

# SENATE HEALTH, HUMAN SERVICES AND SENIOR CITIZENS COMMITTEE

## STATEMENT TO **SENATE, No. 2552**

with committee amendments

# STATE OF NEW JERSEY

DATED: FEBRUARY 22, 2024

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 2552.

As amended by the committee, this bill amends the “County Option Hospital Fee Program Act,” P.L.2018, c.136 (C.30:4D-7r et seq.). The County Option Hospital Fee Program was established in November 2018 to support local hospitals in designated high-need areas to ensure continued access to critical healthcare services for vulnerable populations. To effectuate this goal, the program authorizes participating counties, and hospitals within those counties, to partner with the State through a provider fee mechanism that enhances financial support through the Medicaid program.

Specifically, the bill removes the existing requirement that the fee implemented under the program be subject to a cap as determined by the Commissioner of Human Services, and instead stipulates that the fee be subject to review and approval by the commissioner. The provisions of the bill do not impact the commissioner’s authority to annually review and approve county option programs.

The bill also specifies that the fee is not to exceed the aggregate amount specified in 42 C.F.R. s.433.68(f)(3) minus one percent of total net patient revenues. Current law requires that the fee is to be implemented in accordance with federal law but does not mandate that the fee not exceed the aggregate amount specified in 42 C.F.R. s.433.68(f)(3) minus one percent of total net patient revenues.

Under the amended bill, with the exception of the period of time during which a participating county or Medicaid Managed Care Organization is in possession of payments prior to disbursement, neither a participating county nor Medicaid Managed Care Organization is to be liable for any amount related to an approved expenditure plan determined to be impermissible by a federal agency. The Department of Human Services is to amend related managed care contracts to include this provision.

COMMITTEE AMENDMENTS:

The committee amendments provide that, with the exception of the period of time during which a participating county or Medicaid Managed Care Organization is in possession of payments prior to disbursement, neither a participating county nor Medicaid Managed Care Organization is to be liable for any amount related to an approved expenditure plan determined to be impermissible by a federal agency. The Department of Human Services is to amend related managed care contracts to include this provision.