[First Reprint]

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 and that participating counties in program are not liable for fee imposed on hospitals.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on December 14, 2020, with amendments.

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

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

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

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

b. The purpose of the pilot program is:

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

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

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

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

e. The board of chosen freeholders of a participating county, following the approval of the participating county's proposed fee and expenditure plan by the commissioner, may adopt an ordinance providing for the imposition of a fee on hospitals located within its 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.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly AAP committee amendments adopted December 14, 2020.

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

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

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

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

[1]g. A participating county shall not be liable for any amount of a local health care-related fee imposed on a hospital pursuant to this act that the hospital fails to pay or does not pay in a timely manner to the assessing county.[1]

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

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

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

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

3. This act shall take effect immediately.