

(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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2
3 Clarifies that County Option Hospital Fee Pilot Program expires
4 five years after each participating county has collected fee and that
5 participating counties in program are not liable for fee imposed on
6 hospitals.