

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:*

6
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

A5089 PINKIN

4

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.