interest,
35 whether by merger, consolidation, sale, transfer, descent or otherwise, the
36 controller shall transfer the employment experience of the predecessor
37 employer to the successor in interest, including credit for past years,
38 contributions paid, annual payrolls, benefit charges, et cetera, applicable
39 to such predecessor employer, pursuant to regulation, if it is determined
40 that the employment experience of the predecessor employer with respect
41 to the organization, trade, assets or business which has been transferred
42 may be considered indicative of the future employment experience of the
43 successor in interest. Unless the predecessor employer was owned or
44 controlled (by legally enforceable means or otherwise), directly or
45 indirectly, by the successor in interest, or the predecessor employer and
46 the successor in interest were owned or controlled (by legally enforceable

1 means or otherwise), directly or indirectly, by the same interest or
2 interests, the transfer of the employment experience of the predecessor
3 shall not be effective if such successor in interest, within four months of
4 the date of such transfer of the organization, trade, assets or business, or
5 thereafter upon good cause shown, files a written notice protesting the
6 transfer of the employment experience of the predecessor employer.

7 (B) An employer who transfers part of his or its organization, trade,
8 assets or business to a successor in interest, whether by merger,
9 consolidation, sale, transfer, descent or otherwise, may jointly make
10 application with such successor in interest for transfer of that portion of
11 the employment experience of the predecessor employer relating to the
12 portion of the organization, trade, assets or business transferred to the
13 successor in interest, including credit for past years, contributions paid,
14 annual payrolls, benefit charges, et cetera, applicable to such predecessor
15 employer. The transfer of employment experience may be allowed
16 pursuant to regulation only if it is found that the employment experience
17 of the predecessor employer with respect to the portion of the
18 organization, trade, assets or business which has been transferred may be
19 considered indicative of the future employment experience of the
20 successor in interest. Credit shall be given to the successor in interest
21 only for the years during which contributions were paid by the predecessor
22 employer with respect to that part of the organization, trade, assets or
23 business transferred.

24 (C) A transfer of the employment experience in whole or in part having
25 become final, the predecessor employer thereafter shall not be entitled to
26 consideration for an adjusted rate based upon his or its experience or the
27 part thereof, as the case may be, which has thus been transferred. A
28 successor in interest to whom employment experience or a part thereof is
29 transferred pursuant to this subsection shall, as of the date of the transfer
30 of the organization, trade, assets or business, or part thereof, immediately
31 become an employer if not theretofore an employer subject to this chapter
32 (R.S.43:21-1 et seq.).

33 (d) Contributions of workers to the unemployment compensation fund
34 and the State disability benefits fund.

35 (1) (A) For periods after January 1, 1975, each worker shall
36 contribute to the fund 1% of his wages with respect to his employment
37 with an employer, which occurs on and after January 1, 1975, after such
38 employer has satisfied the condition set forth in subsection (h) of
39 R.S.43:21-19 with respect to becoming an employer; provided, however,
40 that such contributions shall be at the rate of 1/2 of 1% of wages paid with
41 respect to employment while the worker is in the employ of the State of
42 New Jersey, or any governmental entity or instrumentality which is an
43 employer as defined under R.S.43:21-19(h)(5), or is covered by an
44 approved private plan under the "Temporary Disability Benefits Law" or
45 while the worker is exempt from the provisions of the "Temporary

1 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110
2 (C.43:21-31).

3 (B) Effective January 1, 1978 there shall be no contributions by
4 workers in the employ of any governmental or nongovernmental employer
5 electing or required to make payments in lieu of contributions unless the
6 employer is covered by the State plan under the "Temporary Disability
7 Benefits Law" (C.43:21-37 et seq.), and in that case contributions shall be
8 at the rate of 1/2 of 1%, except that commencing July 1, 1986, workers
9 in the employ of any nongovernmental employer electing or required to
10 make payments in lieu of contributions shall be required to make
11 contributions to the fund at the same rate prescribed for workers of other
12 nongovernmental employers.

13 (C) (i) Notwithstanding the above provisions of this paragraph (1),
14 during the period starting July 1, 1986 and ending December 31, 1992,
15 each worker shall contribute to the fund 1.125% of wages paid with
16 respect to his employment with a governmental employer electing or
17 required to pay contributions or nongovernmental employer, including a
18 nonprofit organization which is an employer as defined under
19 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization
20 elects or is required to finance its benefit costs with contributions to the
21 fund or by payments in lieu of contributions, after that employer has
22 satisfied the conditions set forth in subsection R.S.43:21-19(h) with
23 respect to becoming an employer. Contributions, however, shall be at the
24 rate of 0.625% while the worker is covered by an approved private plan
25 under the "Temporary Disability Benefits Law" while the worker is
26 exempt under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
27 other provision of that law; provided that such contributions shall be at the
28 rate of 0.625% of wages paid with respect to employment with the State
29 of New Jersey or any other governmental entity or instrumentality electing
30 or required to make payments in lieu of contributions and which is
31 covered by the State plan under the "Temporary Disability Benefits Law,"
32 except that, while the worker is exempt from the provisions of the
33 "Temporary Disability Benefits Law" under section 7 of that law,
34 P.L.1948, c.110 (C.43:21-31) or any other provision of that law, or is
35 covered for disability benefits by an approved private plan of the
36 employer, the contributions to the fund shall be 0.125%.

37 (ii) (Deleted by amendment, P.L.1995, c.422.)

38 (D) Notwithstanding any other provisions of this paragraph (1), during
39 the period starting January 1, 1993 and ending June 30, 1994, each worker
40 shall contribute to the unemployment compensation fund 0.5% of wages
41 paid with respect to the worker's employment with a governmental
42 employer electing or required to pay contributions or nongovernmental
43 employer, including a nonprofit organization which is an employer as
44 defined under paragraph 6 of subsection (h) of R.S.43:21-19, regardless
45 of whether that nonprofit organization elects or is required to finance its
46 benefit costs with contributions to the fund or by payments in lieu of

1 contributions, after that employer has satisfied the conditions set forth in
2 subsection (h) of R.S.43:21-19 with respect to becoming an employer. No
3 contributions, however, shall be made by the worker while the worker is
4 covered by an approved private plan under the "Temporary Disability
5 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker
6 is exempt under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
7 provision of that law; provided that the contributions shall be at the rate
8 of 0.50% of wages paid with respect to employment with the State of New
9 Jersey or any other governmental entity or instrumentality electing or
10 required to make payments in lieu of contributions and which is covered
11 by the State plan under the "Temporary Disability Benefits Law," except
12 that, while the worker is exempt from the provisions of the "Temporary
13 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110
14 (C.43:21-31) or any other provision of that law, or is covered for
15 disability benefits by an approved private plan of the employer, no
16 contributions shall be made to the fund.

17 Each worker shall, starting on January 1, 1996 and ending March 31,
18 1996, contribute to the unemployment compensation fund 0.60% of wages
19 paid with respect to the worker's employment with a governmental
20 employer electing or required to pay contributions or nongovernmental
21 employer, including a nonprofit organization which is an employer as
22 defined under paragraph 6 of subsection (h) of R.S.43:21-19, regardless
23 of whether that nonprofit organization elects or is required to finance its
24 benefit costs with contributions to the fund or by payments in lieu of
25 contributions, after that employer has satisfied the conditions set forth in
26 subsection (h) of R.S.43:21-19 with respect to becoming an employer,
27 provided that the contributions shall be at the rate of 0.10% of wages paid
28 with respect to employment with the State of New Jersey or any other
29 governmental entity or instrumentality electing or required to make
30 payments in lieu of contributions.

31 Each worker shall, starting on January 1, 1998 contribute to the
32 unemployment compensation fund 0.40% of wages paid with respect to
33 the worker's employment with a governmental employer electing or
34 required to pay contributions or nongovernmental employer, including a
35 nonprofit organization which is an employer as defined under paragraph
36 6 of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit
37 organization elects or is required to finance its benefit costs with
38 contributions to the fund or by payments in lieu of contributions, after that
39 employer has satisfied the conditions set forth in subsection (h) of
40 R.S.43:21-19 with respect to becoming an employer, provided that the
41 contributions shall be at the rate of 0.10% of wages paid with respect to
42 employment with the State of New Jersey or any other governmental
43 entity or instrumentality electing or required to make payments in lieu of
44 contributions.

45 (E) Each employer shall, notwithstanding any provision of law in this
46 State to the contrary, withhold in trust the amount of his workers'

1 contributions from their wages at the time such wages are paid, shall show
2 such deduction on his payroll records, shall furnish such evidence thereof
3 to his workers as the division or controller may prescribe, and shall
4 transmit all such contributions, in addition to his own contributions, to the
5 office of the controller in such manner and at such times as may be
6 prescribed. If any employer fails to deduct the contributions of any of his
7 workers at the time their wages are paid, or fails to make a deduction
8 therefor at the time wages are paid for the next succeeding payroll period,
9 he alone shall thereafter be liable for such contributions, and for the
10 purpose of R.S.43:21-14, such contributions shall be treated as employer's
11 contributions required from him.

12 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the
13 context clearly requires otherwise, the term "contributions" shall include
14 the contributions of workers pursuant to this section.

15 (G) Each worker shall, starting on July 1, 1994, contribute to the State
16 disability benefits fund an amount equal to 0.50% of wages paid with
17 respect to the worker's employment with a government employer electing
18 or required to pay contributions to the State disability benefits fund or
19 nongovernmental employer, including a nonprofit organization which is an
20 employer as defined under paragraph 6 of subsection (h) of R.S. 43:21-19,
21 unless the employer is covered by an approved private disability plan or
22 is exempt from the provisions of the "Temporary Disability Benefits Law,"
23 P.L.1948 c.110 (C.43:21-25 et seq.) under section 7 of that law
24 (C.43:21-31) or any other provision of that law.

25 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

26 (B) (Deleted by amendment, P.L.1984, c.24.)

27 (C) (Deleted by amendment, P.L.1994, c.112.)

28 (D) (Deleted by amendment, P.L.1994, c.112.)

29 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

30 (ii) [Notwithstanding any other provision of this paragraph (2), with
31 respect to wages paid during the period beginning on January 1, 1993 and
32 ending June 30, 1994, there shall be deposited in and credited to the State
33 disability benefits fund all worker contributions received by the
34 controller.](Deleted by amendment, P.L. , c.).

35 (iii) (Deleted by amendment, P.L.1994, c.112.)

36 (3) If an employee receives wages from more than one employer
37 during any calendar year, and either the sum of his contributions deposited
38 in and credited to the State disability benefits fund [(in accordance with
39 paragraph (2) of this subsection)] plus the amount of his contributions, if
40 any, required towards the costs of benefits under one or more approved
41 private plans under the provisions of section 9 of the "Temporary
42 Disability Benefits Law" (C.43:21-33) and deducted from his wages, or
43 the sum of such latter contributions, if the employee is covered during
44 such calendar year only by two or more private plans, exceeds an amount
45 equal to 1/2 of 1% of the "wages" determined in accordance with the
46 provisions of R.S.43:21-7(b)(3) during the calendar years beginning on or

1 after January 1, 1976, the employee shall be entitled to a refund of the
2 excess if he makes a claim to the controller within two years after the end
3 of the calendar year in which the wages are received with respect to which
4 the refund is claimed and establishes his right to such refund. Such refund
5 shall be made by the controller from the State disability benefits fund. No
6 interest shall be allowed or paid with respect to any such refund. The
7 controller shall, in accordance with prescribed regulations, determine the
8 portion of the aggregate amount of such refunds made during any calendar
9 year which is applicable to private plans for which deductions were made
10 under section 9 of the "Temporary Disability Benefits Law," such
11 determination to be based upon the ratio of the amount of such wages
12 exempt from contributions to such fund, as provided in subparagraph (B)
13 of paragraph (1) of this subsection with respect to coverage under private
14 plans, to the total wages so exempt plus the amount of such wages subject
15 to contributions to the disability benefits fund, as provided in
16 subparagraph ~~[(B)]~~ G of paragraph ~~[(2)]~~ 1 of this subsection. The
17 controller shall, in accordance with prescribed regulations, prorate the
18 amount so determined among the applicable private plans in the
19 proportion that the wages covered by each plan bear to the total private
20 plan wages involved in such refunds, and shall assess against and recover
21 from the employer, or the insurer if the insurer has indemnified the
22 employer with respect thereto, the amount so prorated. The provisions of
23 R.S.43:21-14 with respect to collection of employer contributions shall
24 apply to such assessments. The amount so recovered by the controller
25 shall be paid into the State disability benefits fund.

26 (4) If an individual does not receive any wages from the employing
27 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is treated
28 as his employer, or receives his wages from some other employing unit,
29 such employer shall nevertheless be liable for such individual's
30 contributions in the first instance; and after payment thereof such
31 employer may deduct the amount of such contributions from any sums
32 payable by him to such employing unit, or may recover the amount of such
33 contributions from such employing unit, or, in the absence of such an
34 employing unit, from such individual, in a civil action; provided
35 proceedings therefor are instituted within three months after the date on
36 which such contributions are payable. General rules shall be prescribed
37 whereby such an employing unit may recover the amount of such
38 contributions from such individuals in the same manner as if it were the
39 employer.

40 (5) Every employer who has elected to become an employer subject to
41 this chapter (R.S.43:21-1 et seq.), or to cease to be an employer subject
42 to this chapter (R.S.43:21-1 et seq.), pursuant to the provisions of
43 R.S.43:21-8, shall post and maintain printed notices of such election on
44 his premises, of such design, in such numbers, and at such places as the
45 director may determine to be necessary to give notice thereof to persons
46 in his service.

1 (6) Contributions by workers, payable to the controller as herein
2 provided, shall be exempt from garnishment, attachment, execution, or any
3 other remedy for the collection of debts.

4 (e) Contributions by employers to State disability benefits fund.

5 (1) Except as hereinafter provided, each employer shall, in addition to
6 the contributions required by subsections (a), (b), and (c) of this section,
7 contribute 1/2 of 1% of the wages paid by such employer to workers with
8 respect to employment unless he is not a covered employer as defined in
9 section 3 of the "Temporary Disability Benefits Law" (C.43:21-27 (a)),
10 except that the rate for the State of New Jersey shall be 1/10 of 1% for the
11 calendar year 1980 and for the first six months of 1981. Prior to July 1,
12 1981 and prior to July 1 each year thereafter, the controller shall review
13 the experience accumulated in the account of the State of New Jersey and
14 establish a rate for the next following fiscal year which, in combination
15 with worker contributions, will produce sufficient revenue to keep the
16 account in balance; except that the rate so established shall not be less
17 than 1/10 of 1%. Such contributions shall become due and be paid by the
18 employer to the controller for the State disability benefits fund as
19 established by law, in accordance with such regulations as may be
20 prescribed, and shall not be deducted, in whole or in part, from the
21 remuneration of individuals in his employ. In the payment of any
22 contributions, a fractional part of a cent shall be disregarded unless it
23 amounts to \$0.005 or more, in which case it shall be increased to \$0.01.

24 (2) During the continuance of coverage of a worker by an approved
25 private plan of disability benefits under the "Temporary Disability Benefits
26 Law," the employer shall be exempt from the contributions required by
27 subparagraph (1) above with respect to wages paid to such worker.

28 (3) (A) The rates of contribution as specified in subparagraph (1)
29 above shall be subject to modification as provided herein with respect to
30 employer contributions due on and after July 1, 1951.

31 (B) A separate disability benefits account shall be maintained for each
32 employer required to contribute to the State disability benefits fund and
33 such account shall be credited with contributions deposited in and credited
34 to such fund with respect to employment occurring on and after January
35 1, 1949. Each employer's account shall be credited with all contributions
36 paid on or before January 31 of any calendar year on his own behalf and
37 on behalf of individuals in his service with respect to employment
38 occurring in preceding calendar years; provided, however, that if January
39 31 of any calendar year falls on a Saturday or Sunday an employer's
40 account shall be credited as of January 31 of such calendar year with all
41 the contributions which he has paid on or before the next succeeding day
42 which is not a Saturday or Sunday. But nothing in this act shall be
43 construed to grant any employer or individuals in his service prior claims
44 or rights to the amounts paid by him to the fund either on his own behalf
45 or on behalf of such individuals. Benefits paid to any covered individual
46 in accordance with Article III of the "Temporary Disability Benefits Law"

1 on or before December 31 of any calendar year with respect to disability
2 in such calendar year and in preceding calendar years shall be charged
3 against the account of the employer by whom such individual was
4 employed at the commencement of such disability or by whom he was last
5 employed, if out of employment.

6 (C) The controller may prescribe regulations for the establishment,
7 maintenance, and dissolution of joint accounts by two or more employers,
8 and shall, in accordance with such regulations and upon application by two
9 or more employers to establish such an account, or to merge their several
10 individual accounts in a joint account, maintain such joint account as if it
11 constituted a single employer's account.

12 (D) Prior to July 1 of each calendar year, the controller shall make a
13 preliminary determination of the rate of contribution for the 12 months
14 commencing on such July 1 for each employer subject to the contribution
15 requirements of this subsection (e).

16 (1) Such preliminary rate shall be $\frac{1}{2}$ of 1% unless on the preceding
17 January 31 of such year such employer shall have been a covered employer
18 who has paid contributions to the State disability benefits fund with
19 respect to employment in the three calendar years immediately preceding
20 such year.

21 (2) If the minimum requirements in (1) above have been fulfilled and
22 the credited contributions exceed the benefits charged by more than
23 \$500.00, such preliminary rate shall be as follows:

24 (i) $\frac{2}{10}$ of 1% if such excess over \$500.00 exceeds 1% but is less than
25 $1\frac{1}{4}\%$ of his average annual payroll (as defined in this chapter
26 (R.S.43:21-1 et seq.));

27 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds 1
28 $\frac{1}{4}\%$ but is less than $1\frac{1}{2}\%$ of his average annual payroll;

29 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds $1\frac{1}{2}\%$
30 of his average annual payroll.

31 (3) If the minimum requirements in (1) above have been fulfilled and
32 the contributions credited exceed the benefits charged but by not more
33 than \$500.00 plus 1% of his average annual payroll, or if the benefits
34 charged exceed the contributions credited but by not more than \$500.00,
35 the preliminary rate shall be $\frac{1}{4}$ of 1%.

36 (4) If the minimum requirements in (1) above have been fulfilled and
37 the benefits charged exceed the contributions credited by more than
38 \$500.00, such preliminary rate shall be as follows:

39 (i) $\frac{35}{100}$ of 1% if such excess over \$500.00 is less than $\frac{1}{4}$ of 1% of
40 his average annual payroll;

41 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds $\frac{1}{4}$
42 of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;

43 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds $\frac{1}{2}$
44 of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;

45 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds $\frac{3}{4}$
46 of 1% but is less than 1% of his average annual payroll;

1 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds 1%
2 of his average annual payroll.

3 (5) Determination of the preliminary rate as specified in (2), (3) and
4 (4) above shall be subject, however, to the condition that it shall in no
5 event be decreased by more than 1/10 of 1% of wages or increased by
6 more than 2/10 of 1% of wages from the preliminary rate determined for
7 the preceding year in accordance with (1), (2), (3) or (4), whichever shall
8 have been applicable.

9 (E) (1) Prior to July 1 of each calendar year the controller shall
10 determine the amount of the State disability benefits fund as of December
11 31 of the preceding calendar year, increased by the contributions paid
12 thereto during January of the current calendar year with respect to
13 employment occurring in the preceding calendar year. If such amount
14 exceeds the net amount withdrawn from the unemployment trust fund
15 pursuant to section 23 of the "Temporary Disability Benefits Law,"
16 P.L.1948, c.110 (C.43:21-47) plus the amount at the end of such
17 preceding calendar year of the unemployment disability account (as
18 defined in section 22 of said law (C.43:21-46)), such excess shall be
19 expressed as a percentage of the wages on which contributions were paid
20 to the State disability benefits fund on or before January 31 with respect
21 to employment in the preceding calendar year.

22 (2) The controller shall then make a final determination of the rates of
23 contribution for the 12 months commencing July 1 of such year for
24 employers whose preliminary rates are determined as provided in (D)
25 hereof, as follows:

26 (i) If the percentage determined in accordance with paragraph (E)(1)
27 of this subsection equals or exceeds 1 1/4%, the final employer rates shall
28 be the preliminary rates determined as provided in (D) hereof, except that
29 if the employer's preliminary rate is determined as provided in (D)(2) or
30 (D)(3) hereof, the final employer rate shall be the preliminary employer
31 rate decreased by such percentage of excess taken to the nearest 5/100 of
32 1%, but in no case shall such final rate be less than 1/10 of 1%.

33 (ii) If the percentage determined in accordance with paragraph (E)(1)
34 of this subsection equals or exceeds 3/4 of 1% and is less than 1 1/4 of
35 1%, the final employer rates shall be the preliminary employer rates.

36 (iii) If the percentage determined in accordance with paragraph (E)(1)
37 of this subsection is less than 3/4 of 1%, but in excess of 1/4 of 1%, the
38 final employer rates shall be the preliminary employer rates determined as
39 provided in (D) hereof increased by the difference between 3/4 of 1% and
40 such percentage taken to the nearest 5/100 of 1%; provided, however, that
41 no such final rate shall be more than 1/4 of 1% in the case of an employer
42 whose preliminary rate is determined as provided in (D)(2) hereof, more
43 than 1/2 of 1% in the case of an employer whose preliminary rate is
44 determined as provided in (D)(1) and (D)(3) hereof, nor more than 3/4 of
45 1% in the case of an employer whose preliminary rate is determined as
46 provided in (D)(4) hereof.

1 (iv) If the amount of the State disability benefits fund determined as
2 provided in paragraph (E)(1) of this subsection is equal to or less than 1/4
3 of 1%, then the final rate shall be 2/5 of 1% in the case of an employer
4 whose preliminary rate is determined as provided in (D)(2) hereof, 7/10
5 of 1% in the case of an employer whose preliminary rate is determined as
6 provided in (D)(1) and (D)(3) hereof, and 1.1% in the case of an employer
7 whose preliminary rate is determined as provided in (D)(4) hereof.
8 Notwithstanding any other provision of law or any determination made by
9 the controller with respect to any 12-month period commencing on July
10 1, 1970, the final rates for all employers for the period beginning January
11 1, 1971, shall be as set forth herein.
12 (cf: P.L.1995, c.422, s.1)

13

14 14. Section 29 of P.L.1992, c.160 (C.43:21-7b) is amended to read as
15 follows:

16 29. a. Beginning January 1, 1993 until December 31, 1995, except as
17 provided pursuant to subsection b. of this section, each employee shall, in
18 such a manner and at such times as determined by the commissioner,
19 contribute to the fund an amount equal to 0.6% of the employee's taxable
20 wages.

21 Beginning April 1, 1996 through December 31, 1996, each employee
22 shall, in such a manner and at such times as determined by the
23 commissioner, contribute to the fund an amount equal to 0.6% of the
24 employee's taxable wages, except that the total amount contributed to the
25 fund when combined with the employee's contribution made pursuant to
26 R.S.43:31-7(d)(1)(D) for the period January 1, 1996 through March 31,
27 1996, shall not exceed 0.6% of the employee's taxable wages for the
28 1996 calendar year.

29 Beginning January 1, 1997 through December 31, 1997, each
30 employee shall, in such a manner and at such times as determined by the
31 commissioner, contribute to the fund an amount equal to 0.5% of the
32 employee's taxable wages.

33 Also beginning on January 1, 1993 until December 31, 1995 [, except
34 as provided pursuant to subsection b. of this section] and beginning April
35 1, 1996 until December 31, 1997, each employer shall, in such a manner
36 and at such times as determined by the commissioner, contribute to the
37 fund an amount equal to the amount that the employer's contribution to
38 the unemployment compensation fund is decreased pursuant to
39 subparagraph (H) of paragraph (5) of subsection (c) of R.S.43:21-7.

40 b. If the unemployment compensation fund reserve ratio, as determined
41 pursuant to paragraph (5) of subsection (c) of R.S.43:21-7, decreases to
42 a level of less than 4.00% on March 31 of calendar year 1994 or calendar
43 year 1995, the provisions of subsection a. of this section shall cease to be
44 in effect as of July 1 of that calendar year and each employer who would
45 be subject to making the contributions pursuant to subsection a. of this
46 section if that subsection were in effect shall, beginning on July 1 of that

1 calendar year, contribute to the fund an amount equal to 0.62% of the
2 total wages paid by the employer and shall continue to contribute that
3 amount until December 31, 1995.

4 c. If the total amount of contributions to the fund pursuant to this
5 section during the calendar year 1993 exceeds \$600 million, all
6 contributions which exceed \$600 million shall be deposited in the
7 unemployment compensation fund. If the total amount of contributions
8 to the fund pursuant to this section during calendar year 1994 or calendar
9 year 1995 exceeds \$500 million, all contributions which exceed \$500
10 million shall be deposited in the unemployment compensation fund. If the
11 total amount of contributions made to the fund pursuant to this section for
12 the calendar year 1996 or 1997 exceeds \$330 million, all contributions
13 which exceed \$330 million in calendar year 1996 or 1997 shall be
14 deposited in the unemployment compensation fund.

15 d. All necessary administrative costs related to the collection of
16 contributions pursuant to this section shall be paid from the contributions.
17 (cf: P.L.1992, c.160, s.29)

18

19 15. Section 32 of P.L.1992, c.160 (C.43:21-7e) is amended to read as
20 follows:

21 32. a. If an employee receives wages from more than one employer
22 during any calendar year, and the sum of the employee's contributions
23 deposited in the fund exceeds an amount equal to 0.6% of the wages
24 determined in accordance with the provisions of paragraph (3) of
25 subsection (b) of R.S.43:21-7 during calendar year 1993, calendar year
26 1994 or calendar year 1995, the employee shall be entitled to a refund of
27 the excess if a claim establishing the employee's right to the refund is made
28 within two years after the end of the respective calendar year in which the
29 wages are received and are the subject of the claim. The commissioner
30 shall refund any overpayment from the fund without interest.

31 If an employee receives wages from more than one employer during the
32 calendar year 1996 and the sum of the employee's contributions deposited
33 in the unemployment compensation fund during the period January 1,
34 1996 through March 31, 1996 and the employee's contributions deposited
35 in the health care subsidy fund during the period April 1, 1996 through
36 December 31, 1996 exceeds an amount equal to 0.6% of the wages
37 determined in accordance with the provisions of paragraph (3) of
38 subsection (b) of R.S.43:21-7 which wages are received during the period
39 January 1, 1996 through December 31, 1996, the employee shall be
40 entitled to a refund of the excess if a claim establishing the employee's
41 right to the refund is made within two years after the end of the respective
42 calendar year in which the wages are received and are the subject of the
43 claim. The commissioner shall refund any overpayment without interest
44 from the unemployment compensation fund or the health care subsidy
45 fund, or both, as appropriate.

46 If an employee receives wages from more than one employer during the

1 calendar year 1997, and the sum of the employee's contributions deposited
2 in the fund exceeds an amount equal to 0.5% of the wages determined in
3 accordance with the provisions of paragraph (3) of subsection (b) of
4 R.S.43:21-7 during calendar year 1997, the employee shall be entitled to
5 a refund of the excess if a claim establishing the employee's right to the
6 refund is made within two years after the end of the respective calendar
7 year in which the wages are received and are the subject of the claim. The
8 commissioner shall refund any overpayment from the fund without
9 interest.

10 b. Any employee who is a taxpayer and entitled, pursuant to the
11 provisions of subsection a. of this section, to a refund of contributions
12 deducted during a tax year from his wages shall, in lieu of the refund, be
13 entitled to a credit in the full amount thereof against the tax otherwise due
14 on his New Jersey gross income for that tax year if he submits his claim
15 for the credit and accompanies that claim with evidence of his right to the
16 credit in the manner provided by regulation by the Director of the Division
17 of Taxation. In any case in which the amount, or any portion thereof, of
18 any credit allowed hereunder results in or increases an excess of income
19 tax payment over income tax liability, the amount of the new or increased
20 excess shall be considered an overpayment and shall be refunded to the
21 taxpayer in the manner provided by subsection (a) of N.J.S.54A:9-7.

22 (cf: P.L.1992, c.160, s.32)

23

24 16. Section 4 of P.L.1971, c.346 (C.43:21-7.3) is amended to read as
25 follows:

26 4. (a) Notwithstanding any other provisions of the "unemployment
27 compensation law" for the payment of contributions, benefits paid to
28 individuals based upon wages earned in the employ of any governmental
29 entity or instrumentality which is an employer defined under
30 R.S.43:21-19(h)(5) shall, to the extent that such benefits are chargeable
31 to the account of such governmental entity or instrumentality in
32 accordance with the provisions of R.S.43:21-1 et seq., be financed by
33 payments in lieu of contributions.

34 (b) Any governmental entity or instrumentality may, as an alternative
35 to financing benefits by payments in lieu of contributions, elect to pay
36 contributions beginning with the date on which its subjectivity begins by
37 filing written notice of its election with the department no later than 120
38 days after such subjectivity begins, provided that such election shall be
39 effective for at least two full calendar years; or it may elect to pay
40 contributions for a period of not less than two calendar years beginning
41 January 1 of any year if written notice of such election is filed with the
42 department not later than February 1 of such year; provided, further, that
43 such governmental entity or instrumentality shall remain liable for
44 payments in lieu of contributions with respect to all benefits paid based on
45 base year wages earned in the employ of such entity or instrumentality in

1 the period during which it financed its benefits by payments in lieu of
2 contributions.

3 (c) Any governmental entity or instrumentality may terminate its
4 election to pay contributions as of January 1 of any year by filing written
5 notice not later than February 1 of any year with respect to which
6 termination is to become effective. It may not revert to a contributions
7 method of financing for at least two full calendar years after such
8 termination.

9 (d) Any governmental entity or instrumentality electing the option for
10 contributions financing shall report and pay contributions in accordance
11 with the provisions of R.S.43:21-7 except that, notwithstanding the
12 provisions of that section, the contribution rate for such governmental
13 entity or instrumentality shall be 1% for the entire calendar year 1978 and
14 the contribution rate for any subsequent calendar years shall be the rate
15 established for governmental entities or instrumentalities under subsection
16 (e) of this section.

17 (e) On or before September 1 of each year, the Commissioner of Labor
18 shall review the composite benefit cost experience of all governmental
19 entities and instrumentalities electing to pay contributions and, on the
20 basis of that experience, establish the contribution rate for the next
21 following calendar year which can be expected to yield sufficient revenue
22 in combination with worker contributions to equal or exceed the projected
23 costs for that calendar year.

24 (f) Any covered governmental entity or instrumentality electing to pay
25 contributions shall each year appropriate, out of its general funds, moneys
26 to pay the projected costs of benefits at the rate determined under
27 subsection (e) of this section. These funds shall be held in a trust fund
28 maintained by the governmental entity for this purpose. Any surplus
29 remaining in this trust fund may be retained in reserve for payment of
30 benefit costs for subsequent years either by contributions or payments in
31 lieu of contributions.

32 (g) Any governmental entity or instrumentality electing to finance
33 benefit costs with payments in lieu of contributions shall pay into the fund
34 an amount equal to all benefit costs for which it is liable pursuant to the
35 provisions of the "unemployment compensation law." Each subject
36 governmental entity or instrumentality shall require payments from its
37 workers in the same manner and amount as prescribed under
38 R.S.43:21-7(d) for governmental entities and instrumentalities financing
39 their benefit costs with contributions. No such payment shall be used for
40 a purpose other than to meet the benefits liability of such governmental
41 entity or instrumentality. In addition, each subject governmental entity or
42 instrumentality shall appropriate out of its general funds sufficient moneys
43 which, in addition to any worker payments it requires, are necessary to
44 pay its annual benefit costs estimated on the basis of its past benefit cost
45 experience; provided that for its first year of coverage, its benefit costs
46 shall be deemed to require an appropriation equal to 1% of the projected

1 total of its taxable wages for the year. These appropriated moneys and
2 worker payments shall be held in a trust fund maintained by the
3 governmental entity or instrumentality for this purpose. Any surplus
4 remaining in this trust fund shall be retained in reserve for payment of
5 benefit costs in subsequent years. If a governmental entity or
6 instrumentality requires its workers to make payments as authorized
7 herein, such workers shall not be subject to the contributions required in
8 R.S.43:21-7(d).

9 (h) Notwithstanding the provisions of the above subsection (g),
10 commencing July 1, 1986 worker contributions to the unemployment trust
11 fund with respect to wages paid by any governmental entity or
12 instrumentality electing or required to make payments in lieu of
13 contributions, including the State of New Jersey, shall be made in
14 accordance with the provisions of R.S.43:21-7(d)(1)(C) ~~or~~
15 ~~R.S.43:21-7(d)(1)(D), as applicable,~~ and, in addition, each governmental
16 entity or instrumentality electing or required to make payments in lieu of
17 contributions shall, except during the period starting January 1, 1993 and
18 ending December 31, 1995 and the period starting April 1, 1996 and
19 ending December 31, 1996 or, if the unemployment compensation fund
20 reserve ratio, as determined pursuant to paragraph (5) of subsection (c)
21 of R.S.43:21-7, decreases to a level of less than 4.00% on March 31 of
22 calendar year 1994 or calendar year 1995, ending July 1 of that calendar
23 year, require payments from its workers at the **[rate of 0.50%]** following
24 rates of wages paid, which amounts are to be held in the trust fund
25 maintained by the governmental entity or instrumentality for payment of
26 benefit costs: for calendar year 1998 and each calendar year thereafter,
27 0.30%.

28 (cf: P.L1992, c.205, s.1)

29

30 17. Section 1 of P.L.1944, c.81 (C.43:21-14.1) is amended to read as
31 follows:

32 1. Any employee who is paid wages by two or more employers
33 aggregating more than **[\$3,000.00** during any calendar year prior to
34 January 1, 1968, \$3,600.00 during any calendar year commencing on or
35 after January 1, 1968 and prior to January 1, 1972, \$4,200.00 during any
36 calendar year commencing on or after January 1, 1972 and prior to
37 January 1, 1975, or \$4,800.00 during any calendar year commencing on
38 or after January 1, 1975, and prior to January 1, 1976, and thereafter] the
39 amount of "wages" determined in accordance with the provisions of
40 R.S.43:21-7(b)(3) shall be entitled to a refund of the amount of
41 contributions deducted from such wages and paid to the Division of
42 Employment Security in excess of the contribution which is determined
43 pursuant to R.S.43:21-7(d)(1)(D) required on **[\$3,000.00** of such wages
44 paid during any calendar year prior to January 1, 1968, \$3,600.00 during
45 any calendar year commencing on or after January 1, 1968 and prior to
46 January 1, 1972, \$4,200.00 during any calendar year commencing on or

1 after January 1, 1972 and prior to January 1, 1975, or \$4,800.00 during
2 any calendar year commencing on or after January 1, 1975, and prior to
3 January 1, 1976, and thereafter] the amount of "wages" determined in
4 accordance with the provisions of R.S.43:21-7(b)(3) except that no such
5 refund shall be made unless the employee makes a claim, establishing his
6 right thereto, within 2 years after the calendar year in which the wages are
7 paid with respect to which refund of contribution is claimed. No interest
8 shall be allowed or paid with respect to any such refund.
9 (cf: P.L.1974, c.86, s.6)

10

11 18. This act shall take effect immediately and shall be retroactive to
12 January 1, 1996.

13

14

15

16

17 Provides funding for charity care subsidies and establishes health care
18 program for low income persons.

ASSEMBLY, No. 1532

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 15, 1996

By Assemblymen KAVANAUGH, FELICE, Bateman, Malone,
Assemblywoman J. Smith, Assemblymen Augustine, Lance,
Gregg, and Assemblywoman Murphy

1 AN ACT concerning the provision of health care to low income
2 persons and revising parts of statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 2 of P.L. 1992, c.160 (C.26:2H-18.52) is amended to
8 read as follows:

9 2. As used in sections 1 through 17 of **[this act and] P.L.1992,**
10 c.160 (C.26:2H-18.51 through 26:2H-18.67), sections 12 through 15
11 of P.L.1995, c.133 (C.26:2H-18.59a through C.26:2H-18.59d) and
12 sections 11 through 14 of P.L. . . . c. (C.)(pending before the
13 Legislature as this bill):

14 "Administrator" means the administrator of the Health Care Subsidy
15 Fund appointed by the commissioner.

16 "Charity care" means care provided at disproportionate share
17 hospitals that may be eligible for a charity care subsidy pursuant to this
18 act.

19 "Charity care subsidy" means the component of the
20 disproportionate share payment that is attributable to care provided at
21 a disproportionate share hospital to persons unable to pay for that
22 care, as provided in this act.

23 "Charity health care" means health care services provided by or
24 through the University of Medicine and Dentistry of New Jersey
25 pursuant to section 12 of P.L. . . . c. (C.)(pending before the
26 Legislature as this bill).

27 "Commission" means the New Jersey Essential Health Services
28 Commission established pursuant to section 4 of this act.

29 "Commissioner" means the Commissioner of Health.

30 "Department" means the Department of Health.

31 "Disproportionate share hospital" means a hospital designated by
32 the Commissioner of Human Services pursuant to Pub.L.89-97 (42

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not
enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 U.S.C. §1396a et seq.) and Pub.L. 102-234.

2 "Disproportionate share payment" means those payments made by
3 the Division of Medical Assistance and Health Services in the
4 Department of Human Services to hospitals defined as
5 disproportionate share hospitals by the Commissioner of Human
6 Services in accordance with federal laws and regulations applicable to
7 hospitals serving a disproportionate number of low income patients.

8 "Fund" means the Health Care Subsidy Fund established pursuant
9 to section 8 of this act.

10 "Hospital" means an acute care hospital licensed by the Department
11 of Health pursuant to P.L. 1971, c. 136 (C.26:2H-1 et al.).

12 "Medicaid" means the New Jersey Medical Assistance and Health
13 Services Program in the Department of Human Services established
14 pursuant to P.L. 1968, c. 413 (C.30:4D-1 et seq.).

15 "Medicare" means the program established pursuant to Pub.L. 89-97
16 (42 U.S.C. §1395 et seq.).

17 "Other uncompensated care" means all costs not reimbursed by
18 hospital payers excluding charity care, graduate medical education,
19 discounts, bad debt and reduction in Medicaid payments.

20 "Poverty level" means the official poverty level based on family size
21 established and adjusted under Section 673(2) of Subtitle B, the
22 "Community Services Block Grant Act," Pub.L. 97-35 (42 U.S.C.
23 §9902(2)).

24 "Preliminary cost base" means the preliminary cost base defined in
25 section 2 of P.L. 1971, c. 136 (C.26:2H-2), as determined by the
26 Hospital Rate Setting Commission.

27 (cf: P.L. 1995, c. 133, s. 1)

28

29 2. Section 5 of P.L. 1992, c. 160 (C.26:2H-18.55) is amended to
30 read as follows:

31 5. The commissioner shall:

32 a. Administer the fund and establish a mechanism to allocate
33 monies received from the Commissioner of Labor pursuant to section
34 29 of P.L. 1992, c. 160 (C.43:21-7b) to the appropriate accounts in the
35 fund as specified in this act;

36 b. Establish eligibility determination and claims pricing systems for
37 the charity care component of the disproportionate share subsidy,
38 including the development of uniform forms for determining eligibility
39 and submitting claims. The commissioner may contract with a private
40 claims administrator or processor for the purpose of processing
41 hospital claims for charity care pursuant to this act;

42 c. Establish a schedule of payments for reimbursement of the
43 charity care component of the disproportionate share payment for
44 services provided to emergency room patients who do not require
45 those services on an emergency basis;

46 d. In cooperation with the Departments of Insurance and Human

1 Services, develop and provide for the implementation of the Health
2 Access New Jersey program pursuant to section 15 of **[this act]**
3 P.L.1992, c.160 (C.26:2H-18.65);

4 e. Study and, if feasible, establish hospital cost and outcome
5 reports to provide assistance to consumers of health care in this State
6 in making prudent health care choices;

7 f. Compile demographic information on recipients of, and types of
8 services paid for by, the charity care component and the charity health
9 care component, as applicable, of the disproportionate share payment
10 and periodically report a summary of this information to the Governor
11 and Legislature. The demographic information shall include, at a
12 minimum, the recipient's age, sex, marital status, employment status,
13 type of health insurance coverage, if any, and if the recipient is a child
14 under 18 years of age who does not have health insurance coverage or
15 a married person who does not have health insurance coverage,
16 whether the child's parent or the married person's spouse, as the case
17 may be, has health insurance;

18 g. (Deleted by amendment, P.L.1995, c.133.)

19 h. (Deleted by amendment, P.L.1995, c.133.)

20 i. (Deleted by amendment, P.L.1995, c.133.)

21 j. (Deleted by amendment, P.L.1995, c.133.)

22 k. (Deleted by amendment, P.L.1995, c.133.)

23 l. Encourage the use of centralized data storage and transmission
24 technology that utilizes personal and image identification systems as
25 well as identity verification technology for the purposes of enabling a
26 hospital to access medical history, insurance information and other
27 personal information, as appropriate;

28 m. (Deleted by amendment, P.L.1995, c.133.)

29 n. (Deleted by amendment, P.L.1995, c.133.)

30 o. Take such other actions as the commissioner deems necessary
31 and appropriate to carry out the provisions of P.L.1992, c.160
32 (C.26:2H-18.51 et al.); and

33 p. Report annually to the Governor and the Legislature on the
34 status of the fund.

35 (cf: P. L.1995,c.133,s.2)

36

37 3. Section 8 of P.L.1992, c.160 (C.26:2H-18.58) is amended to
38 read as follows:

39 8. There is established the Health Care Subsidy Fund in the
40 Department of Health.

41 a. The fund shall be comprised of revenues from employee and
42 employer contributions made pursuant to section 29 of P.L.1992,
43 c.160 (C.43:21-7b), revenues from the hospital assessment made
44 pursuant to section 12 of **[this act]** P.L.1992, c.160 (C.26:2H-18.62),
45 revenues from interest and penalties collected pursuant to this act and
46 revenues from such other sources as the Legislature shall determine.

1 Interest earned on the monies in the fund shall be credited to the fund.

2 The fund shall be a nonlapsing fund dedicated for use by the State
3 to: (1) distribute charity care, charity health care and other
4 uncompensated care disproportionate share payments to hospitals, and
5 provide subsidies for the Health Access New Jersey program
6 established pursuant to section 15 of **[this act]** P.L.1992, c.160
7 (C.26:2H-18.65); and (2) assist hospitals and other health care
8 facilities in the underwriting of innovative and necessary health care
9 services.

10 b. The fund shall be administered by a person appointed by the
11 commissioner.

12 The administrator of the fund is responsible for overseeing and
13 coordinating the collection and reimbursement of fund monies. The
14 administrator is responsible for promptly informing the commissioner
15 if monies are not or are not reasonably expected to be collected or
16 disbursed **[or if the fund's reserve as established in subsection c. of**
17 **this section falls below the required level]**.

18 c. **[The fund shall maintain a reserve in an amount not to exceed \$20**
19 **million.]** The commissioner shall adopt rules and regulations to
20 **[govern the use of the reserve and to]** ensure the integrity of the fund,
21 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
22 (C.52:14B-1 et seq.).

23 d. The administrator shall establish separate accounts for the
24 charity care component of the disproportionate share hospital subsidy,
25 other uncompensated care component of the disproportionate share
26 hospital subsidy, charity health care component of the disproportionate
27 share hospital subsidy, hospital and other health care initiatives
28 funding and the payments for subsidies for insurance premiums to
29 provide care in disproportionate share hospitals, known as the Health
30 Access New Jersey subsidy account, respectively.

31 e. In the event that the charity care component of the
32 disproportionate share hospital subsidy account has a surplus in a
33 given year after payments are distributed pursuant to the methodology
34 established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and
35 section 11 of P.L. , c. (C.)(pending before the Legislature as this
36 bill) and within the limitations provided in subsection e. of section 9
37 of P.L.1992, c.160 (C.26:2H-18.59), the commissioner may reallocate
38 the surplus monies to the **[Health Access New Jersey]** charity health
39 care subsidy account.
40 (cf:P.L.1995,c.133,s.4).

41

42 4. Section 9 of P.L.1992, c.160 (C.26:2H-18.59) is amended to
43 read as follows:

44 9. a. The commissioner shall allocate such funds as specified in
45 subsection e. of this section to the charity care component of the
46 disproportionate share hospital subsidy account. In a given year, the

1 department shall transfer from the fund to the Division of Medical
2 Assistance and Health Services in the Department of Human Services
3 such funds as may be necessary for the total approved charity care
4 disproportionate share payments to hospitals for that year.

5 b. For the period January 1, 1993 to December 31, 1993, the
6 commission shall allocate \$500 million to the charity care component
7 of the disproportionate share hospital subsidy account. The
8 Department of Health shall recommend the amount that the Division
9 of Medical Assistance and Health Services shall pay to an eligible
10 hospital on a provisional, monthly basis pursuant to paragraphs (1) and
11 (2) of this subsection. The department shall also advise the
12 commission and each eligible hospital of the amount a hospital is
13 entitled to receive.

14 (1) The department shall determine if a hospital is eligible to
15 receive a charity care subsidy in 1993 based on the following:

$$\begin{aligned}
& \text{Hospital Specific Approved Uncompensated Care-1991} \\
& \dots\dots\dots \\
& \text{Hospital Specific Preliminary Cost Base-1992} \\
& = \text{Hospital Specific \% Uncompensated Care (\%UC)}
\end{aligned}$$

22 A hospital is eligible for a charity care subsidy in 1993 if, upon
23 establishing a rank order of the %UC for all hospitals, the hospital is
24 among the 80% of hospitals with the highest %UC.

25 (2) The maximum amount of the charity care subsidy an eligible
26 hospital may receive in 1993 shall be based on the following:

$$\begin{aligned}
& \text{Hospital Specific Approved Uncompensated Care-1991} \\
& \dots\dots\dots \\
& \text{Total approved Uncompensated Care All Eligible Hospitals-1991} \\
& \quad \text{X \$500 million} \\
& = \text{Maximum Amount of Hospital Specific} \\
& \quad \text{Charity Care Subsidy for 1993}
\end{aligned}$$

34 (3) A hospital shall be required to submit all claims for charity care
35 cost reimbursement, as well as demographic information about the
36 persons who qualify for charity care, to the department in a manner
37 and time frame specified by the Commissioner of Health, in order to
38 continue to be eligible for a charity care subsidy in 1993 and in
39 subsequent years.

40 The demographic information shall include the recipient's age, sex,
41 marital status, employment status, type of health insurance coverage,
42 if any, and if the recipient is a child under 18 years of age who does
43 not have health insurance coverage or a married person who does not
44 have health insurance coverage, whether the child's parent or the
45 married person's spouse, as the case may be, has health insurance.

46 (4) A hospital shall be reimbursed for the cost of eligible charity

1 care at the same rate paid to that hospital by the Medicaid program;
2 except that charity care services provided to emergency room patients
3 who do not require those services on an emergency basis shall be
4 reimbursed at a rate appropriate for primary care, according to a
5 schedule of payments developed by the commission.

6 (5) The department shall provide for an audit of a hospital's charity
7 care for 1993 within a time frame established by the department.

8 c. For the period January 1, 1994 to December 31, 1994, a hospital
9 shall receive disproportionate share payments from the Division of
10 Medical Assistance and Health Services based on the amount of
11 charity care submitted to the commission or its designated agent, in a
12 form and manner specified by the commission. The commission or its
13 designated agent shall review and price all charity care claims and
14 notify the Division of Medical Assistance and Health Services of the
15 amount it shall pay to each hospital on a monthly basis based on actual
16 services rendered.

17 (1) (Deleted by amendment, P.L.1995, c.133.)

18 (2) If the commission is not able to fully implement the charity care
19 claims pricing system by January 1, 1994, the commission shall
20 continue to make provisional disproportionate share payments to
21 eligible hospitals, through the Division of Medical Assistance and
22 Health Services, based on the charity care costs incurred by all
23 hospitals in 1993, until such time as the commission is able to
24 implement the claims pricing system.

25 If there are additional charity care balances available after the 1994
26 distribution based on 1993 charity care costs, the department shall
27 transfer these available balances from the fund to the Division of
28 Medical Assistance and Health Services for an approved one-time
29 additional disproportionate share payment to hospitals according to
30 the methodology provided in section 12 of P.L.1995, c.133
31 (C.26:2H-18.59a). The total payment for all hospitals shall not exceed
32 \$75.5 million.

33 (3) A hospital shall be reimbursed for the cost of eligible charity
34 care at the same rate paid to that hospital by the Medicaid program;
35 except that charity care services provided to emergency room patients
36 who do not require those services on an emergency basis shall be
37 reimbursed at a rate appropriate for primary care, according to a
38 schedule of payments developed by the commission.

39 (4) (Deleted by amendment, P.L.1995, c.133.)

40 d. (Deleted by amendment, P.L.1995, c.133.)

41 e. The total amount allocated for charity care subsidy payments
42 shall be: in 1994, \$450 million [and], in 1995, \$400 million and from
43 January 1, 1996 to June 30, 1996, \$150 million. Total payments to
44 hospitals shall not exceed the amount allocated for each given year.

45 f. Beginning January 1, 1995:

46 (1) The charity care subsidy shall be determined pursuant to

1 section 13 of P.L.1995, c.133 (C.26:2H-18.59b).

2 (2) A charity care claim shall be valued at the same rate paid to
3 that hospital by the Medicaid program, except that charity care
4 services provided to emergency room patients who do not require
5 those services on an emergency basis shall be valued at a rate
6 appropriate for primary care according to a schedule of payments
7 adopted by the commissioner.

8 (3) The department shall provide for an audit of a hospital's charity
9 care within a time frame established by the commissioner.

10 (cf:P.L.1995,c.133,s.5)

11

12 5. Section 14 of P.L.1995, c.133 (C.26:2H-18.59c) is amended to
13 read as follows:

14 14. All acute care hospitals licensed pursuant to P.L.1971, c.136
15 (C.26:2H-1 et al.) shall submit to the department all demographic and
16 financial data specified in this section, in a manner and time frame
17 specified by the commissioner.

18 a. A hospital shall submit demographic information about the
19 persons who qualify for charity care, charity health care or to whom
20 the hospital provides uncompensated care, which includes, at a
21 minimum: the individual's age, sex, marital status, employment status,
22 type of health insurance coverage, if any, and if the individual is a child
23 under 18 years of age who does not have health insurance coverage or
24 a married person who does not have health insurance coverage,
25 whether the child's parent or the married person's spouse, as the case
26 may be, has health insurance.

27 b. A hospital shall submit all financial data required by the
28 department for the purposes of calculating the payer mix factor as
29 defined in sections 12 and 13 of P.L.1995, c.133 (C.26:2H-18.59a and
30 C.26:2H-18.59b) and section 11 of P.L. , c. (C.)(pending before
31 the Legislature as this bill).

32 c. A hospital which fails to provide the information required
33 pursuant to this section in a manner and time frame specified by the
34 commissioner, shall be liable to a civil penalty not to exceed \$1,000
35 for each day in which the hospital is not in compliance. The
36 commissioner shall recover the penalty in an administrative proceeding
37 held pursuant to the "Administrative Procedure Act," P.L.1968, c.410
38 (C.52:14B-1 et seq.).

39 (cf: P.L.1995,c.133,s.14).

40

41 6. Section 10 of P.L.1992, c.160 (C.26:2H-18.60) is amended to
42 read as follows:

43 10. a. The commissioner shall establish a uniform charity care
44 eligibility and reimbursement claim form that a hospital shall be
45 required to use in order to receive reimbursement for charity care
46 under this act.

1 b. A person whose individual or, if applicable, family gross income
2 is less than or equal to 300% of the poverty level shall be eligible for
3 charity care or reduced charge charity care for necessary health care
4 services provided at a hospital.

5 The commissioner shall establish:

6 (1) the maximum level of income at which a person is eligible for
7 full charity care;

8 (2) a sliding scale based on income which specifies the percentage
9 of hospital charges for which a person who is eligible for reduced
10 charity care is responsible; and

11 (3) assets eligibility criteria for full charity care and reduced charge
12 charity care, respectively.

13 c. A person whose individual or, if applicable, family gross income
14 is less than or equal to 300% of the poverty level shall be eligible for
15 charity health care or reduced charge charity health care for medically
16 necessary health care services provided by or through the University
17 of Medicine and Dentistry of New Jersey pursuant to section 12 of
18 P.L. . c. (C.)(pending before the Legislature as this bill).

19 The commissioner shall establish:

20 (1) the maximum level of income at which a person is eligible for
21 full charity health care:

22 (2) a sliding scale based on income which specifies the percentage
23 of hospital charges for which a person who is eligible for reduced
24 charity health care is responsible; and

25 (3) assets eligibility criteria for full charity health care and reduced
26 charge charity health care, respectively.

27 (cf: P.L.1995,c.133,s.6)

28

29 7. Section 13 of P.L.1992, c.160 (C.26:2H-18.63) is amended to
30 read as follows:

31 13. a. A person who makes a false statement or misrepresentation
32 of a material fact in order to qualify for any benefits to which he is not
33 entitled under this act or P.L. . c. (C.)(pending before the
34 Legislature as this bill), and a hospital or health care provider or an
35 employee thereof in the course of his employment who makes a false
36 statement or misrepresentation of a material fact in order to receive
37 disproportionate share hospital subsidy payments or payments made
38 pursuant to P.L. . c. (C.)(pending before the Legislature as this bill)
39 to which the hospital or health care provider is not entitled under this
40 act or P.L. . c. (C.)(pending before the Legislature as this bill) ,
41 shall be liable to civil penalties of:

42 (1) payment of interest on the amount of the excess benefits or
43 subsidy payments at the maximum legal rate in effect on the date the
44 benefits were provided to the person or payment was made to the
45 hospital or health care provider, for the period from the date upon
46 which benefits were provided or payment was made to the date upon

1 which repayment is made to the department; and

2 (2) payment of an amount not to exceed three times the amount of
3 the excess benefit or subsidy payment.

4 b. A hospital which, without intent to violate this act, obtains a
5 subsidy payment in excess of the amount to which it is entitled, shall
6 be liable to a civil penalty of payment of interest on the amount of the
7 excess payment at the maximum legal rate in effect on the date the
8 payment was made to the hospital, from the date upon which payment
9 was made to the date upon which repayment is made to the
10 department, except that a hospital shall not be liable to the civil
11 penalty when an excess subsidy payment is obtained by the hospital as
12 a result of an error made by the department, as determined by the
13 commissioner.

14 c. All interest and civil penalties provided for in this section shall
15 be recovered in an administrative proceeding held pursuant to the
16 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
17 seq.).

18 d. In order to satisfy any recovery claim asserted against a hospital
19 under this section, whether or not that claim has been the subject of
20 final agency adjudication, the commissioner is authorized to withhold
21 subsidy payments otherwise payable under this act to the hospital.
22 (cf: P.L.1995,c.133,s.9)

23
24 8. Section 15 of P.L.1992, c.160 (C.26:2H-18.65) is amended to
25 read as follows:

26 15. There is established in the Department of Health the Health
27 Access New Jersey program. The purpose of the program is to
28 provide subsidies for health benefits coverage, in order to provide for
29 health care [which shall be delivered in disproportionate share
30 hospitals and by other community-based health care providers] for
31 low income, uninsured children, working people and those temporarily
32 unemployed, based on a sliding income scale with modest copayments.
33 The program shall include the provision of early preventive and
34 primary care [to help reduce costs for families and individuals].

35 The commissioner shall adopt regulations pursuant to the
36 "Administrative Procedure Act." P.L.1968, c.410 (C.52:14B-1 et
37 seq.) that determine eligibility for and allocation of all funds allocated
38 to this account.

39 The commissioner shall contract with health insurance carriers,
40 health maintenance organizations and other appropriate entities in the
41 State to administer the program.

42 (cf:P.L.1995,c.133,s.10)

43

44 9. Section 16 of P.L.1992, c.160 (C.26:2H-18.66) is amended to
45 read as follows:

46 16. The Health Access New Jersey subsidy account shall be

1 allocated \$50 million in 1995[, \$100 million in 1996, and \$150 million
2 in 1997 and each year thereafter].
3 (cf:P.L.1995,c.133,s.11).

4

5 10. (New section) a. Beginning January 1, 1996 to June 30, 1996,
6 the charity care subsidy shall be determined according to the following
7 methodology.

8 If the Statewide total of adjusted charity care is less than available
9 charity care funding, a hospital's charity care subsidy shall equal its
10 adjusted charity care.

11 If the Statewide total of adjusted charity care is greater than
12 available charity care funding, then the hospital-specific charity care
13 subsidy shall be determined by allocating available charity care funds
14 so as to equalize hospital-specific payer mix factors to the Statewide
15 target payer mix factor. Those hospitals with a payer mix factor
16 greater than the Statewide target payer mix factor shall be eligible to
17 receive a subsidy sufficient to reduce their factor to that Statewide
18 level; those hospitals with a payer mix factor that is equal to or less
19 than the Statewide target payer mix factor shall not be eligible to
20 receive a subsidy.

21 Charity care subsidy payments shall be based upon actual
22 documented hospital charity care.

23 As used in this section:

24 (1) The hospital-specific "documented charity care" shall be equal
25 to the dollar amount of charity care provided by the hospital that is
26 verified in the department's most recent charity care audit conducted
27 under the most recent charity care eligibility rules adopted by the
28 department and valued at the same rate paid to that hospital by the
29 Medicaid program.

30 Documented charity care shall equal the audited, Medicaid-priced
31 amounts reported for the first three quarters of 1995. This amount
32 shall be multiplied by 1.33 to determine the annualized 1995 charity
33 care amount;

34 (2) The hospital-specific "operating margin" shall be equal to: the
35 hospital's 1993 and 1994 income from operations minus its 1993 and
36 1994 charity care subsidies divided by its 1993 and 1994 total
37 operating revenue minus its 1993 and 1994 charity care subsidies.
38 After calculating each hospital's operating margin, the department shall
39 determine the Statewide median operating margin;

40 (3) The hospital-specific "profitability factor" shall be determined
41 annually as follows. Those hospitals that are equal to or below the
42 Statewide median operating margin shall be assigned a profitability
43 factor of "1". For those hospitals that are above the Statewide median
44 operating margin, the profitability factor shall be equal to:

1 .75 x (hospital specific operating
2 margin - Statewide median operating margin)
3 1 -
4 highest hospital specific operating
5 margin - Statewide median operating margin
6

7 (4) The hospital-specific "adjusted charity care" shall be equal to
8 a hospital's documented charity care times its profitability factor;

9 (5) The hospital-specific "revenue from private payers" shall be
10 equal to the sum of the gross revenues, as reported to the department
11 in the hospital's most recently available New Jersey Hospital Cost
12 Reports for all non-governmental third party payers including, but not
13 limited to, Blue Cross and Blue Shield plans, commercial insurers and
14 health maintenance organizations;

15 (6) The hospital-specific "payer mix factor" shall be equal to a
16 hospital's adjusted charity care divided by its revenue from private
17 payers; and

18 (7) The "Statewide target payer mix factor" is the lowest payer mix
19 factor to which all hospitals receiving charity care subsidies can be
20 reduced by spending all available charity care subsidy funding for that
21 year.

22 b. For the purposes of this section, "income from operations" and
23 "total operating revenue" shall be defined by the department in
24 accordance with financial reporting requirements established pursuant
25 to N.J.A.C.8:31B-3.3.

26 c. Any charity care subsidy funds that are not distributed in a given
27 year pursuant to this section shall lapse to the Health Care Subsidy
28 Fund as provided in subsection e. of section 8 of P.L.1992, c.160
29 (C.26:2H-18.58).
30

31 11. (New section) Effective July 1, 1996, the commissioner shall
32 designate the University of Medicine and Dentistry of New Jersey as
33 the State's provider of managed charity health care for all low income
34 residents of the State who require and qualify for charity health care
35 services pursuant to section 10 of P.L.1992, c.160 (C.26:2H-18.60).

36 a. The commissioner shall contract with the university to provide
37 medically necessary managed health care services to qualified residents
38 of the State in accordance with this section. The contract shall
39 provide that the State will make an annual grant to the university in an
40 amount determined by the Legislature for the provision of managed
41 charity health care services.

42 b. The university shall:

43 (1) be responsible for the provision of medically necessary,
44 managed inpatient acute care and outpatient primary health care
45 services to all qualified residents of the State through the use of a
46 managed care provider network;

1 (2) determine those hospitals and other health care providers who
2 shall be eligible to participate and ensure reasonable geographic access
3 of participating hospitals and other providers for all State residents;

4 (3) establish the rates of reimbursement for the participating
5 hospitals and other providers and provide for a method of payment to
6 the participating providers for medically necessary health care services
7 provided pursuant to this section;

8 (4) develop and use a uniform method for determining eligibility of
9 State residents for charity health care services; and

10 (5) report by December 31, 1996 and annually thereafter to the
11 standing reference committees on health and appropriations in the
12 Senate and General Assembly on expenditures related to the provision
13 of charity health care services, the number of persons served, the
14 types of services received, the hospitals participating in the network,
15 the number and types of other health care providers participating in
16 the network and such other information as may be required by the
17 Legislature.

18

19 12. (New section) The University of Medicine and Dentistry of
20 New Jersey shall establish a one-year demonstration program in
21 conjunction with the provision of charity health care services pursuant
22 to section 12 of P.L. , c. (C.)(pending before the Legislature as
23 this bill), that will utilize an electronic data interchange system that
24 supports the use of patient cards which contain a microprocessor
25 chip, commonly known as "smart cards."

26 In order to conduct the demonstration project, the university shall
27 enter into a public/private partnership with a corporation actively
28 involved in the use of smart cards and interested in participating in
29 and providing funding for the demonstration project.

30 The university shall report its findings and recommendations about
31 the demonstration project to the standing reference committees on
32 health and appropriations in the Senate and General Assembly. The
33 report shall include an analysis of the costs and projected
34 administrative savings that can be achieved through the use of the
35 cards for the health care system Statewide.

36

37 13. (New section) As a potential source of funding a part or all of
38 charity health care services provided pursuant to section 12 of P.L.
39 , c. (C.)(pending before the Legislature as this bill) in Fiscal Year
40 1997, the State Treasurer shall, in consultation with the Commissioner
41 of Labor, investigate the sale of part or all of the assets of the
42 program established under the "Temporary Disability Benefits Law,"
43 P.L.1948, c.110 (C.43:21-25 et seq.).

44 Within 30 days of the date of enactment of P.L. , c. (pending
45 before the Legislature as this bill), or as soon as the State Treasurer's
46 investigation is completed, if earlier, the State Treasurer shall report

1 his findings and recommendations to the standing reference
2 committees on budget and appropriations in the Senate and General
3 Assembly.

4

5 14. R.S.43:21-7 is amended to read as follows:

6 43:21-7. Contributions. Employers other than governmental
7 entities, whose benefit financing provisions are set forth in section 4
8 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
9 liable for payment in lieu of contributions on the basis set forth in
10 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller
11 for the unemployment compensation fund, contributions as set forth
12 in subsections (a), (b) and (c) hereof, and the provisions of subsections
13 (d) and (e) shall be applicable to all employers, consistent with the
14 provisions of the "unemployment compensation law" and the
15 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
16 seq.).

17 (a) Payment.

18 (1) Contributions shall accrue and become payable by each
19 employer for each calendar year in which he is subject to this chapter
20 (R.S.43:21-1 et seq.), with respect to having individuals in his employ
21 during that calendar year, at the rates and on the basis hereinafter set
22 forth. Such contributions shall become due and be paid by each
23 employer to the controller for the fund, in accordance with such
24 regulations as may be prescribed, and shall not be deducted, in whole
25 or in part, from the remuneration of individuals in his employ.

26 (2) In the payment of any contributions, a fractional part of a cent
27 shall be disregarded unless it amounts to \$0.005 or more, in which
28 case it shall be increased to \$0.01.

29 (b) Rate of contributions. Each employer shall pay the following
30 contributions:

31 (1) For the calendar year 1947, and each calendar year thereafter,
32 2 7/10% of wages paid by him during each such calendar year, except
33 as otherwise prescribed by subsection (c) of this section.

34 (2) The "wages" of any individual, with respect to any one
35 employer, as the term is used in this subsection (b) and in subsections
36 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid
37 during calendar year 1975, for services performed either within or
38 without this State; provided that no contribution shall be required by
39 this State with respect to services performed in another state if such
40 other state imposes contribution liability with respect thereto. If an
41 employer (hereinafter referred to as a successor employer) during any
42 calendar year acquires substantially all the property used in a trade or
43 business of another employer (hereinafter referred to as a
44 predecessor), or used in a separate unit of a trade or business of a
45 predecessor, and immediately after the acquisition employs in his
46 trade or business an individual who immediately prior to the

1 acquisition was employed in the trade or business of such predecessor,
2 then, for the purpose of determining whether the successor employer
3 has paid wages with respect to employment equal to the first
4 \$4,800.00 paid during calendar year 1975, any wages paid to such
5 individual by such predecessor during such calendar year and prior to
6 such acquisition shall be considered as having been paid by such
7 successor employer.

8 (3) For calendar years beginning on and after January 1, 1976, the
9 "wages" of any individual, as defined in the preceding paragraph (2)
10 of this subsection (b), shall be established and promulgated by the
11 Commissioner of Labor on or before September 1 of the preceding
12 year and shall be 28 times the Statewide average weekly remuneration
13 paid to workers by employers, as determined under R.S.43:21-3(c),
14 raised to the next higher multiple of \$100.00 if not already a multiple
15 thereof, provided that if the amount of wages so determined for a
16 calendar year is less than the amount similarly determined for the
17 preceding year, the greater amount will be used; provided, further, that
18 if the amount of such wages so determined does not equal or exceed
19 the amount of wages as defined in subsection (b) of section 3306 of
20 the Federal Unemployment Tax Act, Chapter 23 of the Internal
21 Revenue Code of 1986 (26 U.S.C. §3306(b)), the wages as determined
22 in this paragraph in any calendar year shall be raised to equal the
23 amount established under the Federal Unemployment Tax Act for that
24 calendar year.

25 (c) Future rates based on benefit experience.

26 (1) A separate account for each employer shall be maintained and
27 this shall be credited with all the contributions which he has paid on
28 his own behalf on or before January 31 of any calendar year with
29 respect to employment occurring in the preceding calendar year;
30 provided, however, that if January 31 of any calendar year falls on a
31 Saturday or Sunday, an employer's account shall be credited as of
32 January 31 of such calendar year with all the contributions which he
33 has paid on or before the next succeeding day which is not a Saturday
34 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be
35 construed to grant any employer or individuals in his service prior
36 claims or rights to the amounts paid by him into the fund either on his
37 own behalf or on behalf of such individuals. Benefits paid with respect
38 to benefit years commencing on and after January 1, 1953, to any
39 individual on or before December 31 of any calendar year with respect
40 to unemployment in such calendar year and in preceding calendar years
41 shall be charged against the account or accounts of the employer or
42 employers in whose employment such individual established base
43 weeks constituting the basis of such benefits. Benefits paid under a
44 given benefit determination shall be charged against the account of the
45 employer to whom such determination relates. When each benefit
46 payment is made, either a copy of the benefit check or other form of

1 notification shall be promptly sent to the employer against whose
2 account the benefits are to be charged. Such copy or notification shall
3 identify the employer against whose account the amount of such
4 payment is being charged, shall show at least the name and social
5 security account number of the claimant and shall specify the period
6 of unemployment to which said check applies. If the total amount of
7 benefits paid to a claimant and charged to the account of the
8 appropriate employer exceeds 50% of the total base year, base week
9 wages paid to the claimant by that employer, then such employer shall
10 have canceled from his account such excess benefit charges as
11 specified above.

12 Each employer shall be furnished an annual summary statement of
13 benefits charged to his account.

14 (2) Regulations may be prescribed for the establishment,
15 maintenance, and dissolution of joint accounts by two or more
16 employers, and shall, in accordance with such regulations and upon
17 application by two or more employers to establish such an account, or
18 to merge their several individual accounts in a joint account, maintain
19 such joint account as if it constituted a single employer's account.

20 (3) No employer's rate shall be lower than 5.4% unless assignment
21 of such lower rate is consistent with the conditions applicable to
22 additional credit allowance for such year under section 3303(a)(1) of
23 the Internal Revenue Code of 1986 (26 U.S.C. §3303(a)(1)), any other
24 provision of this section to the contrary notwithstanding.

25 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
26 $8/10\%$, except as otherwise provided in the following provisions. No
27 employer's rate for the 12 months commencing July 1 of any calendar
28 year shall be other than $2\ 8/10\%$, unless as of the preceding January 31
29 such employer shall have paid contributions with respect to wages paid
30 in each of the three calendar years immediately preceding such year,
31 in which case such employer's rate for the 12 months commencing July
32 1 of any calendar year shall be determined on the basis of his record up
33 to the beginning of such calendar year. If, at the beginning of such
34 calendar year, the total of all his contributions, paid on his own behalf,
35 for all past years exceeds the total benefits charged to his account for
36 all such years, his contribution rate shall be:

37 (1) $2\ 5/10\%$, if such excess equals or exceeds 4%, but less than
38 5%, of his average annual payroll (as defined in paragraph (2),
39 subsection (a) of R.S.43:21-19);

40 (2) $2\ 2/10\%$, if such excess equals or exceeds 5%, but is less than
41 6%, of his average annual payroll;

42 (3) $1\ 9/10\%$, if such excess equals or exceeds 6%, but is less than
43 7%, of his average annual payroll;

44 (4) $1\ 6/10\%$, if such excess equals or exceeds 7%, but is less than
45 8%, of his average annual payroll;

1 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less than
2 9%, of his average annual payroll;

3 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
4 of his average annual payroll;

5 (7) $\frac{7}{10}$ of 1%, if such excess equals or exceeds 10%, but is less
6 than 11%, of his average annual payroll;

7 (8) $\frac{4}{10}$ of 1%, if such excess equals or exceeds 11% of his
8 average annual payroll.

9 (B) If the total of an employer's contributions, paid on his own
10 behalf, for all past periods for the purposes of this paragraph (4), is
11 less than the total benefits charged against his account during the same
12 period, his rate shall be:

13 (1) 4%, if such excess is less than 10% of his average annual
14 payroll;

15 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
16 20%, of his average annual payroll;

17 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
18 annual payroll.

19 (C) Specially assigned rates. If no contributions were paid on
20 wages for employment in any calendar year used in determining the
21 average annual payroll of an employer eligible for an assigned rate
22 under this paragraph (4), the employer's rate shall be specially assigned
23 as follows:

24 (i) if the reserve balance in its account is positive, its assigned rate
25 shall be the highest rate in effect for positive balance accounts for that
26 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in
27 its account is negative, its assigned rate shall be the highest rate in
28 effect for deficit accounts for that period.

29 (D) The contribution rates prescribed by subparagraphs (A) and
30 (B) of this paragraph (4) shall be increased or decreased in accordance
31 with the provisions of paragraph (5) of this subsection (c) for
32 experience rating periods through June 30, 1986.

33 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31
34 of any calendar year the balance in the unemployment trust fund equals
35 or exceeds 4% but is less than 7% of the total taxable wages reported
36 to the controller as of that date in respect to employment during the
37 preceding calendar year, the contribution rate, effective July 1
38 following, of each employer eligible for a contribution rate calculation
39 based upon benefit experience, shall be increased by $\frac{3}{10}$ of 1% over
40 the contribution rate otherwise established under the provisions of
41 paragraph (3) or (4) of this subsection. If on March 31 of any
42 calendar year the balance of the unemployment trust fund exceeds 2
43 $\frac{1}{2}\%$ but is less than 4% of the total taxable wages reported to the
44 controller as of that date in respect to employment during the
45 preceding calendar year, the contribution rate, effective July 1
46 following, of each employer eligible for a contribution rate calculation

1 based upon benefit experience, shall be increased by 6/10 of 1% over
2 the contribution rate otherwise established under the provisions of
3 paragraph (3) or (4) of this subsection.

4 If on March 31 of any calendar year the balance of the
5 unemployment trust fund is less than 2 1/2% of the total taxable wages
6 reported to the controller as of that date in respect to employment
7 during the preceding calendar year, the contribution rate, effective July
8 1 following, of each employer (1) eligible for a contribution rate
9 calculation based upon benefit experience, shall be increased by (i)
10 6/10 of 1% over the contribution rate otherwise established under the
11 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and
12 (ii) an additional amount equal to 20% of the total rate established
13 herein, provided, however, that the final contribution rate for each
14 employer shall be computed to the nearest multiple of 1/10% if not
15 already a multiple thereof; (2) not eligible for a contribution rate
16 calculation based upon benefit experience, shall be increased by 6/10
17 of 1% over the contribution rate otherwise established under the
18 provisions of paragraph (4) of this subsection. For the period
19 commencing July 1, 1984 and ending June 30, 1986, the contribution
20 rate for each employer liable to pay contributions under R.S.43:21-7
21 shall be increased by a factor of 10% computed to the nearest multiple
22 of 1/10% if not already a multiple thereof.

23 (B) If on March 31 of any calendar year the balance in the
24 unemployment trust fund equals or exceeds 10% but is less than 12
25 1/2% of the total taxable wages reported to the controller as of that
26 date in respect to employment during the preceding calendar year, the
27 contribution rate, effective July 1 following, of each employer eligible
28 for a contribution rate calculation based upon benefit experience, shall
29 be reduced by 3/10 of 1% under the contribution rate otherwise
30 established under the provisions of paragraphs (3) and (4) of this
31 subsection; provided that in no event shall the contribution rate of any
32 employer be reduced to less than 4/10 of 1%. If on March 31 of any
33 calendar year the balance in the unemployment trust fund equals or
34 exceeds 12 1/2% of the total taxable wages reported to the controller
35 as of that date in respect to employment during the preceding calendar
36 year, the contribution rate, effective July 1 following, of each
37 employer eligible for a contribution rate calculation based upon benefit
38 experience, shall be reduced by 6/10 of 1% if his account for all past
39 periods reflects an excess of contributions paid over total benefits
40 charged of 3% or more of his average annual payroll, otherwise by
41 3/10 of 1% under the contribution rate otherwise established under the
42 provisions of paragraphs (3) and (4) of this subsection; provided that
43 in no event shall the contribution rate of any employer be reduced to
44 less than 4/10 of 1%.

45 (C) The "balance" in the unemployment trust fund, as the term is
46 used in subparagraphs (A) and (B) above, shall not include moneys

1 credited to the State's account under section 903 of the Social Security
2 Act, as amended (42 U.S.C. §1103), during any period in which such
3 moneys are appropriated for the payment of expenses incurred in the
4 administration of the "unemployment compensation law."

5 (D) Prior to July 1 of each calendar year the controller shall
6 determine the Unemployment Trust Reserve Ratio, which shall be
7 calculated by dividing the balance of the unemployment trust fund as
8 of the prior March 31 by total taxable wages reported to the controller
9 by all employers as of March 31 with respect to their employment
10 during the last calendar year.

11 (E) With respect to experience rating years beginning on or after
12 July 1, 1986, the new employer rate or the unemployment experience
13 rate of an employer under this section shall be the rate which appears
14 in the column headed by the Unemployment Trust Fund Reserve Ratio
15 as of the applicable calculation date and on the line with the Employer
16 Reserve Ratio, as defined in paragraph 4 of this subsection
17 (R.S.43:21-7 (c)(4)), as set forth in the following table:

EXPERIENCE RATING TAX TABLE

Fund Reserve Ratio ¹	10.00%	7.00%	4.00%	2.50%	2.49%
Employer Reserve Ratio ²	and Over	to 9.99%	to 6.99%	to 3.99%	and Under
	A	B	C	D	E
Positive Reserve Ratio:					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
Deficit Reserve Ratio:					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
-35.00% and under	5.4	5.4	5.8	6.4	7.0
New Employer Rate	2.8	2.8	2.8	3.1	3.4

¹Fund balance as of March 31 as a percentage of taxable wages in the prior calendar year.

²Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's taxable wages).

(F) With respect to experience rating years beginning on or after July 1, 1986, if the balance of the unemployment trust fund as of the prior March 31 is negative, the contribution rate for each employer liable to pay contributions, as computed under subparagraph E of this paragraph (5), shall be increased by a factor of 10% computed to the nearest multiple of 1/10% if not already a multiple thereof.

(G) On or after January 1, 1993, notwithstanding any other provisions of this paragraph (5), the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5),

1 shall be decreased by 0.1%, except that, during any experience rating year
2 in which the fund reserve ratio is equal to or greater than 7.00%, there
3 shall be no decrease pursuant to this subparagraph (G) in the contribution
4 of any employer who has a deficit reserve ratio of negative 35.00% or
5 under.

6 (H) On or after January 1, 1993 until December 31, 1993,
7 notwithstanding any other provisions of this paragraph (5), the
8 contribution rate for each employer liable to pay contributions, as
9 computed under subparagraph (E) of this paragraph (5), shall be decreased
10 by a factor of 52.0% computed to the nearest multiple of 1/10%, except
11 that, if an employer has a deficit reserve ratio of negative 35.0% or under,
12 the employer's rate of contribution shall not be reduced pursuant to this
13 subparagraph (H) to less than 5.4%. The amount of the reduction in the
14 employer contributions stipulated by this subparagraph (H) shall be in
15 addition to the amount of the reduction in the employer contributions
16 stipulated by subparagraph (G) of this paragraph (5), except that the rate
17 of contribution of an employer who has a deficit reserve ratio of negative
18 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
19 less than 5.4% and the rate of contribution of any other employer shall not
20 be reduced to less than 0.0%.

21 On or after January 1, 1994 until December 31, 1995, except as
22 provided pursuant to subparagraph (I) of this paragraph (5),
23 notwithstanding any other provisions of this paragraph (5), the
24 contribution rate for each employer liable to pay contributions, as
25 computed under subparagraph (E) of this paragraph (5), shall be decreased
26 by a factor of 36.0% computed to the nearest multiple of 1/10%, except
27 that, if an employer has a deficit reserve ratio of negative 35.0% or under,
28 the employer's rate of contribution shall not be reduced pursuant to this
29 subparagraph (H) to less than 5.4%. The amount of the reduction in the
30 employer contributions stipulated by this subparagraph (H) shall be in
31 addition to the amount of the reduction in the employer contributions
32 stipulated by subparagraph (G) of this paragraph (5), except that the rate
33 of contribution of an employer who has a deficit reserve ratio of negative
34 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
35 less than 5.4% and the rate of contribution of any other employer shall not
36 be reduced to less than 0.0%.

37 On or after January 1, 1996 until December 31, 1996, the contribution
38 rate for each employer liable to pay contributions, as computed under
39 subparagraph (E) of this paragraph (5), shall be decreased by a factor of
40 18.0% computed to the nearest multiple of 1/10%, except that, if an
41 employer has a deficit reserve ratio of negative 35.0% or under, the
42 employer's rate of contribution shall not be reduced pursuant to this
43 subparagraph (H) to less than 5.4%. The amount of the reduction in the
44 employer contributions stipulated by this subparagraph (H) shall be in
45 addition to the amount of the reduction in the employer contributions
46 stipulated by subparagraph (G) of this paragraph (5), except that the rate

1 of contribution of an employer who has a deficit reserve ratio of negative
2 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
3 less than 5.4% and the rate of contribution of any other employer shall not
4 be reduced to less than 0.0%.

5 (I) If the fund reserve ratio decreases to a level of less than 4.00% on
6 March 31 of calendar year 1994 or calendar year 1995, the provisions of
7 subparagraph (H) of this paragraph (5) shall cease to be in effect as of July
8 1 of that calendar year.

9 (6) Additional contributions.

10 Notwithstanding any other provision of law, any employer who has
11 been assigned a contribution rate pursuant to subsection (c) of this section
12 for the year commencing July 1, 1948, and for any year commencing July
13 1 thereafter, may voluntarily make payment of additional contributions,
14 and upon such payment shall receive a recomputation of the experience
15 rate applicable to such employer, including in the calculation the additional
16 contribution so made. Any such additional contribution shall be made
17 during the 30-day period following the date of the mailing to the
18 employer of the notice of his contribution rate as prescribed in this
19 section, unless, for good cause, the time for payment has been extended
20 by the controller for not to exceed an additional 60 days; provided that in
21 no event may such payments which are made later than 120 days after the
22 beginning of the year for which such rates are effective be considered in
23 determining the experience rate for the year in which the payment is made.
24 Any employer receiving any extended period of time within which to make
25 such additional payment and failing to make such payment timely shall be,
26 in addition to the required amount of additional payment, a penalty of 5%
27 thereof or \$5.00, whichever is greater, not to exceed \$50.00. Any
28 adjustment under this subsection shall be made only in the form of credits
29 against accrued or future contributions.

30 (7) Transfers.

31 (A) Upon the transfer of the organization, trade or business, or
32 substantially all the assets of an employer to a successor in interest,
33 whether by merger, consolidation, sale, transfer, descent or otherwise, the
34 controller shall transfer the employment experience of the predecessor
35 employer to the successor in interest, including credit for past years,
36 contributions paid, annual payrolls, benefit charges, et cetera, applicable
37 to such predecessor employer, pursuant to regulation, if it is determined
38 that the employment experience of the predecessor employer with respect
39 to the organization, trade, assets or business which has been transferred
40 may be considered indicative of the future employment experience of the
41 successor in interest. Unless the predecessor employer was owned or
42 controlled (by legally enforceable means or otherwise), directly or
43 indirectly, by the successor in interest, or the predecessor employer and
44 the successor in interest were owned or controlled (by legally enforceable
45 means or otherwise), directly or indirectly, by the same interest or
46 interests, the transfer of the employment experience of the predecessor

1 shall not be effective if such successor in interest, within four months of
2 the date of such transfer of the organization, trade, assets or business, or
3 thereafter upon good cause shown, files a written notice protesting the
4 transfer of the employment experience of the predecessor employer.

5 (B) An employer who transfers part of his or its organization, trade,
6 assets or business to a successor in interest, whether by merger,
7 consolidation, sale, transfer, descent or otherwise, may jointly make
8 application with such successor in interest for transfer of that portion of
9 the employment experience of the predecessor employer relating to the
10 portion of the organization, trade, assets or business transferred to the
11 successor in interest, including credit for past years, contributions paid,
12 annual payrolls, benefit charges, et cetera, applicable to such predecessor
13 employer. The transfer of employment experience may be allowed
14 pursuant to regulation only if it is found that the employment experience
15 of the predecessor employer with respect to the portion of the
16 organization, trade, assets or business which has been transferred may be
17 considered indicative of the future employment experience of the
18 successor in interest. Credit shall be given to the successor in interest
19 only for the years during which contributions were paid by the predecessor
20 employer with respect to that part of the organization, trade, assets or
21 business transferred.

22 (C) A transfer of the employment experience in whole or in part having
23 become final, the predecessor employer thereafter shall not be entitled to
24 consideration for an adjusted rate based upon his or its experience or the
25 part thereof, as the case may be, which has thus been transferred. A
26 successor in interest to whom employment experience or a part thereof is
27 transferred pursuant to this subsection shall, as of the date of the transfer
28 of the organization, trade, assets or business, or part thereof, immediately
29 become an employer if not theretofore an employer subject to this chapter
30 (R.S.43:21-1 et seq.).

31 (d) Contributions of workers to the unemployment compensation fund
32 and the State disability benefits fund.

33 (1) (A) For periods after January 1, 1975, each worker shall
34 contribute to the fund 1% of his wages with respect to his employment
35 with an employer, which occurs on and after January 1, 1975, after such
36 employer has satisfied the condition set forth in subsection (h) of
37 R.S.43:21-19 with respect to becoming an employer; provided, however,
38 that such contributions shall be at the rate of 1/2 of 1% of wages paid with
39 respect to employment while the worker is in the employ of the State of
40 New Jersey, or any governmental entity or instrumentality which is an
41 employer as defined under R.S.43:21-19(h)(5), or is covered by an
42 approved private plan under the "Temporary Disability Benefits Law" or
43 while the worker is exempt from the provisions of the "Temporary
44 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110
45 (C.43:21-31).

1 (B) Effective January 1, 1978 there shall be no contributions by
2 workers in the employ of any governmental or nongovernmental employer
3 electing or required to make payments in lieu of contributions unless the
4 employer is covered by the State plan under the "Temporary Disability
5 Benefits Law" (C.43:21-37 et seq.), and in that case contributions shall be
6 at the rate of 1/2 of 1%, except that commencing July 1, 1986, workers
7 in the employ of any nongovernmental employer electing or required to
8 make payments in lieu of contributions shall be required to make
9 contributions to the fund at the same rate prescribed for workers of other
10 nongovernmental employers.

11 (C) (i) Notwithstanding the above provisions of this paragraph (1),
12 during the period starting July 1, 1986 and ending December 31, 1992,
13 each worker shall contribute to the fund 1.125% of wages paid with
14 respect to his employment with a governmental employer electing or
15 required to pay contributions or nongovernmental employer, including a
16 nonprofit organization which is an employer as defined under
17 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization
18 elects or is required to finance its benefit costs with contributions to the
19 fund or by payments in lieu of contributions, after that employer has
20 satisfied the conditions set forth in subsection R.S.43:21-19(h) with
21 respect to becoming an employer. Contributions, however, shall be at the
22 rate of 0.625% while the worker is covered by an approved private plan
23 under the "Temporary Disability Benefits Law" while the worker is
24 exempt under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
25 other provision of that law; provided that such contributions shall be at the
26 rate of 0.625% of wages paid with respect to employment with the State
27 of New Jersey or any other governmental entity or instrumentality electing
28 or required to make payments in lieu of contributions and which is
29 covered by the State plan under the "Temporary Disability Benefits Law,"
30 except that, while the worker is exempt from the provisions of the
31 "Temporary Disability Benefits Law" under section 7 of that law,
32 P.L.1948, c.110 (C.43:21-31) or any other provision of that law, or is
33 covered for disability benefits by an approved private plan of the
34 employer, the contributions to the fund shall be 0.125%.

35 (ii) (Deleted by amendment, P.L.1995, c.422.)

36 (D) Notwithstanding any other provisions of this paragraph (1), during
37 the period starting January 1, 1993 and ending June 30, 1994, each worker
38 shall contribute to the unemployment compensation fund 0.5% of wages
39 paid with respect to the worker's employment with a governmental
40 employer electing or required to pay contributions or nongovernmental
41 employer, including a nonprofit organization which is an employer as
42 defined under paragraph 6 of subsection (h) of R.S.43:21-19, regardless
43 of whether that nonprofit organization elects or is required to finance its
44 benefit costs with contributions to the fund or by payments in lieu of
45 contributions, after that employer has satisfied the conditions set forth in
46 subsection (h) of R.S.43:21-19 with respect to becoming an employer. No

1 contributions, however, shall be made by the worker while the worker is
2 covered by an approved private plan under the "Temporary Disability
3 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker
4 is exempt under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
5 provision of that law; provided that the contributions shall be at the rate
6 of 0.50% of wages paid with respect to employment with the State of New
7 Jersey or any other governmental entity or instrumentality electing or
8 required to make payments in lieu of contributions and which is covered
9 by the State plan under the "Temporary Disability Benefits Law," except
10 that, while the worker is exempt from the provisions of the "Temporary
11 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110
12 (C.43:21-31) or any other provision of that law, or is covered for
13 disability benefits by an approved private plan of the employer, no
14 contributions shall be made to the fund.

15 Each worker shall, starting on January 1, 1996 and ending December
16 31, 1996, contribute to the unemployment compensation fund ~~[0.60%]~~
17 0.48% of wages paid with respect to the worker's employment with a
18 governmental employer electing or required to pay contributions or
19 nongovernmental employer, including a nonprofit organization which is an
20 employer as defined under paragraph 6 of subsection (h) of R.S.43:21-19,
21 regardless of whether that nonprofit organization elects or is required to
22 finance its benefit costs with contributions to the fund or by payments in
23 lieu of contributions, after that employer has satisfied the conditions set
24 forth in subsection (h) of R.S.43:21-19 with respect to becoming an
25 employer, provided that the contributions shall be at the rate of 0.10% of
26 wages paid with respect to employment with the State of New Jersey or
27 any other governmental entity or instrumentality electing or required to
28 make payments in lieu of contributions.

29 On and after January 1, 1997, each worker shall contribute to the
30 unemployment compensation fund 0.60% of wages paid with respect to
31 the worker's employment with a governmental employer electing or
32 required to pay contributions or nongovernmental employer, including a
33 nonprofit organization which is an employer as defined under paragraph
34 6 of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit
35 organization elects or is required to finance its benefit costs with
36 contributions to the fund or by payments in lieu of contributions, after that
37 employer has satisfied the conditions set forth in subsection (h) of
38 R.S.43:21-19 with respect to becoming an employer, provided that the
39 contributions shall be at the rate of 0.10% of wages paid with respect to
40 employment with the State of New Jersey or any other governmental
41 entity or instrumentality electing or required to make payments in lieu of
42 contributions.

43 (E) Each employer shall, notwithstanding any provision of law in this
44 State to the contrary, withhold in trust the amount of his workers'
45 contributions from their wages at the time such wages are paid, shall show
46 such deduction on his payroll records, shall furnish such evidence thereof

1 to his workers as the division or controller may prescribe, and shall
2 transmit all such contributions, in addition to his own contributions, to the
3 office of the controller in such manner and at such times as may be
4 prescribed. If any employer fails to deduct the contributions of any of his
5 workers at the time their wages are paid, or fails to make a deduction
6 therefor at the time wages are paid for the next succeeding payroll period,
7 he alone shall thereafter be liable for such contributions, and for the
8 purpose of R.S.43:21-14, such contributions shall be treated as employer's
9 contributions required from him.

10 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the
11 context clearly requires otherwise, the term "contributions" shall include
12 the contributions of workers pursuant to this section.

13 (G) Each worker shall, starting on July 1, 1994, contribute to the State
14 disability benefits fund an amount equal to 0.50% of wages paid with
15 respect to the worker's employment with a government employer electing
16 or required to pay contributions to the State disability benefits fund or
17 nongovernmental employer, including a nonprofit organization which is an
18 employer as defined under paragraph 6 of subsection (h) of R.S. 43:21-19,
19 unless the employer is covered by an approved private disability plan or
20 is exempt from the provisions of the "Temporary Disability Benefits Law,"
21 P.L.1948 c.110 (C.43:21-25 et seq.) under section 7 of that law
22 (C.43:21-31) or any other provision of that law.

23 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

24 (B) (Deleted by amendment, P.L.1984, c.24.)

25 (C) (Deleted by amendment, P.L.1994, c.112.)

26 (D) (Deleted by amendment, P.L.1994, c.112.)

27 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

28 (ii) **[**Notwithstanding any other provision of this paragraph (2), with
29 respect to wages paid during the period beginning on January 1, 1993 and
30 ending June 30, 1994, there shall be deposited in and credited to the State
31 disability benefits fund all worker contributions received by the
32 controller.**](**Deleted by amendment, P.L. , c.).

33 (iii) (Deleted by amendment, P.L.1994, c.112.)

34 (3) If an employee receives wages from more than one employer
35 during any calendar year, and either the sum of his contributions deposited
36 in and credited to the State disability benefits fund **[**(in accordance with
37 paragraph (2) of this subsection)**]** plus the amount of his contributions, if
38 any, required towards the costs of benefits under one or more approved
39 private plans under the provisions of section 9 of the "Temporary
40 Disability Benefits Law" (C.43:21-33) and deducted from his wages, or
41 the sum of such latter contributions, if the employee is covered during
42 such calendar year only by two or more private plans, exceeds an amount
43 equal to 1/2 of 1% of the "wages" determined in accordance with the
44 provisions of R.S.43:21-7(b)(3) during the calendar years beginning on or
45 after January 1, 1976, the employee shall be entitled to a refund of the
46 excess if he makes a claim to the controller within two years after the end

1 of the calendar year in which the wages are received with respect to which
2 the refund is claimed and establishes his right to such refund. Such refund
3 shall be made by the controller from the State disability benefits fund. No
4 interest shall be allowed or paid with respect to any such refund. The
5 controller shall, in accordance with prescribed regulations, determine the
6 portion of the aggregate amount of such refunds made during any calendar
7 year which is applicable to private plans for which deductions were made
8 under section 9 of the "Temporary Disability Benefits Law," such
9 determination to be based upon the ratio of the amount of such wages
10 exempt from contributions to such fund, as provided in subparagraph (B)
11 of paragraph (1) of this subsection with respect to coverage under private
12 plans, to the total wages so exempt plus the amount of such wages subject
13 to contributions to the disability benefits fund, as provided in
14 subparagraph ~~[(B)]~~ (G) of paragraph ~~[(2)]~~ (1) of this subsection. The
15 controller shall, in accordance with prescribed regulations, prorate the
16 amount so determined among the applicable private plans in the
17 proportion that the wages covered by each plan bear to the total private
18 plan wages involved in such refunds, and shall assess against and recover
19 from the employer, or the insurer if the insurer has indemnified the
20 employer with respect thereto, the amount so prorated. The provisions of
21 R.S.43:21-14 with respect to collection of employer contributions shall
22 apply to such assessments. The amount so recovered by the controller
23 shall be paid into the State disability benefits fund.

24 (4) If an individual does not receive any wages from the employing
25 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is treated
26 as his employer, or receives his wages from some other employing unit,
27 such employer shall nevertheless be liable for such individual's
28 contributions in the first instance; and after payment thereof such
29 employer may deduct the amount of such contributions from any sums
30 payable by him to such employing unit, or may recover the amount of such
31 contributions from such employing unit, or, in the absence of such an
32 employing unit, from such individual, in a civil action; provided
33 proceedings therefor are instituted within three months after the date on
34 which such contributions are payable. General rules shall be prescribed
35 whereby such an employing unit may recover the amount of such
36 contributions from such individuals in the same manner as if it were the
37 employer.

38 (5) Every employer who has elected to become an employer subject to
39 this chapter (R.S.43:21-1 et seq.), or to cease to be an employer subject
40 to this chapter (R.S.43:21-1 et seq.), pursuant to the provisions of
41 R.S.43:21-8, shall post and maintain printed notices of such election on
42 his premises, of such design, in such numbers, and at such places as the
43 director may determine to be necessary to give notice thereof to persons
44 in his service.

45 (6) Contributions by workers, payable to the controller as herein
46 provided, shall be exempt from garnishment, attachment, execution, or any

1 other remedy for the collection of debts.

2 (e) Contributions by employers to State disability benefits fund.

3 (1) Except as hereinafter provided, each employer shall, in addition to
4 the contributions required by subsections (a), (b), and (c) of this section,
5 contribute 1/2 of 1% of the wages paid by such employer to workers with
6 respect to employment unless he is not a covered employer as defined in
7 section 3 of the "Temporary Disability Benefits Law" (C.43:21-27 (a)),
8 except that the rate for the State of New Jersey shall be 1/10 of 1% for the
9 calendar year 1980 and for the first six months of 1981. Prior to July 1,
10 1981 and prior to July 1 each year thereafter, the controller shall review
11 the experience accumulated in the account of the State of New Jersey and
12 establish a rate for the next following fiscal year which, in combination
13 with worker contributions, will produce sufficient revenue to keep the
14 account in balance; except that the rate so established shall not be less
15 than 1/10 of 1%. Such contributions shall become due and be paid by the
16 employer to the controller for the State disability benefits fund as
17 established by law, in accordance with such regulations as may be
18 prescribed, and shall not be deducted, in whole or in part, from the
19 remuneration of individuals in his employ. In the payment of any
20 contributions, a fractional part of a cent shall be disregarded unless it
21 amounts to \$0.005 or more, in which case it shall be increased to \$0.01.

22 (2) During the continuance of coverage of a worker by an approved
23 private plan of disability benefits under the "Temporary Disability Benefits
24 Law," the employer shall be exempt from the contributions required by
25 subparagraph (1) above with respect to wages paid to such worker.

26 (3) (A) The rates of contribution as specified in subparagraph (1)
27 above shall be subject to modification as provided herein with respect to
28 employer contributions due on and after July 1, 1951.

29 (B) A separate disability benefits account shall be maintained for each
30 employer required to contribute to the State disability benefits fund and
31 such account shall be credited with contributions deposited in and credited
32 to such fund with respect to employment occurring on and after January
33 1, 1949. Each employer's account shall be credited with all contributions
34 paid on or before January 31 of any calendar year on his own behalf and
35 on behalf of individuals in his service with respect to employment
36 occurring in preceding calendar years; provided, however, that if January
37 31 of any calendar year falls on a Saturday or Sunday an employer's
38 account shall be credited as of January 31 of such calendar year with all
39 the contributions which he has paid on or before the next succeeding day
40 which is not a Saturday or Sunday. But nothing in this act shall be
41 construed to grant any employer or individuals in his service prior claims
42 or rights to the amounts paid by him to the fund either on his own behalf
43 or on behalf of such individuals. Benefits paid to any covered individual
44 in accordance with Article III of the "Temporary Disability Benefits Law"
45 on or before December 31 of any calendar year with respect to disability
46 in such calendar year and in preceding calendar years shall be charged

1 against the account of the employer by whom such individual was
2 employed at the commencement of such disability or by whom he was last
3 employed, if out of employment.

4 (C) The controller may prescribe regulations for the establishment,
5 maintenance, and dissolution of joint accounts by two or more employers,
6 and shall, in accordance with such regulations and upon application by two
7 or more employers to establish such an account, or to merge their several
8 individual accounts in a joint account, maintain such joint account as if it
9 constituted a single employer's account.

10 (D) Prior to July 1 of each calendar year, the controller shall make a
11 preliminary determination of the rate of contribution for the 12 months
12 commencing on such July 1 for each employer subject to the contribution
13 requirements of this subsection (e).

14 (1) Such preliminary rate shall be $\frac{1}{2}$ of 1% unless on the preceding
15 January 31 of such year such employer shall have been a covered employer
16 who has paid contributions to the State disability benefits fund with
17 respect to employment in the three calendar years immediately preceding
18 such year.

19 (2) If the minimum requirements in (1) above have been fulfilled and
20 the credited contributions exceed the benefits charged by more than
21 \$500.00, such preliminary rate shall be as follows:

22 (i) $\frac{2}{10}$ of 1% if such excess over \$500.00 exceeds 1% but is less than
23 $1\frac{1}{4}$ % of his average annual payroll (as defined in this chapter
24 (R.S.43:21-1 et seq.));

25 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds $1\frac{1}{4}$ %
26 but is less than $1\frac{1}{2}$ % of his average annual payroll;

27 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds $1\frac{1}{2}$ %
28 of his average annual payroll.

29 (3) If the minimum requirements in (1) above have been fulfilled and
30 the contributions credited exceed the benefits charged but by not more
31 than \$500.00 plus 1% of his average annual payroll, or if the benefits
32 charged exceed the contributions credited but by not more than \$500.00,
33 the preliminary rate shall be $\frac{1}{4}$ of 1%.

34 (4) If the minimum requirements in (1) above have been fulfilled and
35 the benefits charged exceed the contributions credited by more than
36 \$500.00, such preliminary rate shall be as follows:

37 (i) $\frac{35}{100}$ of 1% if such excess over \$500.00 is less than $\frac{1}{4}$ of 1% of
38 his average annual payroll;

39 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds $\frac{1}{4}$
40 of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;

41 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds $\frac{1}{2}$
42 of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;

43 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds $\frac{3}{4}$
44 of 1% but is less than 1% of his average annual payroll;

45 (v) $\frac{75}{100}$ of 1% if such excess over \$500.00 equals or exceeds 1%
46 of his average annual payroll.

1 (5) Determination of the preliminary rate as specified in (2), (3) and
2 (4) above shall be subject, however, to the condition that it shall in no
3 event be decreased by more than 1/10 of 1% of wages or increased by
4 more than 2/10 of 1% of wages from the preliminary rate determined for
5 the preceding year in accordance with (1), (2), (3) or (4), whichever shall
6 have been applicable.

7 (E) (1) Prior to July 1 of each calendar year the controller shall
8 determine the amount of the State disability benefits fund as of December
9 31 of the preceding calendar year, increased by the contributions paid
10 thereto during January of the current calendar year with respect to
11 employment occurring in the preceding calendar year. If such amount
12 exceeds the net amount withdrawn from the unemployment trust fund
13 pursuant to section 23 of the "Temporary Disability Benefits Law,"
14 P.L.1948, c.110 (C.43:21-47) plus the amount at the end of such
15 preceding calendar year of the unemployment disability account (as
16 defined in section 22 of said law (C.43:21-46)), such excess shall be
17 expressed as a percentage of the wages on which contributions were paid
18 to the State disability benefits fund on or before January 31 with respect
19 to employment in the preceding calendar year.

20 (2) The controller shall then make a final determination of the rates of
21 contribution for the 12 months commencing July 1 of such year for
22 employers whose preliminary rates are determined as provided in (D)
23 hereof, as follows:

24 (i) If the percentage determined in accordance with paragraph (E)(1)
25 of this subsection equals or exceeds 1 1/4%, the final employer rates shall
26 be the preliminary rates determined as provided in (D) hereof, except that
27 if the employer's preliminary rate is determined as provided in (D)(2) or
28 (D)(3) hereof, the final employer rate shall be the preliminary employer
29 rate decreased by such percentage of excess taken to the nearest 5/100 of
30 1%, but in no case shall such final rate be less than 1/10 of 1%.

31 (ii) If the percentage determined in accordance with paragraph (E)(1)
32 of this subsection equals or exceeds 3/4 of 1% and is less than 1 1/4 of
33 1%, the final employer rates shall be the preliminary employer rates.

34 (iii) If the percentage determined in accordance with paragraph (E)(1)
35 of this subsection is less than 3/4 of 1%, but in excess of 1/4 of 1%, the
36 final employer rates shall be the preliminary employer rates determined as
37 provided in (D) hereof increased by the difference between 3/4 of 1% and
38 such percentage taken to the nearest 5/100 of 1%; provided, however, that
39 no such final rate shall be more than 1/4 of 1% in the case of an employer
40 whose preliminary rate is determined as provided in (D)(2) hereof, more
41 than 1/2 of 1% in the case of an employer whose preliminary rate is
42 determined as provided in (D)(1) and (D)(3) hereof, nor more than 3/4 of
43 1% in the case of an employer whose preliminary rate is determined as
44 provided in (D)(4) hereof.

45 (iv) If the amount of the State disability benefits fund determined as
46 provided in paragraph (E)(1) of this subsection is equal to or less than 1/4

1 of 1%, then the final rate shall be 2/5 of 1% in the case of an employer
2 whose preliminary rate is determined as provided in (D)(2) hereof, 7/10
3 of 1% in the case of an employer whose preliminary rate is determined as
4 provided in (D)(1) and (D)(3) hereof, and 1.1% in the case of an employer
5 whose preliminary rate is determined as provided in (D)(4) hereof.
6 Notwithstanding any other provision of law or any determination made by
7 the controller with respect to any 12-month period commencing on July
8 1, 1970, the final rates for all employers for the period beginning January
9 1, 1971, shall be as set forth herein.

10 (cf: P.L.1995, c.422, s.1)

11

12 15. Section 29 of P.L.1992, c.160 (C.43:21-7b) is amended to read as
13 follows:

14 29. a. Beginning January 1, 1993 until December 31, 1995, except as
15 provided pursuant to subsection b. of this section, each employee shall, in
16 such a manner and at such times as determined by the commissioner,
17 contribute to the fund an amount equal to 0.6% of the employee's taxable
18 wages.

19 Beginning January 1, 1996 until December 31, 1996, each employee
20 shall, in such a manner and at such times as determined by the
21 commissioner, contribute to the fund an amount equal to 0.12% of the
22 employee's taxable wages.

23 Also beginning on January 1, 1993 until [December 31, 1995, except
24 as provided pursuant to subsection b. of this section] December 31, 1996,
25 each employer shall, in such a manner and at such times as determined by
26 the commissioner, contribute to the fund an amount equal to the amount
27 that the employer's contribution to the unemployment compensation fund
28 is decreased pursuant to subparagraph (H) of paragraph (5) of subsection
29 (c) of R.S.43:21-7.

30 b. If the unemployment compensation fund reserve ratio, as determined
31 pursuant to paragraph (5) of subsection (c) of R.S.43:21-7, decreases to
32 a level of less than 4.00% on March 31 of calendar year 1994 or calendar
33 year 1995, the provisions of subsection a. of this section shall cease to be
34 in effect as of July 1 of that calendar year and each employer who would
35 be subject to making the contributions pursuant to subsection a. of this
36 section if that subsection were in effect shall, beginning on July 1 of that
37 calendar year, contribute to the fund an amount equal to 0.62% of the
38 total wages paid by the employer and shall continue to contribute that
39 amount until December 31, 1995.

40 c. If the total amount of contributions to the fund pursuant to this
41 section during the calendar year 1993 exceeds \$600 million, all
42 contributions which exceed \$600 million shall be deposited in the
43 unemployment compensation fund. If the total amount of contributions
44 to the fund pursuant to this section during calendar year 1994 or calendar
45 year 1995 exceeds \$500 million, all contributions which exceed \$500
46 million shall be deposited in the unemployment compensation fund. If the

1 total amount of contributions made to the fund pursuant to this section for
2 the calendar year 1996 exceeds \$150 million, all contributions which
3 exceed \$150 million in a calendar year shall be deposited in the
4 unemployment compensation fund.

5 d. All necessary administrative costs related to the collection of
6 contributions pursuant to this section shall be paid from the contributions.
7 (cf: P.L.1992, c.160, s.29)

8

9 16. Section 32 of P.L.1992, c.160 (C.43:21-7e) is amended to read as
10 follows:

11 32. a. If an employee receives wages from more than one employer
12 during any calendar year, and the sum of the employee's contributions
13 deposited in the fund exceeds an amount equal to 0.6% of the wages
14 determined in accordance with the provisions of paragraph (3) of
15 subsection (b) of R.S.43:21-7 during calendar year 1993, calendar year
16 1994 or calendar year 1995, the employee shall be entitled to a refund of
17 the excess if a claim establishing the employee's right to the refund is made
18 within two years after the end of the respective calendar year in which the
19 wages are received and are the subject of the claim. The commissioner
20 shall refund any overpayment from the fund without interest.

21 If an employee receives wages from more than one employer during the
22 calendar year 1996, and the sum of the employee's contributions
23 deposited in the fund exceeds an amount equal to 0.12% of the wages
24 determined in accordance with the provisions of paragraph (3) of
25 subsection (b) of R.S.43:21-7 during calendar year 1996, the employee
26 shall be entitled to a refund of the excess if a claim establishing the
27 employee's right to the refund is made within two years after the end of
28 the respective calendar year in which the wages are received and are the
29 subject of the claim. The commissioner shall refund any overpayment
30 from the fund without interest.

31 b. Any employee who is a taxpayer and entitled, pursuant to the
32 provisions of subsection a. of this section, to a refund of contributions
33 deducted during a tax year from his wages shall, in lieu of the refund, be
34 entitled to a credit in the full amount thereof against the tax otherwise due
35 on his New Jersey gross income for that tax year if he submits his claim
36 for the credit and accompanies that claim with evidence of his right to the
37 credit in the manner provided by regulation by the Director of the Division
38 of Taxation. In any case in which the amount, or any portion thereof, of
39 any credit allowed hereunder results in or increases an excess of income
40 tax payment over income tax liability, the amount of the new or increased
41 excess shall be considered an overpayment and shall be refunded to the
42 taxpayer in the manner provided by subsection (a) of N.J.S.54A:9-7.

43 (cf: P.L.1992, c.160, s.32)

44

45 17. Section 4 of P.L.1971, c.346 (C.43:21-7.3) is amended to read as
46 follows:

1 4. (a) Notwithstanding any other provisions of the "unemployment
2 compensation law" for the payment of contributions, benefits paid to
3 individuals based upon wages earned in the employ of any governmental
4 entity or instrumentality which is an employer defined under
5 R.S.43:21-19(h)(5) shall, to the extent that such benefits are chargeable
6 to the account of such governmental entity or instrumentality in
7 accordance with the provisions of R.S.43:21-1 et seq., be financed by
8 payments in lieu of contributions.

9 (b) Any governmental entity or instrumentality may, as an alternative
10 to financing benefits by payments in lieu of contributions, elect to pay
11 contributions beginning with the date on which its subjectivity begins by
12 filing written notice of its election with the department no later than 120
13 days after such subjectivity begins, provided that such election shall be
14 effective for at least two full calendar years; or it may elect to pay
15 contributions for a period of not less than two calendar years beginning
16 January 1 of any year if written notice of such election is filed with the
17 department not later than February 1 of such year; provided, further, that
18 such governmental entity or instrumentality shall remain liable for
19 payments in lieu of contributions with respect to all benefits paid based on
20 base year wages earned in the employ of such entity or instrumentality in
21 the period during which it financed its benefits by payments in lieu of
22 contributions.

23 (c) Any governmental entity or instrumentality may terminate its
24 election to pay contributions as of January 1 of any year by filing written
25 notice not later than February 1 of any year with respect to which
26 termination is to become effective. It may not revert to a contributions
27 method of financing for at least two full calendar years after such
28 termination.

29 (d) Any governmental entity or instrumentality electing the option for
30 contributions financing shall report and pay contributions in accordance
31 with the provisions of R.S.43:21-7 except that, notwithstanding the
32 provisions of that section, the contribution rate for such governmental
33 entity or instrumentality shall be 1% for the entire calendar year 1978 and
34 the contribution rate for any subsequent calendar years shall be the rate
35 established for governmental entities or instrumentalities under subsection
36 (e) of this section.

37 (e) On or before September 1 of each year, the Commissioner of Labor
38 shall review the composite benefit cost experience of all governmental
39 entities and instrumentalities electing to pay contributions and, on the
40 basis of that experience, establish the contribution rate for the next
41 following calendar year which can be expected to yield sufficient revenue
42 in combination with worker contributions to equal or exceed the projected
43 costs for that calendar year.

44 (f) Any covered governmental entity or instrumentality electing to pay
45 contributions shall each year appropriate, out of its general funds, moneys
46 to pay the projected costs of benefits at the rate determined under

1 benefit costs: for calendar year 1996, 0.38%; and for calendar year 1997
2 and each calendar year thereafter, 0.50%.

3 (cf: P.L 1992, c.205, s.1)

4

5 18. Section 1 of P.L.1944, c. 81(C.43:21-14.1) is amended to read as
6 follows:

7 1. Any employee who is paid wages by two or more employers
8 aggregating more than **[\$3,000.00 during any calendar year prior to**
9 **January 1, 1968, \$3,600.00 during any calendar year commencing on or**
10 **after January 1, 1968 and prior to January 1, 1972, \$4,200.00 during any**
11 **calendar year commencing on or after January 1, 1972 and prior to**
12 **January 1, 1975, or \$4,800.00 during any calendar year commencing on**
13 **or after January 1, 1975, and prior to January 1, 1976, and thereafter]** the
14 amount of "wages" determined in accordance with the provisions of R.S.
15 43:21-7(b)(3) shall be entitled to a refund of the amount of contributions
16 deducted from such wages and paid to the Division of Employment
17 Security in excess of the contribution which is determined pursuant to
18 R.S.43:21-7(d)(1)(D) required on **[\$3,000.00 of such wages paid during**
19 **any calendar year prior to January 1, 1968, \$3,600.00 during any calendar**
20 **year commencing on or after January 1, 1968 and prior to January 1,**
21 **1972, \$4,200.00 during any calendar year commencing on or after January**
22 **1, 1972 and prior to January 1, 1975, or \$4,800.00 during any calendar**
23 **year commencing on or after January 1, 1975, and prior to January 1,**
24 **1976, and thereafter]** the amount of "wages" determined in accordance
25 with the provisions of R.S. 43:21-7(b)(3) except that no such refund shall
26 be made unless the employee makes a claim, establishing his right thereto,
27 within 2 years after the calendar year in which the wages are paid with
28 respect to which refund of contribution is claimed. No interest shall be
29 allowed or paid with respect to any such refund.

30 (cf: P. L.1974, c.86, s.6)

31

32 19. Section 14 of P.L.1992, c.160 (C.26:2H-18.64) is repealed.

33

34 20. This act shall take effect immediately and shall be retroactive to
35 January 1, 1996, except that section 20 shall take effect on July 1, 1996.

36

37

38

STATEMENT

39

40 This bill provides a cost-effective mechanism for providing managed
41 charity health care services to indigent and low income persons in the
42 State.

43 Specifically, the bill directs that effective July 1, 1996, the
44 Commissioner of Health shall designate the University of Medicine and
45 Dentistry of New Jersey (UMDNJ) as the State's provider of managed
46 charity health care for all low income residents of the State who require

1 and qualify for charity health care services. The State will make an annual
2 grant each fiscal year, in an amount determined by the Legislature, to
3 UMDNJ for the provision of managed charity health care services.

4 UMDNJ shall:

5 (1) be responsible for the provision of medically necessary, managed
6 inpatient acute care and outpatient primary health care services to all
7 qualified residents of the State through the use of its managed care
8 provider network;

9 (2) determine those hospitals and other health care providers who shall
10 be eligible to participate and ensure reasonable geographic access of
11 participating hospitals and other providers for all State residents;

12 (3) establish the rates of reimbursement for the participating hospitals
13 and other providers and provide for a method of payment to the
14 participating providers for medically necessary health care services
15 provided pursuant to this bill;

16 (4) develop and use a uniform method for determining eligibility of
17 State residents for charity health care services; and

18 (5) report by December 31, 1996 and annually thereafter to the
19 standing reference committees on health and appropriations in the Senate
20 and General Assembly on expenditures related to the provision of charity
21 health care services, the number of persons served, the types of services
22 received, the hospitals participating in the network, the number and types
23 of other health care providers participating in the network and such other
24 information as may be required by the Legislature.

25 Under this new managed charity health care program, it will no longer
26 be necessary to require all hospitals in the State to admit or provide
27 services to a patient regardless of that patient's ability to pay, since only
28 those hospitals in the network will be required to provide charity health
29 care services. Accordingly, this bill repeals section 14 of P.L.1992, c.160
30 (C.26:2H-18.64).

31 Also, in order to achieve even greater efficiency in the delivery of
32 charity health care, and to test the feasibility of using "smart cards" in the
33 State, the bill provides that UMDNJ shall establish a one-year
34 demonstration program that will utilize an electronic data interchange
35 system that supports the use of patient smart cards. To conduct the
36 demonstration project, the UMDNJ shall enter into a public/private
37 partnership with a corporation actively involved in the use of smart cards
38 and interested in participating in and providing funding for the
39 demonstration project. UMDNJ shall report its findings and
40 recommendations about the demonstration project to the standing
41 reference committees on health and appropriations in the Senate and
42 General Assembly. The report shall include an analysis of the costs and
43 projected administrative savings that can be achieved through the use of
44 the cards for the health care system Statewide.

45 For the interim period January 1, 1996 to June 30, 1996, the State shall
46 distribute charity care funding to hospitals pursuant to a methodology

1 similar to that used in 1995 for the distribution of charity care subsidies.
2 The bill provides that \$150 million from employer and employee
3 contributions shall be allocated for charity care subsidies for the six-
4 month period.

5 Further, as a potential source of funding for part or all of the initial
6 grant to UMDNJ in Fiscal Year 1997 to provide managed charity care
7 services, the bill directs the State Treasurer, in consultation with the
8 Commissioner of Labor, to investigate the sale of part or all of the assets
9 of the program established under the "Temporary Disability Benefits
10 Law," P.L.1948, c.110 (C.43:21-25 et seq.). Within 30 days of the date
11 of enactment of this bill, or as soon as the State Treasurer's investigation
12 is completed, if earlier, the State Treasurer shall report his findings and
13 recommendations to the standing reference committees on budget and
14 appropriations in the Senate and General Assembly.

15

16

17

18

19 Establishes system for managed charity care services.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 1532

STATE OF NEW JERSEY

DATED: MAY 1, 1996

The Assembly Appropriations Committee reports favorably a committee substitute for Assembly Bill No. 1532.

This substitute provides a cost-effective mechanism for providing health care services on a managed care basis to indigent and low income persons in the State. The health care program will be implemented by the Commissioner of Health, in consultation with the Commissioner of Human Services and the State Treasurer.

Specifically, the substitute provides that, subject to the receipt of a waiver from the federal Department of Health and Human Services, the State Treasurer shall contract with one or more entities to administer a Statewide program of health care services, that are provided on a managed care basis, for all eligible low income residents in the State that are in need of the health care services.

The contract shall include, but not be limited to, provisions for:

(1) the provision of charity care services on a managed care basis as specified by the Commissioner of Health, in consultation with the Commissioner of Human Services and the State Treasurer. An administrator shall be responsible for determining the most appropriate and cost-effective means of providing the health care services required by an eligible person and for directing the person to that means for receipt of the services;

(2) the determination of eligibility criteria for health care providers who choose to participate in the program;

(3) a methodology established by the Commissioner of Health for reimbursement of participating hospitals and other health care providers;

(4) the development and use of a uniform method for determining eligibility of State residents for health care services under the program; and

(5) the submission of quarterly reports to the Department of Health and the Department of the Treasury, in a form and manner required by the department, detailing expenditures of health care funds in the program.

The contract shall also provide that provider participation in the program shall ensure the maximum receipt by the State of federal

disproportionate share monies pursuant to Pub.L.89-97 (42 U.S.C. §1396a et seq.) and Pub.L.102-234.

The Commissioner of Health shall report annually to the standing reference committees on health and appropriations of the Senate and General Assembly and the Governor on:

(1) expenditures related to the provision of health care services on a managed care basis, the number of persons served, the types of services provided, the hospitals participating in the program, the number and types of other health care providers participating in the program and such other information as may be required by the Legislature;

(2) the effectiveness of the program in containing or reducing costs for providing health care services to qualified low income residents of the State; and

(3) recommendations developed in consultation with the Commissioner of Human Services and the State Treasurer concerning additional cost containment actions that may be adopted for the provision of health care services to qualified low income persons.

The substitute provides that nothing in the substitute shall be construed to expand covered health care services to include services not covered by the charity care program currently in effect.

The substitute provides that the implementation of the health care program or other subsidies for charity care that affect the Medicaid State plan shall be contingent upon receipt of federal approvals that assure continuation of an acceptable level of federal Medicaid matching funds, including disproportionate share monies, as determined by the Director of the Division of Medical Assistance and Health Services in the Department of Human Services and the Director of the Division of Budget and Accounting in the Department of the Treasury.

Also, in order to achieve even greater efficiency in the delivery of health care on a managed care basis, the substitute directs the Commissioner of Health to establish a technology infrastructure to support the Statewide health care program established in the substitute. The State Treasurer, in consultation with the Commissioners of Health and Human Services may also, if deemed to be in the State's best interests, include system features and provisions in the technology infrastructure to satisfy the requirements of multiple programs and purposes, including, but not limited to, programs such as Medicaid, food stamps and public assistance, and purposes such as the exchange and consolidation of health care information permitted by law, eligibility and identity verification, claims processing, the use of electronic patient identification technology and electronic data interchange.

The substitute also clarifies that the Health Care Subsidy Fund is the payer of last resort, and that a hospital or other health care provider shall not submit a claim for charity care or managed health care services reimbursement on behalf of any individual for whom the

hospital or health care provider is eligible to receive reimbursement under any State or federal program or other third party payer. The substitute also amends N.J.S.A.26:2H-18.63 concerning penalties for false statements or misrepresentation of a material fact in the receipt of charity care benefits to clarify that the provisions apply to any person or entity.

The substitute also continues the Hospital Health Care Subsidy account (known as the Hospital Relief Fund) in the Division of Medical Assistance and Health Services. This account provides assistance to hospitals which treat large numbers of patients with AIDS, tuberculosis, substance abuse, complex births, mental illness and developmental disabilities. The substitute provides \$35 million in State funds in calendar year 1996 and \$71 million in calendar year 1997 to this account. These monies will be matched by an equal amount of federal funds.

For the interim period before the new health care program is implemented, the State shall distribute charity care funding to hospitals pursuant to a methodology similar to that used in 1995 for the distribution of charity care subsidies. The substitute provides that \$310 million shall be allocated for charity care subsidies for calendar year 1996 and up to \$300 million shall be allocated for 1997. Part of the funding from the 1997 allocation may be used for the new health care program, pending the receipt of a federal waiver to implement the program.

The funding for the charity care subsidies and Hospital Health Care Subsidy account will be provided from a combination of employer and employee contributions and General Fund revenues. In calendar years 1996 and 1997, \$330 million each year will be provided from employer and employee contributions and \$15 million in 1996 and \$41 million in 1997 will be appropriated from the General Fund.

Beginning in 1998, the new health care program will be supported with revenues derived from efficiencies achieved by State use of an electronic data interchange system for health care claims and related information.

The substitute also makes changes in the funding of the unemployment compensation fund as follows:

1. No payroll taxes are collected from workers for the unemployment compensation fund starting April 1, 1996 and ending December 31, 1997 and, starting on January 1, 1998, the rate is set at 0.4%, compared to the current rate of 0.6%. However, payroll taxes from workers are continued at their current rate through December 31, 1996 and reduced to 0.5% in calendar year 1997 to provide revenues for the Health Care Subsidy Fund.

2. Starting on July 1, 1997, the fund reserve ratios used to determine which tax schedule is applied to employers are reduced, which will make it easier in the future for tax schedules to go into effect which will result in lower tax rates for employers in most cases. The fund reserve ratio that "triggers" tax schedule "A," which provides

the lowest tax rates, is reduced from 10% to 5%. The trigger for schedule "B" is reduced from 7% to 4%, the trigger for schedule "C" is reduced from 4% to 3% and the trigger for schedule "D" is reduced from 2.5% to 2%. The only increased reserve ratio is the trigger for a 10% tax surcharge, which is increased from 0 to 1%.

3. If the fund reserve ratio declines to a level below 3.00% on March 31 of either 1998 or 1999, the Treasurer will transfer the amount necessary to raise the reserve ratio to a level of 3.00%, thereby making impossible the imposition of tax schedule "D" on employers during those years.

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 1532

with Assembly Floor Amendments
(Proposed By Assemblymen KAVANAUGH and FELICE)

ADOPTED: MAY 2, 1996

These Assembly amendments make the following changes in the bill:

1. The changes that the bill makes in the reserve ratios used to determine which tax schedule is applied to employers are modified so that the fund reserve ratio that "triggers" the change from tax schedule "B" to tax schedule "A" is increased from 5% to 6% and the trigger from tax schedule "E" to schedule "D" is increased from 2% to 2.5%; and

2. The years in which the Treasurer will transfer from the General Fund the amount necessary to raise the reserve ratio to a level of 3.00% are changed from 1998 and 1999 to 1997 and 1998.

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 1532

STATE OF NEW JERSEY

DATED: May 10, 1996

The First Reprint of the Assembly Committee Substitute for Assembly Bill No. 1532 of 1996 provides that, subject to the receipt of a waiver from the federal Department of Health and Human Services, the State Treasurer shall contract with one or more entities to administer a Statewide program of health care services, on a managed care basis, for all eligible low income residents in the State who are in need of health care services. The bill further provides that nothing in the bill shall be construed to expand covered health care services to include services not covered by the charity care program currently in effect.

In addition, the bill directs that:

1. The implementation of the health care program or other subsidies for charity care that affect the State Medicaid plan shall be contingent upon receipt of federal approvals that assure continuation of an acceptable level of federal Medicaid matching funds, including disproportionate share monies.

2. The Commissioner of Health shall establish a technology infrastructure to support the Statewide health care program .

For the interim period before the new health care program is implemented, the bill continues funding for the Health Care Subsidy Fund at \$345 million in 1996 and \$371 million in 1997 using a methodology similar to that used in 1995 for the distribution of charity care subsidies. Of the amounts specified, the bill provides that \$310 million shall be allocated for charity care subsidies for calendar year 1996 and up to \$300 million shall be allocated for 1997. In addition, the bill provides \$35 million to the Hospital Health Care Subsidy account for the State match for Medicaid in 1996 and \$71 million in 1997. Part of the funding from the 1997 allocation for charity care subsidies may be used for the new health care program, pending the receipt of a federal waiver to implement the program.

The funding for charity care subsidies and the Hospital Health Care Subsidy account will be provided from a combination of employer and employee contributions and General Fund revenues. In calendar years 1996 and 1997, \$330 million each year will be provided from employer and employee contributions and \$15 million in 1996 and \$41 million in 1997 will be appropriated from the General Fund. Table 1

summarizes the proposed funding by calendar year:

TABLE 1
CALENDAR YEAR FUNDING FOR THE
HEALTH CARE SUBSIDY FUND
(\$ millions)

Calendar <u>Year</u>	General Fund <u>Approp.</u>	Employer/ Employee Payroll <u>Contrib.</u>	<u>Total</u>
1996	\$15	\$330	\$345
1997	41	330	371

The bill also makes changes in the funding of the unemployment compensation fund as follows:

1. Starting on July 1, 1997, the fund reserve ratios used to determine which tax schedule applied to employers are reduced. The fund reserve ratio that "triggers" the use of tax schedule "A," which provides the lowest tax rates, is reduced from the current rate of 10 percent to 6 percent. The trigger for schedule "B" is reduced from 7 percent to 4 percent, the trigger for schedule "C" is reduced from 4 percent to 3 percent. The triggers for schedule "D," currently 2.5 percent is unchanged. However, the fund reserve ratio which triggers a 10 percent tax surcharge is increased from 0 to 1.0 percent.

2. If the fund reserve ratio declines to a level below 3 percent on March 31 of either 1997 or 1998, the Treasurer will transfer the amount necessary to raise the reserve ratio to a level of 3 percent, thereby making impossible the imposition of tax schedule "D" on employers during those years.

3. No payroll taxes for the unemployment compensation fund are collected from workers starting April 1, 1996 and ending December 21, 1997. In addition, beginning on January 1, 1998, the worker contribution rate for the unemployment compensation fund is reduced from 0.6 percent to 0.4 percent.

In addition, the bill also clarifies that the Health Care Subsidy Fund is the payer of last resort, and amends section 13 of P.L. 1992, c. 160 (C.26:2H-18.63) concerning penalties for false statements or misrepresentation of a material fact in the receipt of charity care benefits to clarify that the provisions apply to any person or entity.

Lastly, the bill provides that beginning in 1998, the new health care program will be supported with revenues derived from efficiencies achieved by State use of an electronic data interchange system for health care claims and related information.

IMPACT ON THE UNEMPLOYMENT COMPENSATION FUND

As described above, the bill provides for \$330 million in payroll tax contributions to the Health Care Subsidy Fund during each of calendar years 1996 and 1997. These contributions by employees and employers to the Health Care Subsidy Fund are in lieu of contributions to the unemployment compensation fund and are retroactive to April 1, 1996. Any employee contributions from the tax on the unemployment compensation wage base and any employer contributions, as provided in section 15 of the bill, which are in excess of the amounts required to be deposited in the Health Care Subsidy Fund will revert to the unemployment compensation fund.

In addition, the bill changes the fund reserve ratios used to determine the tax rate schedule applied to employers such that, given the current fund reserve ratio, employer contributions would be reduced by approximately 15 percent beginning July 1, 1997. The bill also eliminates employee contributions to the unemployment compensation fund between April 1, 1996 and December 31, 1997, and beginning January 1, 1998 reduces the payroll tax rate paid by employees by approximately 33 percent, from .6 percent to .4 percent.

The OLS notes, based upon information provided by the Department of Labor, that given projected total taxable wages, employer and employee payroll tax contributions should be more than sufficient for the purposes of funding the Health Care Subsidy Fund. Further, the OLS anticipates that under most foreseeable economic conditions, the bill would leave unemployment compensation fund balances sufficiently high so that the unemployment compensation fund reserve ratio would remain above 4.0 percent. Thus, with respect to the funding of charity care, employers can anticipate a shift from the current tax schedule, schedule "C," to a lower-rated employer tax schedule, schedule "B," by fiscal year 1997.

The OLS further acknowledges that pending legislation (see the First Reprint of the ACS for Assembly Bill No. 1786 of 1996) would establish an Emergency Unemployment Benefits Program which, under certain circumstances, would provide up to 13 weeks of additional unemployment benefits to claimants who have exhausted their entitlement to regular unemployment benefits. The program would cap total expenditure on emergency unemployment benefits at \$350 million. Assuming the enactment of both bills, the State Department of Labor has projected that the lower rated employer tax schedule, schedule "B," can be anticipated in both 1997 and 1998. Nevertheless, the department has further indicated that by 1999, the fund reserve ratio will have decreased such that the higher rates of the employer tax schedule, schedule "C," will be reinstated. In contrast, the OLS anticipates that with respect to the cumulative impact of the two bills, a shift to the lower employer tax rate schedule, schedule "B," may not be achieved until 1998.

While the unemployment tax rate schedule applied to employers is expected to be reduced in the near term, the OLS notes that individual employers may experience "bracket creep," or a higher individual contribution rate as a result of the bill, even if no benefits are paid from the employers' individual accounts. In particular, small businesses and businesses which have recently established an experience rating could be adversely affected in this regard, since their individual experience ratings will reflect disproportionately the reduction in unemployment compensation contributions. Moreover, the OLS notes that any excess funds which revert from the Health Care Subsidy Fund to the unemployment compensation fund will be credited to the overall fund balance but will not be reflected in the accounts of individual employers.

IMPACT ON THE GENERAL FUND:

As outlined in Table 1, the bill authorizes the use of \$56 million in General Fund revenues over a two year period, 1996 and 1997. The OLS notes that the General Fund contribution of \$15 million indicated for calendar year 1996 is not included in the Governor's FY 1997 Budget Recommendation. Depending on programmatic needs, enactment of this legislation could imply the need for an appropriation of approximately \$35.5 million in FY 1997 (\$15 million applicable to calendar year 1996 and one-half of the \$41 million applicable to calendar year 1997). However, this is not clear at the present time; the second installment may be deferred until FY 1998. Moreover, the OLS notes that funding for the Health Access New Jersey program, as proposed in the Assembly Committee Substitute for Assembly Bill No. 1590 (1R) of 1996, would also authorize the appropriation of General Fund revenues for the Health Care Subsidy Fund over the next two years. Thus, if both funding bills are enacted, the total amount of General Fund dollars authorized for health care subsidies over the two years would be \$91 million.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.