



# **LEGISLATIVE HISTORY CHECKLIST**

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**LAWS OF:** 1998

**CHAPTER:** 37

**NJSA:** 26:2H-18.58

"Charity care -- eliminates plan for statewide permanent program in favor of smaller demonstration program"

**BILL NO:** A1690 (Substituted for S580)

**SPONSOR(S):** Asselta and others

**DATE INTRODUCED:** February 19, 1998

**COMMITTEE:**

**ASSEMBLY:** Health

**SENATE:** ~~~~

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**

**ASSEMBLY:** March 16, 1998; Re-enacted 5-28-98

**SENATE:** March 19, 1998; Re-enacted 6-22-98

**DATE OF APPROVAL:** June 30, 1998

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## **THE FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL:** 1<sup>st</sup> reprint  
(Amendments during passage denoted by superscript numbers)

**A1690**

**SPONSORS STATEMENT:** *Yes* (Begins on page 6 of original bill)

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *Yes*

**SENATE:** *No*

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *No*

## **S580**

**SPONSORS STATEMENT:** *Yes* (Begins on page 6 of original bill)  
(Bill and Sponsors Statement identical to A1690)

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *No*

**SENATE:** *Yes* (Identical to Assembly Statement for A1690)

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *No*

**VETO MESSAGE:** *Yes*

**GOVERNOR'S PRESS RELEASE ON SIGNING:** *Yes*

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**THE FOLLOWING WERE PRINTED:**

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**REPORTS:** *No*

**HEARINGS:** *No*

**NEWSPAPER ARTICLES:** *No*

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[First Reprint]

**ASSEMBLY, No. 1690**

**STATE OF NEW JERSEY**  
**208th LEGISLATURE**

INTRODUCED FEBRUARY 19, 1998

**Sponsored by:**

**Assemblyman NICHOLAS ASSELTA**  
**District 1 (Cape May, Atlantic and Cumberland)**  
**Assemblyman JOSEPH V. DORIA, JR.**  
**District 31 (Hudson)**

**Co-Sponsored by:**

**Assemblymen Zecker, Steele, Gusciora, Augustine, Assemblywoman Quigley, Assemblymen Greenwald, Garcia, Felice, Conaway, Assemblywomen Farragher, Weinberg, Cruz-Perez, Watson Coleman, Pou, Previte, Assemblymen Caraballo, Zisa, Rooney, Wolfe, Chatzidakis, Wisniewski, Stanley, Kelly, Gibson, Garrett, Assemblywoman Gill, Assemblymen Romano, Connors, Roberts, LeFevre, Luongo, Assemblywoman Friscia, Assemblymen Suliga, Payne, Tucker, Jones, Connors, Russo, DeCroce, Bodine, Assemblywoman Buono, Assemblymen Kramer, Moran, Talarico, Weingarten, Assemblywomen Murphy, Heck, Assemblymen R.Smith, Charles, Impreduto, Cohen, Green, Blee, Barnes, Merkt, Thompson, Arnone, Malone, T.Smith, Carroll, Assemblywoman Vandervalk, Assemblymen Holzapfel, Corodemus, Cottrell, Assemblywoman Crecco, Assemblymen Azzolina, O'Toole, Senators Matheussen, Bennett, Cafiero, Sinagra, Lipman, Palaia, Inverso, Adler, Rice, Bassano, Bark, Kenny, Kyrillos, Turner, Vitale, O'Connor, Girgenti, Ciesla, Bucco, Codey, Allen, Bryant and Robertson**

**SYNOPSIS**

Eliminates requirement to establish Statewide managed hospital charity care program and provides for regional or county-based demonstration program.

**CURRENT VERSION OF TEXT**

As amended on May 7, 1998 by the General Assembly pursuant to the Governor's recommendations.

(Sponsorship Updated As Of: 5/7/1998)

1 AN ACT concerning hospital charity care and amending P.L.1992,  
2 c.160 and P.L.1996, c.28.

3

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

6

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

9 8. There is established the Health Care Subsidy Fund in the  
10 Department of Health and Senior Services.

11 a. The fund shall be comprised of revenues from employee and  
12 employer contributions made pursuant to section 29 of P.L.1992,  
13 c.160 (C.43:21-7b), revenues from the hospital assessment made  
14 pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62), revenues  
15 pursuant to section 11 of P.L.1996, c.28 (C.26:2H-18.58c), revenues  
16 from interest and penalties collected pursuant to this act and revenues  
17 from such other sources as the Legislature shall determine. Interest  
18 earned on the monies in the fund shall be credited to the fund. The  
19 fund shall be a nonlapsing fund dedicated for use by the State to: (1)  
20 distribute charity care and other uncompensated care disproportionate  
21 share payments to hospitals, and other eligible providers pursuant to  
22 section 8 of P.L.1996, c.28 (C.26:2H-18.59f), provide subsidies for  
23 the Health Access New Jersey program established pursuant to section  
24 15 of P.L.1992, c.160 (C.26:2H-18.65), and provide funding for  
25 children's health care coverage pursuant to P.L.1997, c.272 (C.30:4I-1  
26 et seq.); and (2) assist hospitals and other health care facilities in the  
27 underwriting of innovative and necessary health care services.

28 b. The fund shall be administered by a person appointed by the  
29 commissioner.

30 The administrator of the fund is responsible for overseeing and  
31 coordinating the collection and reimbursement of fund monies. The  
32 administrator is responsible for promptly informing the commissioner  
33 if monies are not or are not reasonably expected to be collected or  
34 disbursed.

35 c. The commissioner shall adopt rules and regulations to ensure  
36 the integrity of the fund, pursuant to the "Administrative Procedure  
37 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

38 d. The administrator shall establish separate accounts for the  
39 charity care component of the disproportionate share hospital subsidy,  
40 other uncompensated care component of the disproportionate share  
41 hospital subsidy, hospital and other health care initiatives funding and  
42 the payments for subsidies for insurance premiums to provide care in  
43 disproportionate share hospitals, known as the Health Access New

**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:**

**<sup>1</sup> Assembly amendments adopted in accordance with Governor's recommendations May 7, 1998.**

1 Jersey subsidy account, respectively.

2 e. In the event that the charity care component of the  
3 disproportionate share hospital subsidy account has a surplus in a  
4 given year after payments are distributed pursuant to the methodology  
5 established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and  
6 section 7 of P.L.1996, c.28 (C.26:2H-18.59e) and within the  
7 limitations provided in subsection e. of section 9 of P.L.1992, c.160  
8 (C.26:2H-18.59), the surplus monies in calendar years 1996 and 1997  
9 shall lapse to the unemployment compensation fund established  
10 pursuant to R.S.43:21-9, and each year thereafter shall lapse to the  
11 charity care component of the disproportionate share hospital subsidy  
12 account for distribution in subsequent years.

13 (cf: P.L.1997, c.263, s.2)

14

15 2. Section 8 of P.L.1996, c.28 (C.26:2H-18.59f) is amended to  
16 read as follows:

17 8. **【**Within 30 days of the date of enactment of P.L.1996, c.28,  
18 **the】** The Commissioner of Human Services, in consultation with the  
19 Commissioner of Health and Senior Services and the State Treasurer,  
20 **【shall】** may pursue any necessary waivers from the federal Department  
21 of Health and Human Services in order to implement, within a single  
22 region or county of the State designated by the Commissioner of  
23 Human Services in consultation with the Commissioner of Health and  
24 Senior Services and the State Treasurer, which may be limited to  
25 designated hospitals within that region, a demonstration health care  
26 program to provide low income residents of 【the State】 that region or  
27 county who qualify pursuant to section 10 of P.L.1992, c.160  
28 (C.26:2H-18.60), with eligible charity care services on a managed care  
29 basis. The program shall be implemented by the Commissioner of  
30 Health and Senior Services in consultation with the Commissioner of  
31 Human Services and the State Treasurer.

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

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

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

46 (1) providing charity care services on a managed care basis as  
47 specified by the Commissioner of Health and Senior Services, in  
48 consultation with the Commissioner of Human Services and the State

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

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

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

10 (4) the development and use of a uniform method for determining  
11 eligibility of **[State]** residents of the designated region or county for  
12 health care services under the demonstration program; and

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

17 The contract shall also provide that provider participation in the  
18 demonstration program shall ensure the maximum receipt by the State  
19 of federal 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 and Senior Services shall report 12  
22 months after the contract with the administrator or administrators is  
23 entered into by the State Treasurer and **[each year thereafter]** upon  
24 the conclusion of the demonstration program to the standing reference  
25 committees on health and appropriations of the Senate and General  
26 Assembly and the Governor on:

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

33 (2) the effectiveness of the demonstration program in containing  
34 or reducing costs for providing health care services to qualified low  
35 income residents of the **[State]** designated region or county; and

36 (3) recommendations developed in consultation with the  
37 Commissioner of Human Services and the State Treasurer concerning  
38 additional cost containment actions that may be adopted for the  
39 provision of health care services to qualified low income persons,  
40 including, but not limited to, expansion of the demonstration program  
41 to encompass other regions or counties within the State.

42 e. Nothing in this section shall be construed to expand covered  
43 health care services provided under the demonstration program to  
44 include services not covered by the charity care program in effect on  
45 the effective date of **[this act]** P.L.1996, c.28.

46 f. The implementation of the **[health care]** demonstration program  
47 pursuant to this section or other subsidies for charity care that affect  
48 the Medicaid State plan shall be contingent upon receipt of federal

1 approvals that assure continuation of an acceptable level of federal  
2 Medicaid matching funds, including disproportionate share monies, as  
3 determined by the Director of the Division of Medical Assistance and  
4 Health Services in the Department of Human Services and the Director  
5 of the Division of Budget and Accounting in the Department of the  
6 Treasury.

7 (cf: P.L.1996, c.28, s.8)

8

9 3. Section 9 of P.L.1996, c.28 (C.26:2H-18.59g) is amended to  
10 read as follows:

11 9. The Commissioner of Health and Senior Services, in  
12 consultation with the State Treasurer, shall establish a technology  
13 infrastructure to support the **【Statewide health care program**  
14 **established pursuant to section 8 of P.L.1996, c.28 (C.26:2H-18.59f)】**  
15 **provision of charity care pursuant to P.L.1992, c.160 (C.26:2H-18.51**  
16 **et al.)**.

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

27 (cf: P.L.1996, c.28, s.9)

28

29 4. Section 11 of P.L.1996, c.28 (C.26:2H-18.58c) is amended to  
30 read as follows:

31 11. a. The Health Care Subsidy Fund shall be funded with \$15  
32 million in General Fund revenues in calendar year 1996 and \$41  
33 million in General Fund revenues in calendar year 1997 and \$42.9  
34 million in General Fund revenues for the period January 1, 1998  
35 through June 30, 1998.

36 b. The Health Care Subsidy Fund shall be supported with  
37 revenues derived from efficiencies achieved by State use of an  
38 electronic data interchange system for health care claims and related  
39 information, in amounts necessary to provide funding for the **【health**  
40 **care program pursuant to section 8 of P.L.1996, c.28**  
41 **(C.26:2H-18.59f)】** **provision of charity care pursuant to P.L.1992,**  
42 **c.160 (C.26:2H-18.51 et al.)**.

43 (cf: P.L.1997, c.263, s.3)

44

45 <sup>1</sup> **5. (New section) a. There is established a Managed Care Task**  
46 **Force to study and make recommendations concerning the**  
47 **implementation of a program to provide low income residents of the**

1 State who qualify pursuant to section 10 of P.L.1992, c.160 (C.26:2H-  
2 18.60), with eligible charity care services on a managed care basis.  
3 The task force shall also study the use and development of electronic  
4 patient identification technology and electronic data exchange to  
5 support a program providing charity care services on a managed care  
6 basis.

7 The task force shall consist of 13 members as follows: the State  
8 Treasurer, or his designee, who shall serve ex officio; the  
9 Commissioner of Health and Senior Services, or his designee, who  
10 shall serve ex officio; two members of the Senate to be appointed by  
11 the President of the Senate and who shall each be of different political  
12 parties; two public members, one of whom shall represent an acute  
13 care hospital in the State, to be appointed by the President of the  
14 Senate; two members of the General Assembly to be appointed by the  
15 Speaker of the General Assembly and who shall each be of different  
16 political parties; two public members, one of whom shall represent an  
17 acute care hospital in the State, to be appointed by the Speaker of the  
18 General Assembly; one representative of the New Jersey Hospital  
19 Association; and two public members, one of whom shall represent an  
20 acute care hospital in the State, to be appointed by the Governor.

21 b. The task force shall organize as soon as practicable following  
22 the appointment of its members and shall select a chairperson from  
23 among the members. The chairperson shall appoint a secretary who  
24 need not be a member of the task force. Vacancies in the membership  
25 shall be filled in the same manner as the original appointments were  
26 made.

27 c. The members of the task force shall serve without compensation  
28 but shall be entitled to reimbursement for reasonable expenses incurred  
29 in the performance of their duties.

30 d. The Department of the Treasury shall supply the task force with  
31 such personnel and resources as it requires to carry out its duties.

32 e. The task force shall report its findings and recommendations to  
33 the Governor and the standing legislative reference committees on  
34 budget and appropriations no later than 18 months after the date of  
35 organization of the task force.

36

37 <sup>1</sup>[5.] 6.<sup>1</sup> This act shall take effect immediately.



# ASSEMBLY, No. 1690

## STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED FEBRUARY 19, 1998

**Sponsored by:**

Assemblyman **NICHOLAS ASSELTA**

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman **JOSEPH V. DORIA, JR.**

District 31 (Hudson)

**Co-Sponsored by:**

Assemblymen Zecker, Steele, Gusciora, Augustine, Assemblywoman Quigley, Assemblymen Greenwald, Garcia, Felice, Conaway, Assemblywomen Farragher, Weinberg, Cruz-Perez, Watson Coleman, Pou, Previte, Assemblymen Caraballo, Zisa, Rooney, Wolfe, Chatzidakis, Wisniewski, Stanley, Kelly, Gibson, Garrett, Assemblywoman Gill, Assemblymen Romano, Conners, Roberts, LeFevre, Luongo, Assemblywoman Friscia, Assemblymen Suliga, Payne, Tucker, Jones, Connors, Russo, DeCroce, Bodine, Assemblywoman Buono, Assemblymen Kramer, Moran, Talarico, Weingarten, Assemblywomen Murphy, Heck, Assemblymen R.Smith, Charles, Impreveduto, Cohen, Green, Blee, Barnes, Merkt, Thompson, Arnone, Malone, T.Smith, Carroll, Assemblywoman Vandervalk, Assemblymen Holzapfel, Corodemus, Cottrell, Assemblywoman Crecco, Assemblymen Azzolina, O'Toole, Senators Matheussen, Bennett, Cafiero, Sinagra, Lipman, Palaia, Inverso, Adler, Rice, Bassano, Bark, Kenny, Kyrillos, Turner, Vitale, O'Connor, Girgenti, Ciesla, Bucco, Codey, Allen, Bryant and Robertson

**A1690 ASSELTA, DORIA**

2

1 **AN ACT** concerning hospital charity care and amending P.L.1992,  
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15 pursuant to section 11 of P.L.1996, c.28 (C.26:2H-18.58c), revenues  
16 from interest and penalties collected pursuant to this act and revenues  
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30 The administrator of the fund is responsible for overseeing and  
31 coordinating the collection and reimbursement of fund monies. The  
32 administrator is responsible for promptly informing the commissioner  
33 if monies are not or are not reasonably expected to be collected or  
34 disbursed.

35 c. The commissioner shall adopt rules and regulations to ensure  
36 the integrity of the fund, pursuant to the "Administrative Procedure  
37 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

38 d. The administrator shall establish separate accounts for the

**A1690 ASSELTA, DORIA**

3

1 Jersey subsidy account, respectively.

2 e. In the event that the charity care component of the  
3 disproportionate share hospital subsidy account has a surplus in a  
4 given year after payments are distributed pursuant to the methodology  
5 established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and  
6 section 7 of P.L.1996, c.28 (C.26:2H-18.59e) and within the  
7 limitations provided in subsection e. of section 9 of P.L.1992, c.160  
8 (C.26:2H-18.59), the surplus monies in calendar years 1996 and 1997  
9 shall lapse to the unemployment compensation fund established  
10 pursuant to R.S.43:21-9, and each year thereafter shall lapse to the  
11 charity care component of the disproportionate share hospital subsidy  
12 account for distribution in subsequent years.

13 (cf: P.L.1997, c.263, s.2)

14

15 2. Section 8 of P.L.1996, c.28 (C.26:2H-18.59f) is amended to  
16 read as follows:

17 8. [Within 30 days of the date of enactment of P.L.1996, c.28, the]  
18 The Commissioner of Human Services, in consultation with the  
19 Commissioner of Health and Senior Services and the State Treasurer,  
20 [shall] may pursue any necessary waivers from the federal Department  
21 of Health and Human Services in order to implement, within a single  
22 region or county of the State designated by the Commissioner of  
23 Human Services in consultation with the Commissioner of Health and  
24 Senior Services and the State Treasurer, which may be limited to  
25 designated hospitals within that region, a demonstration health care  
26 program to provide low income residents of [the State] that region or  
27 county who qualify pursuant to section 10 of P.L.1992, c.160  
28 (C.26:2H-18.60), with eligible charity care services on a managed care  
29 basis. The program shall be implemented by the Commissioner of  
30 Health and Senior Services in consultation with the Commissioner of  
31 Human Services and the State Treasurer.

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

**A1690 ASSELTA, DORIA**

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1 specified by the Commissioner of Health and Senior Services, in  
2 consultation with the Commissioner of Human Services and the State  
3 Treasurer. An administrator shall be responsible for determining the  
4 most appropriate and cost-effective means of providing the health care  
5 services required by an eligible person and for directing the person to  
6 that means for receipt of the services;

7 (2) the determination of eligibility criteria for health care providers  
8 who choose to participate in the demonstration program;

9 (3) a methodology established by the Commissioner of Health and  
10 Senior Services for reimbursement of participating hospitals and other  
11 health care providers;

12 (4) the development and use of a uniform method for determining  
13 eligibility of [State] residents of the designated region or county for  
14 health care services under the demonstration program; and

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

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

23 d. The Commissioner of Health and Senior Services shall report 12  
24 months after the contract with the administrator or administrators is  
25 entered into by the State Treasurer and [each year thereafter] upon the  
26 conclusion of the demonstration program to the standing reference  
27 committees on health and appropriations of the Senate and General  
28 Assembly and the Governor on:

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

35 (2) the effectiveness of the demonstration program in containing  
36 or reducing costs for providing health care services to qualified low  
37 income residents of the [State] designated region or county; and

38 (3) recommendations developed in consultation with the

1 the effective date of [this act] P.L.1996, c.28.

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

11 (cf: P.L.1996, c.28, s.8)

12

13 3. Section 9 of P.L.1996, c.28 (C.26:2H-18.59g) is amended to  
14 read as follows:

15 9. The Commissioner of Health and Senior Services, in  
16 consultation with the State Treasurer, shall establish a technology  
17 infrastructure to support the [Statewide health care program  
18 established pursuant to section 8 of P.L.1996, c.28 (C.26:2H-18.59f)]  
19 provision of charity care pursuant to P.L.1992, c.160 (C.26:2H-18.51  
20 et al.).

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

31 (cf: P.L.1996, c.28, s.9)

32

33 4. Section 11 of P.L.1996, c.28 (C.26:2H-18.58c) is amended to  
34 read as follows:

35 11. a. The Health Care Subsidy Fund shall be funded with \$15  
36 million in General Fund revenues in calendar year 1996 and \$41  
37 million in General Fund revenues in calendar year 1997 and \$42.9  
38 million in General Fund revenues for the period January 1, 1998

1 c.160 (C.26:2H-18.51 et al.).

2 (cf: P.L.1997, c.263, s.3)

3

4 5. This act shall take effect immediately.

5

6

7

STATEMENT

8

9 This bill eliminates the requirement provided in section 8 of  
10 P.L.1996, c.28 (C.26:2H-18.59f) that the Commissioner of Human  
11 Services seek federal approval to establish a permanent Statewide  
12 program for providing hospital charity care services on a managed care  
13 basis.

14 This bill reflects the inability of the State to obtain federal approval  
15 for such a Statewide program to date and the related concerns which  
16 make such a program problematic for acute care hospitals, given that:  
17 C this approach to delivering charity care services in this State has not  
18 actually been tested to date;

19 C there can, therefore, be no assurance that this program will actually  
20 save the State any money;

21 C hospitals are not now being reimbursed adequately for the amount  
22 of charity care that they provide and would be required under the  
23 proposed managed charity care program to share the inadequate  
24 amount of charity care subsidy funds that they receive with  
25 community-based health care providers, such as outpatient  
26 substance abuse treatment programs, which currently provide care  
27 to uninsured persons from other sources of funding; and

28 C implementation of the proposed managed charity care program  
29 would require hospitals to incur significant start-up costs, as well  
30 as the ongoing costs of new layers of administration and oversight  
31 once the program becomes fully operational.

32 Instead of a permanent Statewide program, this bill would permit  
33 the Commissioner of Human Services to seek federal approval to  
34 establish a demonstration managed charity care program, within a  
35 single region or county, for a two-year period in order to test the  
36 programmatic and fiscal viability of delivering charity care services by  
37 this alternative means. If this demonstration program is approved, the  
38 Commissioner of Health and Senior Services would report to the

ASSEMBLY HEALTH COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1690**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 23,1998

The Assembly Health Committee reports favorably Assembly Bill No. 1690.

This bill eliminates the requirement provided in section 8 of P.L.1996, c.28 (C.26:2H-18.59f) that the Commissioner of Human Services seek federal approval to establish a permanent Statewide program for providing hospital charity care services on a managed care basis.

Instead of a permanent Statewide program, this bill would permit the Commissioner of Human Services to seek federal approval to establish a demonstration managed charity care program, within a single region or county, for a two-year period in order to test the programmatic and fiscal viability of delivering charity care services by this alternative means. If this demonstration program is approved, the Commissioner of Health and Senior Services would report to the Governor and the Legislature on the results of this demonstration program, along with any recommendations for expanding the program that the commissioner deems appropriate.

As reported by the committee, this bill is identical to Senate Bill No. 580 (Matheussen/Bennett), which was proposed for introduction on February 10, 1998.

# SENATE, No. 580

## STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED FEBRUARY 23, 1998

**Sponsored by:**

**Senator JOHN J. MATHEUSSEN**  
**District 4 (Camden and Gloucester)**  
**Senator JOHN O. BENNETT**  
**District 12 (Monmouth)**

**Co-Sponsored by:**

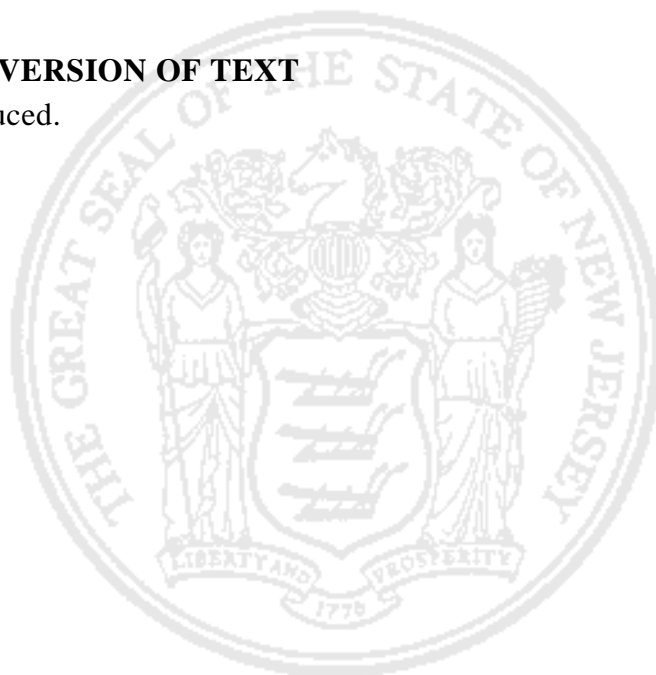
**Senators Cafiero, Sinagra, Lipman, Palaia, Inverso, Adler, Rice, Bassano, Bark, Kenny, Kyrillos, Turner, Vitale, O'Connor, Girgenti, Ciesla, Bucco, Codey, Allen, Bryant and Robertson**

**SYNOPSIS**

Eliminates requirement to establish Statewide managed hospital charity care program and provides for regional or county-based demonstration program.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/23/1998)**



1 AN ACT concerning hospital charity care and amending P.L.1992,  
2 c.160 and P.L.1996, c.28.

3

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

6

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

9 8. There is established the Health Care Subsidy Fund in the  
10 Department of Health and Senior Services.

11 a. The fund shall be comprised of revenues from employee and  
12 employer contributions made pursuant to section 29 of P.L.1992,  
13 c.160 (C.43:21-7b), revenues from the hospital assessment made  
14 pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62), revenues  
15 pursuant to section 11 of P.L.1996, c.28 (C.26:2H-18.58c), revenues  
16 from interest and penalties collected pursuant to this act and revenues  
17 from such other sources as the Legislature shall determine. Interest  
18 earned on the monies in the fund shall be credited to the fund. The  
19 fund shall be a nonlapsing fund dedicated for use by the State to: (1)  
20 distribute charity care and other uncompensated care disproportionate  
21 share payments to hospitals, and other eligible providers pursuant to  
22 section 8 of P.L.1996, c.28 (C.26:2H-18.59f), provide subsidies for  
23 the Health Access New Jersey program established pursuant to section  
24 15 of P.L.1992, c.160 (C.26:2H-18.65), and provide funding for  
25 children's health care coverage pursuant to P.L.1997, c.272 (C.30:4I-1  
26 et seq.); and (2) assist hospitals and other health care facilities in the  
27 underwriting of innovative and necessary health care services.

28 b. The fund shall be administered by a person appointed by the  
29 commissioner.

30 The administrator of the fund is responsible for overseeing and  
31 coordinating the collection and reimbursement of fund monies. The  
32 administrator is responsible for promptly informing the commissioner  
33 if monies are not or are not reasonably expected to be collected or  
34 disbursed.

35 c. The commissioner shall adopt rules and regulations to ensure  
36 the integrity of the fund, pursuant to the "Administrative Procedure  
37 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

38 d. The administrator shall establish separate accounts for the  
39 charity care component of the disproportionate share hospital subsidy,  
40 other uncompensated care component of the disproportionate share  
41 hospital subsidy, hospital and other health care initiatives funding and  
42 the payments for subsidies for insurance premiums to provide care in  
43 disproportionate share hospitals, known as the Health Access New

**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 Jersey subsidy account, respectively.

2 e. In the event that the charity care component of the  
3 disproportionate share hospital subsidy account has a surplus in a  
4 given year after payments are distributed pursuant to the methodology  
5 established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and  
6 section 7 of P.L.1996, c.28 (C.26:2H-18.59e) and within the  
7 limitations provided in subsection e. of section 9 of P.L.1992, c.160  
8 (C.26:2H-18.59), the surplus monies in calendar years 1996 and 1997  
9 shall lapse to the unemployment compensation fund established  
10 pursuant to R.S.43:21-9, and each year thereafter shall lapse to the  
11 charity care component of the disproportionate share hospital subsidy  
12 account for distribution in subsequent years.

13 (cf: P.L.1997, c.263, s.2)

14

15 2. Section 8 of P.L.1996, c.28 (C.26:2H-18.59f) is amended to  
16 read as follows:

17 8. **【**Within 30 days of the date of enactment of P.L.1996, c.28,  
18 **the】** The Commissioner of Human Services, in consultation with the  
19 Commissioner of Health and Senior Services and the State Treasurer,  
20 **【shall】** may pursue any necessary waivers from the federal Department  
21 of Health and Human Services in order to implement, within a single  
22 region or county of the State designated by the Commissioner of  
23 Human Services in consultation with the Commissioner of Health and  
24 Senior Services and the State Treasurer, which may be limited to  
25 designated hospitals within that region, a demonstration health care  
26 program to provide low income residents of 【the State】 that region or  
27 county who qualify pursuant to section 10 of P.L.1992, c.160  
28 (C.26:2H-18.60), with eligible charity care services on a managed care  
29 basis. The program shall be implemented by the Commissioner of  
30 Health and Senior Services in consultation with the Commissioner of  
31 Human Services and the State Treasurer.

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

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

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

46 (1) providing charity care services on a managed care basis as

1 specified by the Commissioner of Health and Senior Services, in  
2 consultation with the Commissioner of Human Services and the State  
3 Treasurer. An administrator shall be responsible for determining the  
4 most appropriate and cost-effective means of providing the health care  
5 services required by an eligible person and for directing the person to  
6 that means for receipt of the services;

7 (2) the determination of eligibility criteria for health care providers  
8 who choose to participate in the demonstration program;

9 (3) a methodology established by the Commissioner of Health and  
10 Senior Services for reimbursement of participating hospitals and other  
11 health care providers;

12 (4) the development and use of a uniform method for determining  
13 eligibility of **【State】** residents of the designated region or county for  
14 health care services under the demonstration program; and

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

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

23 d. The Commissioner of Health and Senior Services shall report 12  
24 months after the contract with the administrator or administrators is  
25 entered into by the State Treasurer and **【each year thereafter】** upon  
26 the conclusion of the demonstration program to the standing reference  
27 committees on health and appropriations of the Senate and General  
28 Assembly and the Governor on:

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

35 (2) the effectiveness of the demonstration program in containing  
36 or reducing costs for providing health care services to qualified low  
37 income residents of the **【State】** designated region or county; and

38 (3) recommendations developed in consultation with the  
39 Commissioner of Human Services and the State Treasurer concerning  
40 additional cost containment actions that may be adopted for the  
41 provision of health care services to qualified low income persons,  
42 including, but not limited to, expansion of the demonstration program  
43 to encompass other regions or counties within the State.

44 e. Nothing in this section shall be construed to expand covered  
45 health care services provided under the demonstration program to  
46 include services not covered by the charity care program in effect on

1 the effective date of **[this act]** P.L.1996, c.28.

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

11 (cf: P.L.1996, c.28, s.8)

12

13 3. Section 9 of P.L.1996, c.28 (C.26:2H-18.59g) is amended to  
14 read as follows:

15 9. The Commissioner of Health and Senior Services, in  
16 consultation with the State Treasurer, shall establish a technology  
17 infrastructure to support the **[Statewide health care program**  
18 **established pursuant to section 8 of P.L.1996, c.28 (C.26:2H-18.59f)]**  
19 **provision of charity care pursuant to P.L.1992, c.160 (C.26:2H-18.51**  
20 **et al.)**.

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

31 (cf: P.L.1996, c.28, s.9)

32

33 4. Section 11 of P.L.1996, c.28 (C.26:2H-18.58c) is amended to  
34 read as follows:

35 11. a. The Health Care Subsidy Fund shall be funded with \$15  
36 million in General Fund revenues in calendar year 1996 and \$41  
37 million in General Fund revenues in calendar year 1997 and \$42.9  
38 million in General Fund revenues for the period January 1, 1998  
39 through June 30, 1998.

40 b. The Health Care Subsidy Fund shall be supported with  
41 revenues derived from efficiencies achieved by State use of an  
42 electronic data interchange system for health care claims and related  
43 information, in amounts necessary to provide funding for the **[health**  
44 **care program pursuant to section 8 of P.L.1996, c.28**  
45 **(C.26:2H-18.59f)]** provision of charity care pursuant to P.L.1992,

1 c.160 (C.26:2H-18.51 et al.).

2 (cf: P.L.1997, c.263, s.3)

3

4 5. This act shall take effect immediately.

5

6

7

STATEMENT

8

9 This bill eliminates the requirement provided in section 8 of  
10 P.L.1996, c.28 (C.26:2H-18.59f) that the Commissioner of Human  
11 Services seek federal approval to establish a permanent Statewide  
12 program for providing hospital charity care services on a managed care  
13 basis.

14 This bill reflects the inability of the State to obtain federal approval  
15 for such a Statewide program to date and the related concerns which  
16 make such a program problematic for acute care hospitals, given that:

- 17 • this approach to delivering charity care services in this State has not  
18 actually been tested to date;
- 19 • there can, therefore, be no assurance that this program will actually  
20 save the State any money;
- 21 • hospitals are not now being reimbursed adequately for the amount  
22 of charity care that they provide and would be required under the  
23 proposed managed charity care program to share the inadequate  
24 amount of charity care subsidy funds that they receive with  
25 community-based health care providers, such as outpatient  
26 substance abuse treatment programs, which currently provide care  
27 to uninsured persons from other sources of funding; and
- 28 • implementation of the proposed managed charity care program  
29 would require hospitals to incur significant start-up costs, as well  
30 as the ongoing costs of new layers of administration and oversight  
31 once the program becomes fully operational.

32 Instead of a permanent Statewide program, this bill would permit  
33 the Commissioner of Human Services to seek federal approval to  
34 establish a demonstration managed charity care program, within a  
35 single region or county, for a two-year period in order to test the  
36 programmatic and fiscal viability of delivering charity care services by  
37 this alternative means. If this demonstration program is approved, the  
38 Commissioner of Health and Senior Services would report to the  
39 Governor and the Legislature on the results of this demonstration  
40 program, along with any recommendations for expanding the program  
41 that the commissioner deems appropriate.

# SENATE HEALTH COMMITTEE

## STATEMENT TO

### **SENATE, No. 580**

# **STATE OF NEW JERSEY**

DATED: MARCH 5, 1998

The Senate Health Committee reports favorably Senate Bill No. 580.

This bill eliminates the requirement provided in section 8 of P.L.1996, c.28 (C.26:2H-18.59f) that the Commissioner of Human Services seek federal approval to establish a permanent Statewide program for providing hospital charity care services on a managed care basis.

Instead of a permanent Statewide program, this bill would permit the Commissioner of Human Services to seek federal approval to establish a demonstration managed charity care program, within a single region or county, for a two-year period in order to test the programmatic and fiscal viability of delivering charity care services by this alternative means. If this demonstration program is approved, the Commissioner of Health and Senior Services would report to the Governor and the Legislature on the results of this demonstration program, along with any recommendations for expanding the program that the commissioner deems appropriate.

This bill is identical to Assembly Bill No. 1690 (Asselta/Doria), which is pending before the General Assembly.

May 4, 1998

**ASSEMBLY BILL NO. 1690**

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 1690 with my recommendations for reconsideration.

A. Summary of Bill

This bill eliminates the requirement provided in current charity care law that the Commissioner of Human Services seek federal approval to establish a permanent Statewide program for providing hospital charity care services on a managed care basis. Instead of a permanent Statewide program, this bill would permit the Commissioner of Human Services, in consultation with the Commissioner of Health and Senior Services and the Treasurer, to seek federal approval to establish a demonstration managed charity care program, within a single region or county, for a two-year period in order to test the programmatic and fiscal viability of delivering charity care services by this alternative means. Further, the bill requires the Commissioner of Health and Senior Services to report to the Governor and the Legislature on the results of this demonstration program, along with any recommendations for expanding the program that the Commissioner deems appropriate.

B. Recommended Action

Because managed care is a new approach to delivering charity care services in this State, I support the establishment of a regional demonstration program to test the programmatic and fiscal viability of providing these services by this alternative means. I am encouraged to learn from the Department of Health and Senior Services that several hospitals from the various regions of the State have expressed interest in participating in the demonstration program, which will allow for a meaningful test period. Based on the actual results of this program, I recommend that a Task Force be established to study and make recommendations concerning the implementation of a permanent managed charity care program and to study the use and development of electronic patient identification technology and electronic data exchange to support such a program. Accordingly, I am recommending that a provision be added to this bill creating a Managed Care Task Force. I recommend that the Commissioner of the Department of Health and Senior Services serve as an ex officio member of the Task Force, to ensure proper coordination of these efforts with the reporting requirement included in the bill.

Therefore, I herewith return Assembly Bill No. 1690 and recommend that it be amended as follows:

Page 6, Line 4:

Insert new section as follows:

"5. a. There is established a Managed Care Task Force to study and make recommendations concerning the implementation of a program to provide low income residents of the State who qualify pursuant to section 10 of P.L. 1992, c.160 (C.26:2H-18.60), with eligibility charity care services on a managed care basis. The task force shall also study the use and development of electronic patient identification technology and electronic data exchange to support a



program providing charity care services on a managed care basis.

task force shall consist of 13 members as follows: the State Treasurer, or his designee, who shall serve ex officio; the Commissioner of the Department of Health and Senior Services, or his designee, who shall serve ex officio; two members of the The Senate to be appointed by the President of the Senate and who shall each be of different political parties; two public members, one of whom shall represent an acute care hospital in the State, to be appointed by the President of the Senate; two members of the General Assembly to be appointed by the Speaker of the General Assembly and who shall each be of different political parties; two public members, one of whom shall represent an acute care hospital in the State, to be appointed by the Speaker of the General Assembly; one representative of the New Jersey Hospital Association; and two public members, one of whom shall represent an acute care hospital in the State , to be appointed by the Governor.

b. The task force shall organize as soon as practicable following the appointment of its members and shall select a chairperson from among the members. The chairperson shall appoint a secretary who need not be a member of the task force. Vacancies in the membership shall be filled in the same manner as the original appointments were made.

c. The members of the task force shall serve without compensation but

**STATE OF NEW JERSEY**

EXECUTIVE DEPARTMENT

4

shall be entitled to reimbursement for reasonable expenses incurred in the performance of their duties.

d. The Department of the Treasury shall supply the task force with such personnel and resources as it requires to carry out its duties.

e. The task force shall report its findings and recommendations to the Governor and the standing legislative reference committees on budget and appropriations no later than 18 months after the date of organization of the task force."

Page 6, Section 5, Line 4:

Delete "5" and insert "6"

Respectfully,

/s/ Christine Todd Whitman

GOVERNOR

[seal]

Attest:

/s/ John J. Farmer, Jr.

Chief Counsel to the Governor

May 4, 1998

**ASSEMBLY BILL NO. 1690**

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 1690 with my recommendations for reconsideration.

A. Summary of Bill

This bill eliminates the requirement provided in current charity care law that the Commissioner of Human Services seek federal approval to establish a permanent Statewide program for providing hospital charity care services on a managed care basis. Instead of a permanent Statewide program, this bill would permit the Commissioner of Human Services, in consultation with the Commissioner of Health and Senior Services and the Treasurer, to seek federal approval to establish a demonstration managed charity care program, within a single region or county, for a two-year period in order to test the programmatic and fiscal viability of delivering charity care services by this alternative means. Further, the bill requires the Commissioner of Health and Senior Services to report to the Governor and the Legislature on the results of this demonstration program, along with any recommendations for expanding the program that the Commissioner deems appropriate.

B. Recommended Action

Because managed care is a new approach to delivering charity care services in this State, I support the establishment of a regional demonstration program to test the programmatic and fiscal viability of providing these services by this alternative means. I am encouraged to learn from the Department of Health and Senior Services that several hospitals from the various regions of the State have expressed interest in participating in the demonstration program, which will allow for a meaningful test period. Based on the actual results of this program, I recommend that a Task Force be established to study and make recommendations concerning the implementation of a permanent managed charity care program and to study the use and development of electronic patient identification technology and electronic data exchange to support such a program. Accordingly, I am recommending that a provision be added to this bill creating a Managed Care Task Force. I recommend that the Commissioner of the Department of Health and Senior Services serve as an ex officio member of the Task Force, to ensure proper coordination of these efforts with the reporting requirement included in the bill.

Therefore, I herewith return Assembly Bill No. 1690 and recommend that it be amended as follows:

Page 6, Line 4:

Insert new section as follows:

"5. a. There is established a Managed Care Task Force to study and make recommendations concerning the implementation of a program to provide low income residents of the State who qualify pursuant to section 10 of P.L. 1992, c.160 (C.26:2H-18.60), with eligibility charity care services on a managed care basis. The task force shall also study the use and development of electronic patient identification technology and electronic data exchange to support a

program providing charity care services on a managed care basis.

task force shall consist of 13 members as follows: the State Treasurer, or his designee, who shall serve ex officio; the Commissioner of the Department of Health and Senior Services, or his designee, who shall serve ex officio; two members of the The Senate to be appointed by the President of the Senate and who shall each be of different political parties; two public members, one of whom shall represent an acute care hospital in the State, to be appointed by the President of the Senate; two members of the General Assembly to be appointed by the Speaker of the General Assembly and who shall each be of different political parties; two public members, one of whom shall represent an acute care hospital in the State, to be appointed by the Speaker of the General Assembly; one representative of the New Jersey Hospital Association; and two public members, one of whom shall represent an acute care hospital in the State , to be appointed by the Governor.

b. The task force shall organize as soon as practicable following the appointment of its members and shall select a chairperson from among the members. The chairperson shall appoint a secretary who need not be a member of the task force. Vacancies in the membership shall be filled in the same manner as the original appointments were made.

c. The members of the task force shall serve without compensation but

STATE OF NEW JERSEY

EXECUTIVE DEPARTMENT

4

shall be entitled to reimbursement for reasonable expenses incurred in the performance of their duties.

d. The Department of the Treasury shall supply the task force with such personnel and resources as it requires to carry out its duties.

e. The task force shall report its findings and recommendations to the Governor and the standing legislative reference committees on budget and appropriations no later than 18 months after the date of organization of the task force."

Page 6, Section 5, Line 4:

Delete "5" and insert "6"

Respectfully,

/s/ Christine Todd Whitman

GOVERNOR

[seal]

Attest:

/s/ John J. Farmer, Jr.

Chief Counsel to the Governor

*Office of the Governor*  
**NEWS RELEASE**

PO BOX 004  
TRENTON, NJ 08625

CONTACT: Jayne O'Connor  
Julie Plocinik  
609-777-2600

RELEASE: June 30, 1998

Gov. Christie Whitman today signed the following legislation:

**S-2001**, sponsored by Senator Robert Littell (R- Sussex/Hunterdon/Morris) and Assembly Members Richard Bagger (R- Middlesex/Morris/Somerset/Union) and Joseph Charles (D-Hudson), makes various FY 1998 supplemental appropriations totaling \$105,403,932 in state funds and \$579,254 in federal funds and appropriates \$15 million in bond funds. Projects funded through this bill include: \$400,000 for the purchase of protective vests for law enforcement, \$750,000 to support a toll free telephone system for dealing with the Division of Motor Vehicles services, \$285,000 for computer equipment to run criminal history background checks on school employees, and \$15 million in property tax relief aid to the City of Camden and the creation of a financial oversight board for the city, and \$15 million for sewer overflow abatement projects for the Passaic River/Newark Bay Restoration Program.

**A-2141**, sponsored by Assembly Member Francis Blee (R-Atlantic) and Senators Louis Bassano (R-Essex/Union) and Leonard Connors (R-Atlantic/Burlington/Ocean), establishes an annual assessment of 5.8 percent of gross revenue on all intermediate care facilities for the mentally retarded. The revenue generated by the assessment will be used to reduce the Developmental Disabilities waiting list for placement in community residences.

**A-673**, sponsored by Assembly Members Jack Gibson and Nicholas Asselta and Senator James Cafiero (all R-Cape May/Atlantic/Cumberland), authorizes municipalities to regulate skateboards and roller skates upon roadways and public properties under their jurisdiction. This law supplements legislation signed January 19, requiring helmets for skaters under 14 years of, by ensuring that municipalities have the ability to regulate skating activities to protect skaters, motorists and other pedestrians in their communities.

**A-553**, sponsored by Assembly Members David Russo (R- Bergen/Passaic) and Gerald Zecker (R-Essex/Passaic) and Senators Jack Sinagra (R-Middlesex) and John Adler (D-Camden), prohibits smoking in child care centers when children are present.

**A-1902**, sponsored by Assembly Member Richard Bagger (R-Middlesex/Morris/Somerset/Union) and Louis Romano (D-Hudson) and Senator Robert Littell (R-Sussex/Hunterdon/Morris), authorizes the State Treasurer to determine the salary of the Director and Deputy Director of the Division of Investment and authorizes the Treasurer to designate an additional deputy director.

**S-851**, sponsored by Senators Joseph Palaia (R-Monmouth) and Norman M.

Robertson (R-Essex/Passaic) and Assembly Member Christopher "Kip" Bateman (R-Morris/Somerset), revises statutes providing for criminal history record checks of school employees and school bus drivers. The bill expands the list of disqualifying crimes; deletes a provision authorizing the employment of a persons with a disqualifying crime if rehabilitation has been demonstrated and prohibits schools from provisionally hiring candidates pending completion of their criminal history record checks, except in limited circumstances.

**A-1996**, gives the state Treasurer the authority to bundle old, difficult to collect tax debt represented as tax certificates and enter into a contract with a financial institution after public bidding. The financial institution would assume ownership of the debt and replace the state as the collector. The bill was sponsored by Assembly Members Paul DiGaetano (R- Bergen/Essex/Passaic) and Richard Bagger (R-Middlesex/Morris /Somerset/Union) and Senators Walter Kavanaugh (R-Morris/Somerset) and Peter Inverso (R-Mercer/Middlesex).

**S-1002**, which amends the state's Business Employment Incentive Program (BEIP) Act to encourage partnerships and limited liability companies to participate in the BEIP program and locate or expand in New Jersey. Companies that create jobs in New Jersey by either moving to the state or expanding operations are eligible to receive incentive grants which are based upon the income taxes paid by the newly-hired employees. The new legislation amends the law to allow estimated taxes paid by partners to be included in the BEIP calculation, thereby increasing the amount of the BEIP grant for partnerships and limited liability companies and providing them with an incentive to move to New Jersey. The bill was sponsored by Senators Joseph Kyrillos, Jr. (R- Middlesex/Monmouth) and Bernard Kenny, Jr. (D-Hudson) and Assembly Members Steve Corodemus (R-Monmouth) and Joseph Azzolina (R- Middlesex/Monmouth).

**A-2190**, sponsored by Assembly Members Francis Blee (R-Atlantic) and Carol Murphy (R-Essex/Morris/Passaic), expands the Drug Utilization Review Board in the Department of Human Services for state-funded pharmaceutical benefits programs. The powers of the Board will include review of the Pharmaceutical Assistance to the Aged and Disabled (PAAD) and the AIDS Drug Distribution programs. Membership of the Board shall include individuals with expertise in the prescribing of medication to the geriatric and AIDS populations to address specific needs of these individuals. The bill appropriates \$90,000 for establishment of the Review Board.

**A- 1690**, eliminates the requirement in the current charity care law that the Commissioner of Health and Senior Services (DHSS) seek federal approval to establish a permanent state-wide program for providing hospital charity care services on a managed care basis. The bill permits the Commissioner of Human Services to seek federal approval to establish a demonstration managed charity care program, within a single region or county, for a two-year period in order to test the programmatic and fiscal viability of delivering charity care services by this alternative means. The bill was sponsored by Assembly Members Nicholas Asselta (R-Cape May/Atlantic/Cumberland) and Joseph Doria, Jr. ((D-Hudson) and by Senators John Matheussen (R-Camden/Gloucester) and John Bennett (R-Monmouth).

**S-990**, sponsored by Senator Louis Bassano (R-Essex/Union) and Bernard Kenny (D-Hudson), establishes the New Jersey Supplementary Food Stamp Program in the Department of Human Services. The legislation, an administration initiative,



extends the availability of food stamps to certain noncitizens covered under E.O. 74, which expires today. The program provides broader coverage than the legislation passed in Congress earlier this month. The bill will also provide coverage for individuals who are considered unemployable under the WorkFirst New Jersey Program and are ineligible for federal Supplemental Security Income benefits.