

LEGAL NOTICE

STATE OF NEW JERSEY

DEPARTMENT OF HEALTH AND SENIOR SERVICES

DEPARTMENT OF HUMAN SERVICES

HEALTH CARE SUBSIDY FUND PAYMENTS

TAKE NOTICE that the New Jersey Department of Health and Senior Services (DHSS), pursuant to the Reorganization Plan 001-1996, in coordination with the Department of Human Services (DHS), Division of Medical Assistance and Health Services, intends to submit State Plan Amendments to the Centers for Medicare & Medicaid Services in order to implement proposed State Fiscal Year (SFY) 2012 budget provisions. This Notice is intended to satisfy the requirements of Federal law and regulations, specifically 42 U.S.C. § 1396a(a)(13) and 42 CFR 447.205.

If this proposal is approved as part of the SFY 2012 Appropriations Act, then notwithstanding the provisions of section 3 of P.L.2004, c.113 (C.26:2H-18.59i) or any law or regulation to the contrary, the appropriation for Health Care Subsidy Fund Payments in State Fiscal Year (SFY) 2012 will increase by \$10 million in federal and state funds over the SFY 2011 appropriation, and be calculated using a multiple regression based formula such that:

(a) Source data used shall be from 1) Hospital Patient Discharge Uniform Billing Data (UB) from calendar year 2009 as released by DHSS, 2) charity care subsidy allocation for SFY 2011 as announced by DHSS in July 2010, and 3) charity care subsidy allocation for SFY 2010 as announced by DHSS in July 2009 and including any subsequent reallocations;

(b) The SFY 2010 charity care subsidy allocation shall be proportionately increased for each eligible hospital to increase the total subsidy to \$675,000,000 for this calculation purpose;

(c) The SFY 2012 charity care subsidy allocation calculation for each eligible hospital shall begin with a constant value of \$674,269.40 and be increased by 88.38172% of its charity care subsidy allocation for SFY 2010 as calculated in subsection (b) above;

(d) The SFY 2012 charity care subsidy allocation calculated thus far for each eligible hospital shall be increased by 2.06784% of the total charges from the payer category "self pay" in the calendar year 2009 UB data and then decreased by 0.12446% of the total charges from all payer categories in the calendar year 2009 UB data;

(e) The SFY 2011 charity care subsidy allocation for each eligible hospital shall be divided by the total charges for the payer category "self pay" in the calendar year 2009 UB data to generate a ratio for this calculation purpose and then multiplied by a constant value of \$4,239,097;

(f) The SFY 2012 charity care subsidy allocation calculated thus far in subsection (d) above for each eligible hospital shall be reduced by the amount calculated in subsection (e) above;

(g) If the SFY 2012 charity care subsidy allocation calculated thus far is less than \$175,000 for any eligible hospital, the SFY 2012 charity care subsidy allocation thus far shall be increased to \$175,000;

(h) The SFY 2012 charity care subsidy allocation calculated thus far for each eligible hospital shall be proportionately increased or decreased so that the total initial calculated SFY 2012 charity care subsidy shall be equal to \$675,000,000;

(i) The SFY 2012 charity care subsidy allocation calculated thus far for each eligible hospital shall be multiplied by 25%;

(j) The SFY 2011 charity care subsidy allocation for each eligible hospital shall be multiplied by 75%;

(k) The amounts calculated in subsections (i) and (j) above shall be added together for each eligible hospital producing the SFY 2012 charity care subsidy allocation for each eligible hospital;

(l) The resulting number will constitute each eligible hospital's SFY 2012 charity care subsidy allocation. A proportionate increase or decrease shall be applied to all hospitals if necessary such that the calculated SFY 2012 charity care subsidy allocation for all hospitals totaled shall not exceed \$675,000,000.

A copy of this Notice is available for public review at all local Medical Assistance Customer Centers, County Welfare Agencies, and the DHS and DHSS websites at <http://www.state.nj.us/humanservices/providers/grants/public/index.html> and <http://nj.gov/health/charitycare/subsidies.shtml>.

Comments or inquiries must be submitted in writing within 30 days of the date of this notice to:

Robert T Neu
Director, Hospital Finance and Charity Care
Department of Health and Senior Services
PO Box 360
Trenton, New Jersey 08625-0360