

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH/JA

P.L. 2021, CHAPTER 330, *approved December 21, 2021*
Assembly, No. 6072 (*Second Reprint*)

1 AN ACT concerning hospital charity care ¹~~and~~ ¹ amending
2 P.L.2004, c.113 ¹~~and the Fiscal Year 2022 annual appropriations~~
3 ~~act, P.L.2021, c.133, and making an appropriation~~ ¹ .
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 3 of P.L.2004, c.113 (C.26:2H-18.59i) is amended to
9 read as follows:

10 3. a. Beginning July 1, 2004 and each year thereafter:

11 (1) Reimbursed documented charity care shall be equal to the
12 Medicaid-priced amounts of charity care claims submitted to the
13 Department of Health for the most recent calendar year, adjusted, as
14 necessary, to reflect the annual audit results. These amounts shall
15 be augmented to reflect payments to hospitals by the Medicaid
16 program for Graduate Medical Education and Indirect Medical
17 Education based on the most recent Graduate Medical Education
18 and Indirect Medical Education formulas utilized by the federal
19 Medicare program.

20 (2) Hospital-specific reimbursed documented charity care shall
21 be equal to the Medicaid-priced dollar amount of charity care
22 provided by a hospital as submitted to the Department of Health for
23 the most recent calendar year. A sample of the claims submitted by
24 the hospital to the department shall be subject to an annual audit
25 conducted pursuant to applicable charity care eligibility criteria.

26 b. Beginning July 1, 2004 and each year thereafter, the charity
27 care subsidy shall be determined according to the following
28 methodology:

29 (1) Each hospital shall be ranked in order of its hospital-
30 specific, relative charity care percentage, or RCCP, by dividing the
31 amount of hospital-specific gross revenue for charity care patients
32 by the hospital's total gross revenue for all patients.

33 (2) The ~~nine~~ 10 hospitals with the highest RCCPs shall
34 receive a charity care payment equal to ~~96~~ 96 percent of each
35 hospital's hospital-specific reimbursed documented charity care.
36 The hospital ranked number ~~10~~ 11 shall receive a charity care
37 payment equal to ~~94~~ 94 percent of its hospital-specific reimbursed
38 documented charity care, and each hospital ranked number ~~11~~ 12

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:

¹Assembly AHE committee amendments adopted December 6, 2021.

²Assembly floor amendments adopted December 20, 2021.

1 and below shall receive two percentage points less than the hospital
2 ranked immediately above that hospital.

3 (3) Notwithstanding the provisions of paragraph (2) of this
4 subsection to the contrary, each of the hospitals located in the 10
5 municipalities in the State with the lowest median annual household
6 income according to the most recent census data, shall be ranked
7 from the hospital with the highest hospital-specific reimbursed
8 documented charity care to the hospital with the lowest hospital-
9 specific reimbursed documented charity care. The hospital in each
10 of the 10 municipalities, if any, with the highest documented
11 hospital-specific charity care shall receive a charity care payment
12 equal to 96[%] percent of its hospital-specific reimbursed
13 documented charity care.

14 (4) Notwithstanding the provisions of this subsection to the
15 contrary, no hospital shall receive reimbursement for less than
16 43[%] percent of its hospital-specific reimbursed documented
17 charity care.

18 c. To ensure that charity care subsidy payments remain viable
19 and appropriate, the State shall maintain the charity care subsidy at
20 an amount not less than 75[%] percent of the Medicaid-priced
21 amounts of charity care provided by hospitals in the State. In
22 addition, these amounts shall be augmented to reflect payments to
23 hospitals by the Medicaid program for Graduate Medical Education
24 and Indirect Medical Education based on the most recent Graduate
25 Medical Education and Indirect Medical Education formulas
26 utilized by the federal Medicare program.

27 d. Notwithstanding any other provisions of this section to the
28 contrary, in the event that the change from the charity care subsidy
29 formula in effect for fiscal year 2004 to the formula established
30 pursuant to this section in effect for fiscal year 2005, reduces, for
31 any reason, the amount of the charity care subsidy payment to a
32 hospital below the amount that the hospital received under the
33 formula in effect in fiscal year 2004, the hospital shall receive a
34 payment equal to the amount it would have received under the
35 formula in effect for fiscal year 2004.

36 ¹e. The Legislature finds and declares that it is the intent of
37 Legislature to provide that the provisions of P.L. , c. (C.)
38 (pending before the Legislature as this bill), which increases by one
39 the number of hospitals eligible for a charity care payment equal to
40 96 percent of the hospital's hospital-specific reimbursed
41 documented charity care, shall ²[be retroactive to July 1, 2021 and
42 shall]² apply to the newly eligible hospital's State fiscal year 2022
43 charity care payment.¹ ²Any State fiscal year 2022 charity care
44 payment change resulting from this formula modification shall be
45 issued, as soon as practicable, in the form of a supplemental
46 payment to each impacted hospital.²

47 (cf: P.L.2012, c.17, s.229)

1 ¹². Section 1 of the Fiscal Year 2022 annual appropriations act,
2 P.L.2021, c.133, is amended to read as follows:

3 1. Notwithstanding the provisions of section 3 of P.L.2004,
4 c.113 (C.26:2H-18.59i) or any law or regulation to the contrary, the
5 appropriation for Health Care Subsidy Fund Payments is subject to
6 the following conditions: the distribution of Charity Care funding
7 shall be calculated in the following manner: (a) source data for the
8 most recent census data shall be from the 2019 5-Year American
9 Community Survey; (b) source data used shall be from calendar
10 year (CY) 2019 for documented charity care claims data and
11 hospital-specific gross revenue for charity care patients and shall
12 include all adjustments and void claims related to CY 2019 and any
13 prior year submitted claims, as submitted by each acute care
14 hospital or determined by the Department of Health (DOH); (c)
15 source data used for CY 2019 documented charity care for each
16 hospital's total gross revenue for all patients shall be from the CY
17 2019 audited Acute Care Hospital Cost Report as defined by Form
18 E4, Line 1, Column E data and shall be according to the DOH due
19 date of August 31, 2020, as submitted by January 31, 2021 by each
20 acute care hospital and audited by March 1, 2021; (d) source data
21 used for CY 2019 documented charity care shall be from CY 2019
22 Medicaid Cost Report submitted by each acute care hospital by
23 February 14, 2021; (e) in the event that an eligible hospital failed to
24 submit the CY 2019 Acute Care Hospital Cost Report, source data
25 from their CY 2018 Acute Care Hospital Cost Report shall be used
26 for hospital-specific gross revenue for charity care patients and for
27 hospital total gross revenue for all patients as defined by Form E4,
28 Line 1, Column E; (f) in the event that an eligible hospital failed to
29 submit a full year CY 2019 Acute Care Hospital Cost Report,
30 source data from a supplemental 2019 Acute Care Hospital Cost
31 Report shall be used for hospital-specific gross revenue for charity
32 care patients and for hospital total gross revenue for all patients as
33 defined by Form E4, Line 1, Column E; (g) for each eligible
34 hospital, except those designated 96 % by their hospital-specific
35 reimbursed documented charity care upon the enactment of
36 P.L.2021, c.133 and pursuant to paragraph 2 of subsection b. of
37 section 3 of P.L.2004, c.113 (C.26:2H-18.59i), as amended by
38 section 1 of P.L. , c. (pending before the Legislature as this
39 bill), a proportionate decrease shall be applied to its calculated
40 subsidy based on its percentage of total subsidy such that the total
41 calculated subsidy for all hospitals shall equal **【\$319,000,000】**
42 **【\$349, 000,000】** ; and (h) the resulting value will constitute each
43 eligible hospital's SFY 2022 charity care subsidy allocation.¹
44

45 ¹³. There is appropriated from the General Fund to the Health
46 Care Subsidy Fund the sum of \$30,000,000 for the Department of
47 Health to provide a State fiscal year 2022 charity care payment
48 equal to 96 percent of the hospital's hospital-specific reimbursed

1 documented charity care to the hospital newly determined under
2 section 1 of P.L. , c. (C.) (pending before the Legislature
3 as this bill) to be eligible for such a payment. Any funds
4 appropriated pursuant to this section that are not allocated for the
5 purpose stated above shall be allocated from the Health Care
6 Subsidy Fund, on a prorated basis, to all eligible hospitals receiving
7 charity care payments in State fiscal year 2022 of less than 96
8 percent of the hospital's hospital-specific reimbursed documented
9 charity care.¹ ²Funds appropriated pursuant to this section to each
10 eligible hospital receiving charity care payments in State fiscal year
11 2022 of less than 96 percent of the hospital's hospital-specific
12 reimbursed documented charity care shall be issued, as soon as
13 practicable, in the form of a supplemental payment to each
14 impacted hospital.²

15

16 ¹**[2.] 4.**¹ This act shall take effect immediately ²**[¹and apply**
17 **retroactively to July 1, 2021¹]**² .

18

19

20

21

22 _____
23 Increases number of hospitals eligible for highest amount of charity
care subsidy payment; appropriates \$30 million.

CHAPTER 330

AN ACT concerning hospital charity care, amending P.L.2004, c.113 and the Fiscal Year 2022 annual appropriations act, P.L.2021, c.133, and making an appropriation .

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

1. Section 3 of P.L.2004, c.113 (C.26:2H-18.59i) is amended to read as follows:

C.26:2H-18.59i Reimbursed documented charity care; charity care subsidy formula after July 1, 2004.

3. a. Beginning July 1, 2004 and each year thereafter:

(1) Reimbursed documented charity care shall be equal to the Medicaid-priced amounts of charity care claims submitted to the Department of Health for the most recent calendar year, adjusted, as necessary, to reflect the annual audit results. These amounts shall be augmented to reflect payments to hospitals by the Medicaid program for Graduate Medical Education and Indirect Medical Education based on the most recent Graduate Medical Education and Indirect Medical Education formulas utilized by the federal Medicare program.

(2) Hospital-specific reimbursed documented charity care shall be equal to the Medicaid-priced dollar amount of charity care provided by a hospital as submitted to the Department of Health for the most recent calendar year. A sample of the claims submitted by the hospital to the department shall be subject to an annual audit conducted pursuant to applicable charity care eligibility criteria.

b. Beginning July 1, 2004 and each year thereafter, the charity care subsidy shall be determined according to the following methodology:

(1) Each hospital shall be ranked in order of its hospital-specific, relative charity care percentage, or RCCP, by dividing the amount of hospital-specific gross revenue for charity care patients by the hospital's total gross revenue for all patients.

(2) The 10 hospitals with the highest RCCPs shall receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care. The hospital ranked number 11 shall receive a charity care payment equal to 94 percent of its hospital-specific reimbursed documented charity care, and each hospital ranked number 12 and below shall receive two percentage points less than the hospital ranked immediately above that hospital.

(3) Notwithstanding the provisions of paragraph (2) of this subsection to the contrary, each of the hospitals located in the 10 municipalities in the State with the lowest median annual household income according to the most recent census data, shall be ranked from the hospital with the highest hospital-specific reimbursed documented charity care to the hospital with the lowest hospital-specific reimbursed documented charity care. The hospital in each of the 10 municipalities, if any, with the highest documented hospital-specific charity care shall receive a charity care payment equal to 96 percent of its hospital-specific reimbursed documented charity care.

(4) Notwithstanding the provisions of this subsection to the contrary, no hospital shall receive reimbursement for less than 43 percent of its hospital-specific reimbursed documented charity care.

c. To ensure that charity care subsidy payments remain viable and appropriate, the State shall maintain the charity care subsidy at an amount not less than 75 percent of the Medicaid-priced amounts of charity care provided by hospitals in the State. In addition, these amounts shall be augmented to reflect payments to hospitals by the Medicaid program for Graduate

Medical Education and Indirect Medical Education based on the most recent Graduate Medical Education and Indirect Medical Education formulas utilized by the federal Medicare program.

d. Notwithstanding any other provisions of this section to the contrary, in the event that the change from the charity care subsidy formula in effect for fiscal year 2004 to the formula established pursuant to this section in effect for fiscal year 2005, reduces, for any reason, the amount of the charity care subsidy payment to a hospital below the amount that the hospital received under the formula in effect in fiscal year 2004, the hospital shall receive a payment equal to the amount it would have received under the formula in effect for fiscal year 2004.

e. The Legislature finds and declares that it is the intent of Legislature to provide that the provisions of P.L.2021, c.330, which increases by one the number of hospitals eligible for a charity care payment equal to 96 percent of the hospital's hospital-specific reimbursed documented charity care, shall apply to the newly eligible hospital's State fiscal year 2022 charity care payment. Any State fiscal year 2022 charity care payment change resulting from this formula modification shall be issued, as soon as practicable, in the form of a supplemental payment to each impacted hospital.

2. Section 1 of the Fiscal Year 2022 annual appropriations act, P.L.2021, c.133, is amended to read as follows:

1. Notwithstanding the provisions of section 3 of P.L.2004, c.113 (C.26:2H-18.59i) or any law or regulation to the contrary, the appropriation for Health Care Subsidy Fund Payments is subject to the following conditions: the distribution of Charity Care funding shall be calculated in the following manner: (a) source data for the most recent census data shall be from the 2019 5-Year American Community Survey; (b) source data used shall be from calendar year (CY) 2019 for documented charity care claims data and hospital-specific gross revenue for charity care patients and shall include all adjustments and void claims related to CY 2019 and any prior year submitted claims, as submitted by each acute care hospital or determined by the Department of Health (DOH); (c) source data used for CY 2019 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2019 audited Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data and shall be according to the DOH due date of August 31, 2020, as submitted by January 31, 2021 by each acute care hospital and audited by March 1, 2021; (d) source data used for CY 2019 documented charity care shall be from CY 2019 Medicaid Cost Report submitted by each acute care hospital by February 14, 2021; (e) in the event that an eligible hospital failed to submit the CY 2019 Acute Care Hospital Cost Report, source data from their CY 2018 Acute Care Hospital Cost Report shall be used for hospital-specific gross revenue for charity care patients and for hospital total gross revenue for all patients as defined by Form E4, Line 1, Column E; (f) in the event that an eligible hospital failed to submit a full year CY 2019 Acute Care Hospital Cost Report, source data from a supplemental 2019 Acute Care Hospital Cost Report shall be used for hospital-specific gross revenue for charity care patients and for hospital total gross revenue for all patients as defined by Form E4, Line 1, Column E; (g) for each eligible hospital, except those designated 96 % by their hospital-specific reimbursed documented charity care upon the enactment of P.L.2021, c.133 and pursuant to paragraph 2 of subsection b. of section 3 of P.L.2004, c.113 (C.26:2H-18.59i), as amended by section 1 of P.L.2021, c.330, a proportionate decrease shall be applied to its calculated subsidy based on its percentage of total subsidy such that the total calculated subsidy for all hospitals shall equal \$349,000,000; and (h) the resulting value will constitute each eligible hospital's SFY 2022 charity care subsidy allocation.

3. There is appropriated from the General Fund to the Health Care Subsidy Fund the sum of \$30,000,000 for the Department of Health to provide a State fiscal year 2022 charity care payment equal to 96 percent of the hospital's hospital-specific reimbursed documented charity care to the hospital newly determined under section 1 of P.L.2021, c.330 (C.26:2H-18.59i) to be eligible for such a payment. Any funds appropriated pursuant to this section that are not allocated for the purpose stated above shall be allocated from the Health Care Subsidy Fund, on a prorated basis, to all eligible hospitals receiving charity care payments in State fiscal year 2022 of less than 96 percent of the hospital's hospital-specific reimbursed documented charity care. Funds appropriated pursuant to this section to each eligible hospital receiving charity care payments in State fiscal year 2022 of less than 96 percent of the hospital's hospital-specific reimbursed documented charity care shall be issued, as soon as practicable, in the form of a supplemental payment to each impacted hospital.

4. This act shall take effect immediately.

Approved December 21, 2021.

ASSEMBLY, No. 6072

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 15, 2021

Sponsored by:

Assemblyman JOSEPH V. EGAN

District 17 (Middlesex and Somerset)

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

SYNOPSIS

Increases number of hospitals eligible for highest amount of charity care payment.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/6/2021)

1 AN ACT concerning hospital charity care and amending P.L.2004,
2 c.113.

3

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

6

7 1. Section 3 of P.L.2004, c.113 (C.26:2H-18.59i) is amended to
8 read as follows:

9 3. a. Beginning July 1, 2004 and each year thereafter:

10 (1) Reimbursed documented charity care shall be equal to the
11 Medicaid-priced amounts of charity care claims submitted to the
12 Department of Health for the most recent calendar year, adjusted, as
13 necessary, to reflect the annual audit results. These amounts shall
14 be augmented to reflect payments to hospitals by the Medicaid
15 program for Graduate Medical Education and Indirect Medical
16 Education based on the most recent Graduate Medical Education
17 and Indirect Medical Education formulas utilized by the federal
18 Medicare program.

19 (2) Hospital-specific reimbursed documented charity care shall
20 be equal to the Medicaid-priced dollar amount of charity care
21 provided by a hospital as submitted to the Department of Health for
22 the most recent calendar year. A sample of the claims submitted by
23 the hospital to the department shall be subject to an annual audit
24 conducted pursuant to applicable charity care eligibility criteria.

25 b. Beginning July 1, 2004 and each year thereafter, the charity
26 care subsidy shall be determined according to the following
27 methodology:

28 (1) Each hospital shall be ranked in order of its hospital-
29 specific, relative charity care percentage, or RCCP, by dividing the
30 amount of hospital-specific gross revenue for charity care patients
31 by the hospital's total gross revenue for all patients.

32 (2) The **【nine】** 10 hospitals with the highest RCCPs shall
33 receive a charity care payment equal to 96**【%】** percent of each
34 hospital's hospital-specific reimbursed documented charity care.
35 The hospital ranked number **【10】** 11 shall receive a charity care
36 payment equal to 94**【%】** percent of its hospital-specific reimbursed
37 documented charity care, and each hospital ranked number **【11】** 12
38 and below shall receive two percentage points less than the hospital
39 ranked immediately above that hospital.

40 (3) Notwithstanding the provisions of paragraph (2) of this
41 subsection to the contrary, each of the hospitals located in the 10
42 municipalities in the State with the lowest median annual household
43 income according to the most recent census data, shall be ranked
44 from the hospital with the highest hospital-specific reimbursed

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 documented charity care to the hospital with the lowest hospital-
2 specific reimbursed documented charity care. The hospital in each
3 of the 10 municipalities, if any, with the highest documented
4 hospital-specific charity care shall receive a charity care payment
5 equal to 96【%】 percent of its hospital-specific reimbursed
6 documented charity care.

7 (4) Notwithstanding the provisions of this subsection to the
8 contrary, no hospital shall receive reimbursement for less than
9 43【%】 percent of its hospital-specific reimbursed documented
10 charity care.

11 c. To ensure that charity care subsidy payments remain viable
12 and appropriate, the State shall maintain the charity care subsidy at
13 an amount not less than 75【%】 percent of the Medicaid-priced
14 amounts of charity care provided by hospitals in the State. In
15 addition, these amounts shall be augmented to reflect payments to
16 hospitals by the Medicaid program for Graduate Medical Education
17 and Indirect Medical Education based on the most recent Graduate
18 Medical Education and Indirect Medical Education formulas
19 utilized by the federal Medicare program.

20 d. Notwithstanding any other provisions of this section to the
21 contrary, in the event that the change from the charity care subsidy
22 formula in effect for fiscal year 2004 to the formula established
23 pursuant to this section in effect for fiscal year 2005, reduces, for
24 any reason, the amount of the charity care subsidy payment to a
25 hospital below the amount that the hospital received under the
26 formula in effect in fiscal year 2004, the hospital shall receive a
27 payment equal to the amount it would have received under the
28 formula in effect for fiscal year 2004.

29 (cf: P.L.2012, c.17, s.229)

30

31 2. This act shall take effect immediately.

32

33

34

STATEMENT

35

36 This bill increases the number of hospitals eligible for certain
37 reimbursement for charity care.

38 Under current law, nine hospitals are eligible to receive a charity
39 care payment equal to 96 percent of each hospital's hospital-specific
40 reimbursed documented charity care. Under the bill, 10 hospitals
41 are eligible to receive a charity care payment equal to 96 percent of
42 each hospital's hospital-specific reimbursed documented charity
43 care.

ASSEMBLY HEALTH COMMITTEE

STATEMENT TO

ASSEMBLY, No. 6072

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2021

The Assembly Health Committee reports favorably and with committee amendments Assembly Bill No. 6072.

As amended, this bill increases the number of hospitals eligible for certain reimbursement for charity care. The bill appropriates \$30 million from the General Fund for the purpose of providing a State fiscal year 2022 charity care payment equal to 96 percent of the hospital's hospital-specific reimbursed documented charity care to the hospital determined eligible for such a payment, pursuant to the bill. Any appropriated funds not utilized for this purpose will be distributed, on a prorated basis, to all eligible hospitals receiving charity care payments in State fiscal year 2022 of less than 96 percent of the hospital's hospital-specific reimbursed documented charity care.

As amended, the bill amends a provision of the FY22 annual appropriations act concerning charity care payments for hospitals to reflect the changes provided under the bill.

Under current law, nine hospitals are eligible to receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care. Under the bill, 10 hospitals are eligible to receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care.

As amended, the bill specifies that it is the intent of Legislature to provide that the bill will be retroactive to July 1, 2021 and apply to the newly eligible hospital's State fiscal year 2022 charity care payment.

COMMITTEE AMENDMENTS

The committee amendments add language clarifying that it is the intent of Legislature to provide that the provisions of bill will be retroactive to July 1, 2021 and apply to the newly eligible hospital's State fiscal year 2022 charity care payment. The committee amendments revise the effective date of the bill to reflect this clarification.

The committee amendments appropriate \$30 million from the General Fund to the Health Care Subsidy Fund for the DOH to provide a State fiscal year 2022 charity care payment equal to 96 percent of the hospital's hospital-specific reimbursed documented charity care to the

hospital newly determined to be eligible for such a payment under the provisions of the bill. Any appropriated funds not allocated for this purpose will be allocated, on a prorated basis, to all eligible hospitals receiving charity care payments in State fiscal year 2022 of less than 96 percent of the hospital's hospital-specific reimbursed documented charity care.

The committee amendments revise a provision of the FY22 annual appropriations act concerning charity care payments for hospitals to reflect the changes provided under the bill.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 6072

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 6072 (1R).

This bill increases the number of hospitals eligible for certain reimbursement for charity care. The bill appropriates \$30 million from the General Fund for the purpose of providing a State Fiscal Year 2022 charity care payment equal to 96 percent of the hospital's hospital-specific reimbursed documented charity care to the hospital determined eligible for such a payment, pursuant to the bill. Any appropriated funds not utilized for this purpose will be distributed, on a prorated basis, to all eligible hospitals receiving charity care payments in State fiscal year 2022 of less than 96 percent of the hospital's hospital-specific reimbursed documented charity care.

The bill amends a provision of the Fiscal Year 2022 annual appropriations act concerning charity care payments for hospitals to reflect the changes provided under the bill.

Under current law, nine hospitals are eligible to receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care. Under the bill, 10 hospitals are eligible to receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care.

The bill specifies that it is the intent of Legislature to provide that the bill will be retroactive to July 1, 2021 and apply to the newly eligible hospital's State fiscal year 2022 charity care payment.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 6072

with Senate Floor Amendments
(Proposed by Senator VITALE)

ADOPTED: DECEMBER 20, 2021

The Senate floor amendments remove language from the bill that specified that the provisions of the bill would apply retroactively to July 1, 2021.

The floor amendments provide that any funds appropriated by the bill to an eligible hospital will be issued, in the form of a supplemental payment to the hospital, as soon as practicable.

The floor amendments revise the findings and declarations section of the bill to reflect these changes.

SENATE, No. 4169

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 15, 2021

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Co-Sponsored by:

Senator Diegnan

SYNOPSIS

Increases number of hospitals eligible for highest amount of charity care payment.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/2/2021)

1 AN ACT concerning hospital charity care and amending P.L.2004,
2 c.113.

3

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

6

7 1. Section 3 of P.L.2004, c.113 (C.26:2H-18.59i) is amended to
8 read as follows:

9 3. a. Beginning July 1, 2004 and each year thereafter:

10 (1) Reimbursed documented charity care shall be equal to the
11 Medicaid-priced amounts of charity care claims submitted to the
12 Department of Health for the most recent calendar year, adjusted, as
13 necessary, to reflect the annual audit results. These amounts shall
14 be augmented to reflect payments to hospitals by the Medicaid
15 program for Graduate Medical Education and Indirect Medical
16 Education based on the most recent Graduate Medical Education
17 and Indirect Medical Education formulas utilized by the federal
18 Medicare program.

19 (2) Hospital-specific reimbursed documented charity care shall
20 be equal to the Medicaid-priced dollar amount of charity care
21 provided by a hospital as submitted to the Department of Health for
22 the most recent calendar year. A sample of the claims submitted by
23 the hospital to the department shall be subject to an annual audit
24 conducted pursuant to applicable charity care eligibility criteria.

25 b. Beginning July 1, 2004 and each year thereafter, the charity
26 care subsidy shall be determined according to the following
27 methodology:

28 (1) Each hospital shall be ranked in order of its hospital-
29 specific, relative charity care percentage, or RCCP, by dividing the
30 amount of hospital-specific gross revenue for charity care patients
31 by the hospital's total gross revenue for all patients.

32 (2) The **【nine】** 10 hospitals with the highest RCCPs shall
33 receive a charity care payment equal to 96**【%】** percent of each
34 hospital's hospital-specific reimbursed documented charity care.
35 The hospital ranked number **【10】** 11 shall receive a charity care
36 payment equal to 94**【%】** percent of its hospital-specific reimbursed
37 documented charity care, and each hospital ranked number **【11】** 12
38 and below shall receive two percentage points less than the hospital
39 ranked immediately above that hospital.

40 (3) Notwithstanding the provisions of paragraph (2) of this
41 subsection to the contrary, each of the hospitals located in the 10
42 municipalities in the State with the lowest median annual household
43 income according to the most recent census data, shall be ranked
44 from the hospital with the highest hospital-specific reimbursed
45 documented charity care to the hospital with the lowest hospital-

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 specific reimbursed documented charity care. The hospital in each
2 of the 10 municipalities, if any, with the highest documented
3 hospital-specific charity care shall receive a charity care payment
4 equal to 96【%】 percent of its hospital-specific reimbursed
5 documented charity care.

6 (4) Notwithstanding the provisions of this subsection to the
7 contrary, no hospital shall receive reimbursement for less than
8 43【%】 percent of its hospital-specific reimbursed documented
9 charity care.

10 c. To ensure that charity care subsidy payments remain viable
11 and appropriate, the State shall maintain the charity care subsidy at
12 an amount not less than 75【%】 percent of the Medicaid-priced
13 amounts of charity care provided by hospitals in the State. In
14 addition, these amounts shall be augmented to reflect payments to
15 hospitals by the Medicaid program for Graduate Medical Education
16 and Indirect Medical Education based on the most recent Graduate
17 Medical Education and Indirect Medical Education formulas
18 utilized by the federal Medicare program.

19 d. Notwithstanding any other provisions of this section to the
20 contrary, in the event that the change from the charity care subsidy
21 formula in effect for fiscal year 2004 to the formula established
22 pursuant to this section in effect for fiscal year 2005, reduces, for
23 any reason, the amount of the charity care subsidy payment to a
24 hospital below the amount that the hospital received under the
25 formula in effect in fiscal year 2004, the hospital shall receive a
26 payment equal to the amount it would have received under the
27 formula in effect for fiscal year 2004.

28 (cf: P.L.2012, c.17, s.229)

29

30 2. This act shall take effect immediately.

31

32

33

STATEMENT

34

35 This bill increases the number of hospitals eligible for certain
36 reimbursement for charity care.

37 Under current law, nine hospitals are eligible to receive a charity
38 care payment equal to 96 percent of each hospital's hospital-specific
39 reimbursed documented charity care. Under the bill, 10 hospitals
40 are eligible to receive a charity care payment equal to 96 percent of
41 each hospital's hospital-specific reimbursed documented charity
42 care.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO
SENATE, No. 4169

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2021

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 4169.

As amended, this bill increases the number of hospitals eligible for certain reimbursement for charity care. The bill appropriates \$30 million from the General Fund for the purpose of providing a State fiscal year 2022 charity care payment equal to 96 percent of the hospital's hospital-specific reimbursed documented charity care to the hospital determined eligible for such a payment, pursuant to the bill. Any appropriated funds not utilized for this purpose will be distributed, on a prorated basis, to all eligible hospitals receiving charity care payments in State fiscal year 2022 of less than 96 percent of the hospital's hospital-specific reimbursed documented charity care.

As amended, the bill amends a provision of the FY22 annual appropriations act concerning charity care payments for hospitals to reflect the changes provided under the bill.

Under current law, nine hospitals are eligible to receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care. Under the bill, 10 hospitals are eligible to receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care.

As amended, the bill specifies that it is the intent of Legislature to provide that the bill will be retroactive to July 1, 2021 and apply to the newly eligible hospital's State fiscal year 2022 charity care payment.

COMMITTEE AMENDMENTS

The committee amendments add language clarifying that it is the intent of Legislature to provide that the provisions of bill will be retroactive to July 1, 2021 and apply to the newly eligible hospital's State fiscal year 2022 charity care payment. The committee amendments revise the effective date of the bill to reflect this clarification.

The committee amendments appropriate \$30 million from the General Fund to the Health Care Subsidy Fund for the DOH to provide a State fiscal year 2022 charity care payment equal to 96 percent of the hospital's hospital-specific reimbursed documented charity care to the hospital newly determined to be eligible for such a payment under the provisions of the bill. Any appropriated funds not allocated for this purpose will be allocated, on a prorated basis, to all eligible hospitals receiving charity care payments in State fiscal year 2022 of less than 96 percent of the hospital's hospital-specific reimbursed documented charity care.

The committee amendments revise a provision of the FY22 annual appropriations act concerning charity care payments for hospitals to reflect the changes provided under the bill.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 4169

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 16, 2021

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 4169 (1R).

As amended, this bill increases the number of hospitals eligible for certain reimbursement for charity care. The bill appropriates \$30 million from the General Fund for the purpose of providing a State fiscal year 2022 charity care payment equal to 96 percent of the hospital's hospital-specific reimbursed documented charity care to the hospital determined eligible for such a payment, pursuant to the bill. Any appropriated funds not utilized for this purpose will be distributed, on a prorated basis, to all eligible hospitals receiving charity care payments in State fiscal year 2022 of less than 96 percent of the hospital's hospital-specific reimbursed documented charity care. Funds appropriated by this bill to an eligible hospital are to be issued, as soon as practicable, in the form of a supplemental payment to the hospital.

As amended, the bill amends a provision of the FY22 annual appropriations act concerning charity care payments for hospitals to reflect the changes made by the bill.

Under current law, nine hospitals are eligible to receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care. Under the bill, 10 hospitals are eligible to receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care.

COMMITTEE AMENDMENTS

The committee amendments remove language from the bill that specified that the provisions of the bill would apply retroactively to July 1, 2021.

The committee amendments provide that any funds appropriated by the bill to an eligible hospital will be issued, in the form of a supplemental payment to the hospital, as soon as practicable.

The committee amendments revise the findings and declarations section added by the bill to reflect these changes.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

Governor Murphy Takes Action on Legislation

12/21/2021

TRENTON - Today, Governor Murphy signed the following bills into law:

S-108/A-169 wGR (Gill, Turner/Caputo, Wirths) - Concerns speech rights of student journalists at public schools and public institutions of higher education

S-2834/A-5312 wGR (Ruiz, Cunningham/Quijano, Lampitt, McKnight) - Mandates training on culturally responsive teaching for all candidates for teaching certification

S-2953/A-4785 wGR (Sweeney, Cunningham/Quijano, Verrelli, Mukherji) - Expands scope of inmate reentry assistance and benefits

S-3955/A-5905 wGR (Ruiz, Pou/Timberlake, Speight, Spearman) - Establishes "Rental Assistance Navigation Program" in DCA; makes appropriation

S-3994/A-5943 (Sweeney/Greenwald, Mazzeo, Armato, Murphy) - Temporarily modifies taxes and credits of casino licensees; permanently redefines promotional gaming credits to include certain coupons and table game wagers; requires priority funding for senior and disabled transportation services

S-4007/A-5587 (Sweeney/Greenwald) - Concerns matters related to operations and obligations of casino gaming properties and finances of Atlantic City

S-4078/A-5974 (Greenstein, Corrado/Carter, Stanley, Chaparro) - Modifies lists of projects eligible to receive loans for environmental infrastructure projects from NJ Infrastructure Bank for FY2022

S-4147/A-6216 (Beach, Turner, Tucker, Verrelli, Caputo) - Appropriates \$16,380,595 from constitutionally dedicated CBT revenues to NJ Historic Trust for grants for certain historic preservation projects and associated administrative expenses

S-4274/A-6170 (Sweeney/McKeon) - Provides supplemental appropriations of \$500,000 to the Apportionment Commission and \$500,000 to the New Jersey Redistricting Commission

A-2455/S-2204 wGR (Benson, Vainieri Huttel, DeAngelo/Greenstein, Oroho) - Establishes pilot program in DOE to support robotics programs in school districts

A-3062/S-1196 wGR (Pintor Marin, Moen, Reynolds-Jackson/Pou, Cruz-Perez) - Establishes three year Financial Empowerment Pilot Program

A-4433/S-2715 wGR (Greenwald, Mukherji, Lampitt/Beach, Corrado) - Creates grant program to encourage school districts to partner with institutions of higher education in training school-based mental health services providers

A-4435/S-2717 wGR (Verrelli, Greenwald, Speight, Lampitt/Beach, Corrado) - Requires DCF to give priority to certain school districts with student mental health counseling centers in awarding grants under School Based Youth Services Program

A-4746/S-3947 wGR (Mosquera, Lopez, Chaparro, Dunn/Vitale, Turner) - Requires that certain provider subsidy payments for child care services be based on enrollment

A-4834/S-3474 wGR (Mazzeo, Quijano, Downey/Pou, Turner) - Prohibits mail falsely implying State government connection

A-5353/S-3421 wGR (Conaway, Vainieri Huttle, Benson/Madden, Turner) - Provides for certification of temporary nurse aides

A-5599/S-3916 wGR (Chiaravalloti, Vainieri Huttle, McKnight/Scutari, Gill) - Establishes order of protection for judicial officer; upgrades and clarifies harassment against judicial officer; bars firearms possession by persons against whom judicial officer order of protection is entered

A-5975/S-4079 (Calabrese, Tucker, Mejia/Bateman, Smith) – Amends list of environmental infrastructure projects approved for long-term funding for FY2022; makes various changes to FY2022 environmental infrastructure funding program

A-5998/S-4098 (Mukherji, Coughlin/Sweeney) - Permits deferred retirement from JRS for member appointed as Administrative Director of the Courts by Chief Justice of Supreme Court

A-6072/S-4169 (Egan, Coughlin, Danielsen/Vitale, Smith) - Increases number of hospitals eligible for highest amount of charity care subsidy payment; appropriates \$30 million