

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