

SENATE, No. 4169

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED NOVEMBER 15, 2021

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Co-Sponsored by:

Senator Diegnan

SYNOPSIS

Increases number of hospitals eligible for highest amount of charity care payment.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/2/2021)

1 AN ACT concerning hospital charity care and amending P.L.2004,
2 c.113.

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.2004, c.113 (C.26:2H-18.59i) is amended to
8 read as follows:

9 3. a. Beginning July 1, 2004 and each year thereafter:

10 (1) Reimbursed documented charity care shall be equal to the
11 Medicaid-priced amounts of charity care claims submitted to the
12 Department of Health for the most recent calendar year, adjusted, as
13 necessary, to reflect the annual audit results. These amounts shall
14 be augmented to reflect payments to hospitals by the Medicaid
15 program for Graduate Medical Education and Indirect Medical
16 Education based on the most recent Graduate Medical Education
17 and Indirect Medical Education formulas utilized by the federal
18 Medicare program.

19 (2) Hospital-specific reimbursed documented charity care shall
20 be equal to the Medicaid-priced dollar amount of charity care
21 provided by a hospital as submitted to the Department of Health for
22 the most recent calendar year. A sample of the claims submitted by
23 the hospital to the department shall be subject to an annual audit
24 conducted pursuant to applicable charity care eligibility criteria.

25 b. Beginning July 1, 2004 and each year thereafter, the charity
26 care subsidy shall be determined according to the following
27 methodology:

28 (1) Each hospital shall be ranked in order of its hospital-
29 specific, relative charity care percentage, or RCCP, by dividing the
30 amount of hospital-specific gross revenue for charity care patients
31 by the hospital's total gross revenue for all patients.

32 (2) The **【nine】 10** hospitals with the highest RCCPs shall
33 receive a charity care payment equal to 96**【%】 percent** of each
34 hospital's hospital-specific reimbursed documented charity care.
35 The hospital ranked number **【10】 11** shall receive a charity care
36 payment equal to 94**【%】 percent** of its hospital-specific reimbursed
37 documented charity care, and each hospital ranked number **【11】 12**
38 and below shall receive two percentage points less than the hospital
39 ranked immediately above that hospital.

40 (3) Notwithstanding the provisions of paragraph (2) of this
41 subsection to the contrary, each of the hospitals located in the 10
42 municipalities in the State with the lowest median annual household
43 income according to the most recent census data, shall be ranked
44 from the hospital with the highest hospital-specific reimbursed
45 documented charity care to the hospital with the lowest hospital-

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 specific reimbursed documented charity care. The hospital in each
2 of the 10 municipalities, if any, with the highest documented
3 hospital-specific charity care shall receive a charity care payment
4 equal to 96【%】 percent of its hospital-specific reimbursed
5 documented charity care.

6 (4) Notwithstanding the provisions of this subsection to the
7 contrary, no hospital shall receive reimbursement for less than
8 43【%】 percent of its hospital-specific reimbursed documented
9 charity care.

10 c. To ensure that charity care subsidy payments remain viable
11 and appropriate, the State shall maintain the charity care subsidy at
12 an amount not less than 75【%】 percent of the Medicaid-priced
13 amounts of charity care provided by hospitals in the State. In
14 addition, these amounts shall be augmented to reflect payments to
15 hospitals by the Medicaid program for Graduate Medical Education
16 and Indirect Medical Education based on the most recent Graduate
17 Medical Education and Indirect Medical Education formulas
18 utilized by the federal Medicare program.

19 d. Notwithstanding any other provisions of this section to the
20 contrary, in the event that the change from the charity care subsidy
21 formula in effect for fiscal year 2004 to the formula established
22 pursuant to this section in effect for fiscal year 2005, reduces, for
23 any reason, the amount of the charity care subsidy payment to a
24 hospital below the amount that the hospital received under the
25 formula in effect in fiscal year 2004, the hospital shall receive a
26 payment equal to the amount it would have received under the
27 formula in effect for fiscal year 2004.

28 (cf: P.L.2012, c.17, s.229)

29
30 2. This act shall take effect immediately.

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33 STATEMENT

34
35 This bill increases the number of hospitals eligible for certain
36 reimbursement for charity care.

37 Under current law, nine hospitals are eligible to receive a charity
38 care payment equal to 96 percent of each hospital's hospital-specific
39 reimbursed documented charity care. Under the bill, 10 hospitals
40 are eligible to receive a charity care payment equal to 96 percent of
41 each hospital's hospital-specific reimbursed documented charity
42 care.