

26:2H-18.29

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

(Uncompensated care--
State residents)

NJSA: 26:2H-18.29

LAWS OF: 1992 CHAPTER: 68

BILL NO: A14

SPONSOR(S) Singer & others

DATE INTRODUCED: April 13, 1992

COMMITTEE: ASSEMBLY: Health & Human Services
SENATE: Health & Human Services

AMENDED DURING PASSAGE: Yes Amendments during passage
denoted by asterisk

DATE OF PASSAGE: ASSEMBLY: May 18, 1992
SENATE: June 29, 1992

DATE OF APPROVAL: July 29, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: Yes

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

Not Remove From Library
POSITORY COPY

KBG:pp

[FIRST REPRINT]
ASSEMBLY, No. 14

STATE OF NEW JERSEY

INTRODUCED APRIL 13, 1992

By Assemblymen SINGER, DiGAETANO, Assemblywoman Wright,
Assemblymen Moran, Colburn, Mikulak, Assemblywoman Smith,
Assemblyman T. Smith, Assemblywoman Derman,
Assemblymen Kavanaugh, Kelly, Felice, Sosa, Assemblywomen
Anderson, Vandervalk, Assemblymen Lance, Frelinghuysen, and
Penn

1 AN ACT concerning hospital uncompensated care provided to
2 non-residents of New Jersey and amending P.L.1991, c.187.

3

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

6 1. Section 6 of P.L.1991, c.187 (C.26:2H-18.29) is amended to
7 read as follows:

8 6. a. The commission shall approve each hospital's reasonable
9 uncompensated care costs and shall ensure that uncompensated
10 care services financed pursuant to this act are provided in the
11 most appropriate and cost-effective manner which the
12 commission determines hospitals can reasonably be required to
13 achieve. The commission shall reduce a hospital's reasonable
14 uncompensated care costs by the amount of overpayment for
15 patient care services, if any, by the Medicare program
16 established pursuant to Pub.L.89-97 (42 U.S.C. § 1395 et seq.),
17 the Medicaid program, or any payer or purchaser of hospital
18 services whose hospital reimbursement rates are not established
19 by the commission pursuant to P.L.1971, c.136 (C.26:2H-1 et
20 al.). For the purposes of this section, "overpayment" means
21 reimbursement in excess of that allowed by section 5 of P.L.1978,
22 c.83 (C.26:2H-4.1).

23 A hospital shall not be reimbursed from the fund for the cost of
24 uncompensated care for health care services provided to a
25 patient who is a resident of another state other than emergency
26 care services for life-threatening conditions. ¹As used in this
27 subsection, "life-threatening condition" means any medical
28 condition which poses an imminent risk to a patient's life if
29 emergency medical care is not provided to that patient, as
30 certified by the patient's attending physician in accordance with
31 the medical treatment protocol utilized by the hospital.¹

32 The commission shall require a hospital which engages in
33 inefficient or inappropriate provision of uncompensated care
34 services to submit to the commission a cost reduction plan. The
35 commission may prospectively reduce the hospital's
36 uncompensated care payments for failure to submit or implement
37 a cost reduction plan that has been approved by the commission.

38 b. The hospital mandatory assessment shall be funded by the
39 uniform Statewide uncompensated care add-on determined
40 pursuant to section 5 of P.L.1991, c.187 (C.26:2H-18.28) which is
41 charged by the hospital to all payers.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AHH committee amendments adopted May 14, 1992.

1 A hospital shall collect all monies received from the
2 uncompensated care add-on pursuant to subsection a. of section 5
3 of P.L.1991, c.187 (C.26:2H-18.28) and remit all such monies to
4 the fund as the hospital's mandatory assessment.

5 Such funds as may be necessary from the assessment shall be
6 appropriated from the fund to the Division of Medical Assistance
7 and Health Services in the Department of Human Services for
8 payment to disproportionate share and non-disproportionate share
9 hospitals for payments of approved uncompensated care costs.

10 The commission shall determine the amount that the Division
11 of Medical Assistance and Health Services in the Department of
12 Human Services shall pay to each hospital.

13 The Commissioner of Human Services shall adopt rules and
14 regulations pursuant to the "Administrative Procedure Act,"
15 P.L.1968, c.410 (C.52:14B-1 et seq.) to carry out the provisions of
16 this subsection.

17 (cf: P.L.1991, c.187, s.6)

18 2. Section 20 of P.L.1991, c.187 (C.26:2H-18.42) is amended to
19 read as follows:

20 20. [A] Notwithstanding the provisions of section 6 of
21 P.L.1991, c.187 (C.26:2H-18.29) to the contrary, a hospital that
22 does not claim any deduction for bad debt for the purpose of the
23 department's determination of that hospital's uncompensated
24 care factor pursuant to N.J.A.C.8:31B-4.39, is eligible for full
25 reimbursement for charity care, as provided pursuant to
26 N.J.A.C.8:31B-4.37, for all eligible patients regardless of a
27 patient's state of residence; except that this section shall not
28 apply in the case of a patient who is not a resident of the United
29 States.

30 (cf: P.L.1991, c.187, s.20)

31 3. This act shall take effect immediately.

32

33

34

35

36 Limits reimbursement for hospital uncompensated care to State
37 residents.

1 and Health Services in the Department of Human Services for
2 payment to disproportionate share and non-disproportionate share
3 hospitals for payments of approved uncompensated care costs.

4 The commission shall determine the amount that the Division
5 of Medical Assistance and Health Services in the Department of
6 Human Services shall pay to each hospital.

7 The Commissioner of Human Services shall adopt rules and
8 regulations pursuant to the "Administrative Procedure Act,"
9 P.L.1968, c.410 (C.52:14B-1 et seq.) to carry out the provisions of
10 this subsection.

11 (cf: P.L.1991, c.187, s.6)

12 2. Section 20 of P.L.1991, c.187 (C.26:2H-18.42) is amended to
13 read as follows:

14 20. [A] Notwithstanding the provisions of section 6 of
15 P.L.1991, c.187 (C.26:2H-18.29) to the contrary, a hospital that
16 does not claim any deduction for bad debt for the purpose of the
17 department's determination of that hospital's uncompensated
18 care factor pursuant to N.J.A.C.8:31B-4.39, is eligible for full
19 reimbursement for charity care, as provided pursuant to
20 N.J.A.C.8:31B-4.37, for all eligible patients regardless of a
21 patient's state of residence; except that this section shall not
22 apply in the case of a patient who is not a resident of the United
23 States.

24 (cf: P.L.1991, c.187, s.20)

25 3. This act shall take effect immediately.

26

27

28 STATEMENT

29

30 This bill limits reimbursement for hospital uncompensated care
31 from the New Jersey Health Care Trust Fund established
32 pursuant to section 4 of P.L.1991, c.187 (C.26:2H-18.27) to
33 patients who are New Jersey residents, except for emergency
34 health care for life-threatening conditions.

35

36

37

38

39 Limits reimbursement for hospital uncompensated care to State
40 residents.

ASSEMBLY HEALTH AND HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 14

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 14, 1992

The Assembly Health and Human Services Committee favorably reports Assembly Bill No. 14 with committee amendments.

As amended by the committee, this bill limits reimbursement for hospital uncompensated care from the New Jersey Health Care Trust Fund established pursuant to section 4 of P.L.1991, c.187 (C.26:2H-18.27) to patients who are New Jersey residents, except for emergency health care for life-threatening conditions.

It has been reported that an estimated \$30 million of the projected \$754 million uncompensated care expenditure total for 1992 is for uncompensated care for out-of-State residents (including emergency care), and a 1991 study by the Department of Health which examined a sample of 2,456 inpatient bad debt accounts written-off in 1989 from 33 hospitals found that five percent of those patients resided in another State.

The committee amended the bill to define "life-threatening condition" as any medical condition which poses an imminent risk to a patient's life if emergency medical care is not provided to that patient, as certified by the patient's attending physician in accordance with the medical treatment protocol utilized by the hospital.

SENATE HEALTH AND HUMAN SERVICES COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 14

STATE OF NEW JERSEY

DATED: JUNE 15, 1992

The Senate Health and Human Services Committee favorably reports Assembly Bill No. 14 (1R).

This bill limits reimbursement for hospital uncompensated care from the New Jersey Health Care Trust Fund established pursuant to section 4 of P.L.1991, c.187 (C.26:2H-18.27) to patients who are New Jersey residents, except for emergency health care for life-threatening conditions.

It has been reported that an estimated \$30 million of the projected \$754 million uncompensated care expenditure total for 1992 is for uncompensated care for out-of-State residents (including emergency care), and a 1991 study by the Department of Health which examined a sample of 2,456 inpatient bad debt accounts written-off in 1989 from 33 hospitals found that five percent of those patients resided in another State.

This bill is identical to Senate Bill No. 724 (SCA) (Matheussen/Cardinale), which the committee also reported favorably on this date.

FISCAL ESTIMATE TO

[FIRST REPRINT]

ASSEMBLY, No. 14

STATE OF NEW JERSEY

DATED: June 4, 1992

Assembly Bill No. 14 (1R) of 1992 would limit reimbursement for hospital uncompensated care from the New Jersey Health Care Trust Fund, P.L.1991, c.187 (C.26:2H-18.27), to patients who are New Jersey residents, except for emergency health care for life-threatening conditions.

The Department of Health and the Office of Management and Budget have not provided any fiscal information concerning this legislation.

Assembly Bill No. 14 (1R) of 1992 has no direct fiscal impact on State or local governments. It is noted, however, that available Department of Health data concerning uncompensated care reimbursement indicate that limiting uncompensated care reimbursement to patients who are New Jersey residents, except for emergency health care for life threatening conditions, would have minimal impact on the total amount of uncompensated care currently reimbursed, as the overwhelming majority of uncompensated care is provided to residents of the State.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.