

VETO MESSAGE: Yes

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"NJ strategy to fund Medicaid through counties multiplies complexity NJ strategy to fund Medicaid through counties multiplies complexity." Press of Atlantic City, The (NJ), March 25, 2021: 4A.

POST, MICHELLE BRUNETTI. "Vote to up hospitals' Medicaid funding Atlantic County joins program to increase Medicaid funding to hospitals." Press of Atlantic City, The (NJ), March 4, 2021: 1A.

RH/CL

(CORRECTED COPY)

P.L. 2021, CHAPTER 41, *approved March 31, 2021*

Senate, No. 3252 (*Second Reprint*)

1 AN ACT concerning the expiration of the County Option Hospital
2 Fee Pilot Program and amending P.L.2018, c.136.

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.2018, c.136 (30:4D-7t) is
8 ¹~~amending~~amended¹ to read as follows:

9 3. a. There is established "The County Option Hospital Fee
10 Pilot Program" in the Department of Human Services. The program
11 shall commence on the 180th day after the effective date of
12 P.L.2018, c.136 (C.30:4D-7r et seq.) and shall expire five years
13 after each participating county has collected a local health care-
14 related fee, authorized pursuant to subsection c. of this section.

15 b. The purpose of the pilot program is:

16 (1) to increase financial resources through the Medicaid
17 program to support local hospitals and to ensure that they continue
18 to provide necessary services to low-income citizens; and

19 (2) to provide participating counties with new fiscal resources.

20 c. To effectuate the purposes of this program, the
21 commissioner shall authorize no more than seven participating
22 counties in the State for participation in the program. Each
23 participating county shall be authorized to impose a local health
24 care-related fee on hospitals within its borders.

25 d. A participating county shall submit a proposed fee and
26 expenditure report to the commissioner to ensure that the proposed
27 fee and expenditure plan satisfies paragraph (1) of subsection b. of
28 this section and subsection e. of this section, and does not create a
29 direct or indirect guarantee to hold harmless, as those terms are
30 used in 42 C.F.R. s.433.68(f). The commissioner shall further
31 review the proposed fee and expenditure report to determine
32 whether it complies with relevant rules and regulations. Each
33 participating county shall consult with affected hospitals within its
34 jurisdiction to prepare the proposed fee and expenditure report
35 before the report is submitted to the commissioner. The
36 commissioner shall make the proposed fee and expenditure report
37 available to the affected hospitals for review and the hospitals shall
38 be permitted to provide comments to the commissioner regarding

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:

¹Senate SBA committee amendments adopted December 14, 2020.

²Senate amendments adopted in accordance with Governor's recommendations February 19, 2021.

1 the report for a period of 21 calendar days from the date the
2 proposed report is made available for review.

3 e. The board of chosen freeholders of a participating county,
4 following the approval of the participating county's proposed fee
5 and expenditure plan by the commissioner, may adopt an ordinance
6 providing for the imposition of a fee on hospitals located within its
7 borders and for appropriate administrative provisions, including,
8 but not limited to, provisions for the collection of interest and
9 penalties.

10 The fee shall be implemented in accordance with the provisions
11 of 42 U.S.C. s.1396b(w)(3)(A), and shall be subject to the
12 maximum aggregate amount that may be assessed pursuant to 42
13 C.F.R. s.433.68(f)(3), or any subsequent maximum amount as may
14 be established by federal law, and shall be subject to a cap as
15 determined by the commissioner. The participating county may
16 exempt a hospital within its jurisdiction from the fee, provided that
17 the exemption complies with the requirements of 42 C.F.R.
18 s.433.68.

19 The fee authorized pursuant to this act may be collected only to
20 the extent, and for the period, that the commissioner determines that
21 the revenues generated qualify as the State share of Medicaid
22 program expenditures eligible for federal financial participation
23 pursuant to 42 C.F.R. s.433.68.

24 f. Any subsequent alterations to the fee are subject to the
25 approval of the commissioner prior to implementation. Upon
26 approval, the commissioner shall apply for such State plan
27 amendments or waivers as may be necessary to implement the
28 changes and to secure federal financial participation for State
29 Medicaid expenditures under the federal Medicaid program.

30 ¹g. ²**[A]** Neither the State nor a² participating county shall
31 ²**[not]**² be liable for any amount of a local health care-related fee
32 imposed on a hospital pursuant to this act that the hospital fails to
33 pay or does not pay in a timely manner to the assessing county.¹

34 (cf: P.L.2018, c.36, s.3)

35

36 2. Section 8 of P.L.2018, c.136 is amended to read as follows:

37 8. This act shall take effect on the 180th day after the date of
38 enactment, and shall expire five years after **[the effective date]**
39 each participating county has collected a local health care-related
40 fee, authorized pursuant to subsection c. of section 3
41 of P.L.2018, c.136 (C. 30:4D-7t). All proposed fee and
42 expenditure plans are subject to both approval of the commissioner
43 and such actions by the federal government as are necessary to
44 effectuate the purposes of this act.

45 (cf: P.L.2018, c.36, s.8)

46

47 3. This act shall take effect immediately.

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Clarifies that County Option Hospital Fee Pilot Program expires five years after each participating county has collected fee and that participating counties in program are not liable for fee imposed on hospitals.

SENATE, No. 3252

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED DECEMBER 10, 2020

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)

SYNOPSIS

Clarifies that County Option Hospital Fee Pilot Program expires five years after each participating county has collected fee.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the expiration of the County Option Hospital
2 Fee Pilot Program and amending P.L.2018, c.136.

3

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

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7 1. Section 3 of P.L.2018, c.136 (30:4D-7t) is amending to read
8 as follows:

9 3. a. There is established "The County Option Hospital Fee
10 Pilot Program" in the Department of Human Services. The program
11 shall commence on the 180th day after the effective date of
12 P.L.2018, c.136 (C.30:4D-7r et seq.) and shall expire five years
13 after each participating county has collected a local health care-
14 related fee, authorized pursuant to subsection c. of this section.

15 b. The purpose of the pilot program is:

16 (1) to increase financial resources through the Medicaid
17 program to support local hospitals and to ensure that they continue
18 to provide necessary services to low-income citizens; and

19 (2) to provide participating counties with new fiscal resources.

20 c. To effectuate the purposes of this program, the
21 commissioner shall authorize no more than seven participating
22 counties in the State for participation in the program. Each
23 participating county shall be authorized to impose a local health
24 care-related fee on hospitals within its borders.

25 d. A participating county shall submit a proposed fee and
26 expenditure report to the commissioner to ensure that the proposed
27 fee and expenditure plan satisfies paragraph (1) of subsection b. of
28 this section and subsection e. of this section, and does not create a
29 direct or indirect guarantee to hold harmless, as those terms are
30 used in 42 C.F.R. s.433.68(f). The commissioner shall further
31 review the proposed fee and expenditure report to determine
32 whether it complies with relevant rules and regulations. Each
33 participating county shall consult with affected hospitals within its
34 jurisdiction to prepare the proposed fee and expenditure report
35 before the report is submitted to the commissioner. The
36 commissioner shall make the proposed fee and expenditure report
37 available to the affected hospitals for review and the hospitals shall
38 be permitted to provide comments to the commissioner regarding
39 the report for a period of 21 calendar days from the date the
40 proposed report is made available for review.

41 e. The board of chosen freeholders of a participating county,
42 following the approval of the participating county's proposed fee
43 and expenditure plan by the commissioner, may adopt an ordinance
44 providing for the imposition of a fee on hospitals located within its
45 borders and for appropriate administrative provisions, including,

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 but not limited to, provisions for the collection of interest and
2 penalties.

3 The fee shall be implemented in accordance with the provisions
4 of 42 U.S.C. s.1396b(w)(3)(A), and shall be subject to the
5 maximum aggregate amount that may be assessed pursuant to 42
6 C.F.R. s.433.68(f)(3), or any subsequent maximum amount as may
7 be established by federal law, and shall be subject to a cap as
8 determined by the commissioner. The participating county may
9 exempt a hospital within its jurisdiction from the fee, provided that
10 the exemption complies with the requirements of 42 C.F.R.
11 s.433.68.

12 The fee authorized pursuant to this act may be collected only to
13 the extent, and for the period, that the commissioner determines that
14 the revenues generated qualify as the State share of Medicaid
15 program expenditures eligible for federal financial participation
16 pursuant to 42 C.F.R. s.433.68.

17 f. Any subsequent alterations to the fee are subject to the
18 approval of the commissioner prior to implementation. Upon
19 approval, the commissioner shall apply for such State plan
20 amendments or waivers as may be necessary to implement the
21 changes and to secure federal financial participation for State
22 Medicaid expenditures under the federal Medicaid program.
23 (cf: P.L.2018, c.36, s.3)

24
25 2. Section 8 of P.L.2018, c.136 is amended to read as follows:

26 8. This act shall take effect on the 180th day after the date of
27 enactment, and shall expire five years after **【the effective date】**
28 each participating county has collected a local health care-related
29 fee, authorized pursuant to subsection c. of section 3
30 of P.L.2018, c.136 (C. 30:4D-7t). All proposed fee and
31 expenditure plans are subject to both approval of the commissioner
32 and such actions by the federal government as are necessary to
33 effectuate the purposes of this act.

34 (cf: P.L.2018, c.36, s.8)

35
36 3. This act shall take effect immediately.

37
38

39 STATEMENT

40
41 This bill clarifies that County Option Hospital Fee Pilot Program is
42 to expire five years after each participating county has collected a local
43 health care-related fee, which is authorized to be imposed under
44 existing law. Currently, participating counties cannot collect this fee
45 until the State receives any necessary federal approvals to implement
46 the provisions of the existing law and to secure federal financial
47 participation for State Medicaid expenditures. The uncertainty of
48 these approvals may result in the pilot expiring before the provisions

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1 of the law have been implemented. As such, this bill provides that the
2 pilot program will be implemented over a five-year period,
3 commencing upon the collection of the fee, rather than the effective
4 date.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3252

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 15, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3252, with committee amendments.

As amended, the bill clarifies that the County Option Hospital Fee Pilot Program is to expire five years after each participating county has collected a local health care-related fee, which is authorized to be imposed under existing law. Currently, participating counties cannot collect this fee until the State receives any necessary federal approvals to implement the provisions of the existing law and to secure federal financial participation for related State Medicaid expenditures. The uncertainty of these approvals may result in the pilot expiring before the provisions of the law have been implemented. As such, this bill provides that upon the collection of the fee by each participating county, the pilot program will have five years in which to fully operate.

The amended bill also provides that a participating county is not to be liable for any amount of a local health care-related fee imposed on a hospital pursuant to the existing law that the hospital fails to pay or does not pay in a timely manner to the assessing county.

COMMITTEE AMENDMENTS:

The committee amendments provide that a participating county is not to be liable for any amount of a local health care-related fee imposed on a hospital pursuant to the existing law that the hospital fails to pay or does not pay in a timely manner to the assessing county.

FISCAL IMPACT:

Fiscal information is currently unavailable for this bill.

ASSEMBLY, No. 5089

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED DECEMBER 7, 2020

Sponsored by:

Assemblywoman NANCY J. PINKIN

District 18 (Middlesex)

SYNOPSIS

Clarifies that County Option Hospital Fee Pilot Program expires five years after each participating county has collected fee.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the expiration of the County Option Hospital
2 Fee Pilot Program and amending P.L.2018, c.136.

3

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

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7 1. Section 3 of P.L.2018, c.136 (30:4D-7t) is amending to read
8 as follows:

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13 after each participating county has collected a local health care-
14 related fee, authorized pursuant to subsection c. of this section.

15 b. The purpose of the pilot program is:

16 (1) to increase financial resources through the Medicaid
17 program to support local hospitals and to ensure that they continue
18 to provide necessary services to low-income citizens; and

19 (2) to provide participating counties with new fiscal resources.

20 c. To effectuate the purposes of this program, the
21 commissioner shall authorize no more than seven participating
22 counties in the State for participation in the program. Each
23 participating county shall be authorized to impose a local health
24 care-related fee on hospitals within its borders.

25 d. A participating county shall submit a proposed fee and
26 expenditure report to the commissioner to ensure that the proposed
27 fee and expenditure plan satisfies paragraph (1) of subsection b. of
28 this section and subsection e. of this section, and does not create a
29 direct or indirect guarantee to hold harmless, as those terms are
30 used in 42 C.F.R. s.433.68(f). The commissioner shall further
31 review the proposed fee and expenditure report to determine
32 whether it complies with relevant rules and regulations. Each
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34 jurisdiction to prepare the proposed fee and expenditure report
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37 available to the affected hospitals for review and the hospitals shall
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39 the report for a period of 21 calendar days from the date the
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45 borders and for appropriate administrative provisions, including,

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1 but not limited to, provisions for the collection of interest and
2 penalties.

3 The fee shall be implemented in accordance with the provisions
4 of 42 U.S.C. s.1396b(w)(3)(A), and shall be subject to the
5 maximum aggregate amount that may be assessed pursuant to 42
6 C.F.R. s.433.68(f)(3), or any subsequent maximum amount as may
7 be established by federal law, and shall be subject to a cap as
8 determined by the commissioner. The participating county may
9 exempt a hospital within its jurisdiction from the fee, provided that
10 the exemption complies with the requirements of 42 C.F.R.
11 s.433.68.

12 The fee authorized pursuant to this act may be collected only to
13 the extent, and for the period, that the commissioner determines that
14 the revenues generated qualify as the State share of Medicaid
15 program expenditures eligible for federal financial participation
16 pursuant to 42 C.F.R. s.433.68.

17 f. Any subsequent alterations to the fee are subject to the
18 approval of the commissioner prior to implementation. Upon
19 approval, the commissioner shall apply for such State plan
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21 changes and to secure federal financial participation for State
22 Medicaid expenditures under the federal Medicaid program.
23 (cf: P.L.2018, c.36, s.3)

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31 expenditure plans are subject to both approval of the commissioner
32 and such actions by the federal government as are necessary to
33 effectuate the purposes of this act.

34 (cf: P.L.2018, c.36, s.8)

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47 participation for State Medicaid expenditures. The uncertainty of
48 these approvals may result in the pilot expiring before the provisions

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1 of the law have been implemented. As such, this bill provides that the
2 pilot program will be implemented over a five-year period,
3 commencing upon the collection of the fee, rather than the effective
4 date.

ASSEMBLY HEALTH COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5089

STATE OF NEW JERSEY

DATED: DECEMBER 10, 2020

The Assembly Health Committee reports favorably Assembly Bill No. 5089.

This bill clarifies that County Option Hospital Fee Pilot Program is to expire five years after each participating county has collected a local health care-related fee, which is authorized to be imposed under existing law. Currently, participating counties cannot collect this fee until the State receives any necessary federal approvals to implement the provisions of the existing law and to secure federal financial participation for State Medicaid expenditures. The uncertainty of these approvals may result in the pilot expiring before the provisions of the law have been implemented. As such, this bill provides that upon the collection of the fee by each participating county, the pilot program will have five years to fully operate.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5089

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 15, 2020

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 5089.

The amended bill clarifies that the County Option Hospital Fee Pilot Program is to expire five years after each participating county has collected a local health care-related fee, which is authorized to be imposed under existing law. Currently, participating counties cannot collect this fee until the State receives any necessary federal approvals to implement the provisions of the existing law and to secure federal financial participation for related State Medicaid expenditures. The uncertainty of these approvals may result in the pilot expiring before the provisions of the law have been implemented. As such, this bill provides that upon the collection of the fee by each participating county, the pilot program will have five years in which to fully operate.

The amended bill also provides that a participating county is not to be liable for any amount of a local health care-related fee imposed on a hospital pursuant to the existing law that the hospital fails to pay or does not pay in a timely manner to the assessing county.

COMMITTEE AMENDMENTS:

The committee amendments add language to the bill that provides that a participating county is not to be liable for any amount of a local health care-related fee imposed on a hospital pursuant to the existing law that the hospital fails to pay or does not pay in a timely manner to the assessing county. The amendments also update the bill's synopsis to reflect the addition of this provision.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

Governor Murphy Takes Action on Legislation

02/4/2021

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

S-2384/A-4129 (Greenstein, Gill/Spearman, Vainieri Huttle, Mukherji) – Requires health care facilities to report certain coronavirus disease 2019 (COVID-19) data related to health care workers and certain first responders

S-2607/A-2785 (Smith, Greenstein/Benson, McKeon) – Requires land use plan element of municipal master plan to include climate change-related hazard vulnerability assessment

[Copy of Statement](#)

S-3220/A-5122 (Sweeney, Turner, Cruz-Perez/Spearman, Dancer, Johnson) – Permits exemption from civil service law enforcement examination requirement for entry level-law enforcement officers

[Copy of Statement](#)

S-3230/A-5115 (Greenstein, Corrado/Moriarty, Conaway, Calabrese, Chiaravalloti) – Appropriates \$30.387 million from constitutionally dedicated CBT revenues to DEP for State acquisition of lands for recreation and conservation purposes, including Blue Acres projects

S-3256/A-5084 (Scutari, Ruiz/Kennedy, Calabrese) – Reclassifies possession of psilocybin as disorderly persons offense

A-4941/S-3122 (Mejia/Sacco) – Authorizes State Treasurer to sell and convey certain surplus real property located in Town of Secaucus, Hudson County

A-4943/S-3092 (Wirths, Space, Bergen/Oroho) – Authorizes State Treasurer to sell and convey certain surplus real property located in Borough of Franklin, Sussex County

A-5113/S-3235 (Timberlake, Sumter, Caputo/Beach, Pou) – Appropriates \$11,777,499 from constitutionally dedicated CBT revenues to NJ Historic Trust for grants for certain historic preservation projects and associated administrative expenses

A-5114/S-3229 (DeAngelo, Speight, Swain/Codey, Corrado) – Appropriates \$37.16 million from constitutionally dedicated CBT revenues for recreation and conservation purposes to DEP for State capital and park development projects

A-5116/S-3196 (Johnson, Auth, Schepisi/Cardinale, Smith) – Authorizes State Treasurer to sell and convey certain surplus real property located in the Township of Mahwah, County of Bergen

Governor Murphy conditionally vetoed the following bill:

S-3252/A-5089 (Vitale) – CONDITIONAL – Clarifies that County Option Hospital Fee Pilot Program expires five years after each participating county has collected fee and that participating counties in program are not liable for fee imposed on hospitals

[Copy of Statement](#)

Governor Murphy absolute vetoed the following bill:

S-3283/A-5151 (Addiego, Lagana, Gopal/Egan, Armato, Downey, Bramnick) – ABSOLUTE – Concerns emergency unemployment benefits and shared work benefits

[Copy of Statement](#)

February 4, 2021

**SENATE BILL NO.3252
(First Reprint)**

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 3252 (First Reprint) with my recommendations for reconsideration.

This bill would revise the County Option Hospital Fee Pilot Program ("Pilot"), established pursuant to P.L.2018, c.136. The five year Pilot is intended to expand federal Medicaid investment 1) to increase financial support to local hospitals providing services to low-income individuals, and 2) to provide participating counties with new fiscal resources. The law accomplishes this goal by permitting seven participating counties to craft, with the approval of the Commissioner of the Department of Human Services ("DHS") and the Centers for Medicare & Medicaid Services ("CMS"), a local health care-related fee on hospitals within their borders.

Senate Bill No. 3252 (First Reprint) would revise the duration of the Pilot to expire five years after each participating county has collected a health-care related fee, rather than five years after the Pilot's enactment into law, when the Pilot is currently scheduled to expire. The bill also would add a provision to the Pilot law that would hold a participating county harmless for any amount of the health care-related fee that a hospital within its jurisdiction fails to pay in a timely manner.

I applaud the sponsors of this bill for rightly identifying that an extension of the Pilot is warranted. The extension provided for in this bill will ensure that the Pilot runs for five full years, as intended.

I am, however, recommending a minor revision to the bill that would hold the State, as well as the counties, harmless for any payments that are not made by hospitals in participating counties. Enhanced Medicaid payments to hospitals in the participating counties

are established prospectively at the time when DHS seeks and receives approval of the Pilot from CMS. As a result, if a hospital fails to pay the full fee to a county, and the amount transferred to DHS is less than agreed upon, the difference would need to be made up with State dollars. My suggested revisions would afford DHS the ability to recover any such amount from delinquent hospitals by specifying that the State will not be held liable for a hospital's failure to pay.

Accordingly, I herewith return Senate Bill No. 3252 (First Reprint) and recommend that it be amended as follows:

Page 3, Section 1, Line 24: After "g." delete "A" and insert "Neither the State nor a"

Page 3, Section 1, Line 24: Delete "not"

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor

Governor Murphy Takes Action on Legislation

03/31/2021

TRENTON – Today, Governor Murphy signed the following bill into law:

S-3252 w GR/A-5089 (Vitale) – Clarifies that County Option Hospital Fee Pilot Program expires five years after each participating county has collected fee and that participating counties in program are not liable for fee imposed on hospitals

February 4, 2021

SENATE BILL NO.3252
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Page 3, Section 1, Line 24: Delete "not"

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor