

[First Reprint]

**SENATE, No. 3252**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED DECEMBER 10, 2020

**Sponsored by:**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**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 Senate Budget and Appropriations Committee on December 14, 2020, with amendments.



**(Sponsorship Updated As Of: 12/17/2020)**

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 <sup>1</sup>~~amending~~amended<sup>1</sup> 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  
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

**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:

<sup>1</sup>Senate SBA committee amendments adopted December 14, 2020.

1 borders and for appropriate administrative provisions, including,  
2 but not limited to, provisions for the collection of interest and  
3 penalties.

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

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

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

24 <sup>1</sup>g. A participating county shall not be liable for any amount of a  
25 local health care-related fee imposed on a hospital pursuant to this  
26 act that the hospital fails to pay or does not pay in a timely manner  
27 to the assessing county.<sup>1</sup>

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

29

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

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

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

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41 3. This act shall take effect immediately.