

LEGAL NOTICE

STATE OF NEW JERSEY DEPARTMENT OF HEALTH AND SENIOR SERVICES DEPARTMENT OF HUMAN SERVICES

HEALTH CARE SUBSIDY FUND PAYMENTS

PUBLIC NOTICE

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) 2013 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 2013 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 SFY 2013 will remain at \$675,000,000, and be calculated using a formula such that:

(a) source data used shall be from calendar years 2009 and 2010 for documented charity care claims data and hospital-specific gross revenue for charity care patients and shall include all adjustments and void claims related to calendar years 2009, 2010 and any prior year submitted claims, as submitted by each acute care hospital or determined by the Department of Health and Senior Services (DHSS);

(b) source data used for CY 2010 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2010 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data and shall be according to the DHSS advance submission request dated February 10, 2011, as submitted by each acute care hospital by March 10, 2011, and source data used for Medicare Cost Report data shall be from calendar year 2009;

(c) in the event that an eligible hospital failed to submit by March 10, 2011, its total gross revenue for all patients from the CY 2010 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data according to the DHSS advance submission request dated February 10, 2011, source data from calendar year 2008 shall be used for hospital-specific gross revenue for charity care patients and for hospital total gross revenue for all patients as defined by Form E4, Line 1, Column E;

(d) source data used for CY 2009 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2009 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data and shall be according to the DHSS advance submission request dated February 11, 2010, as submitted by each acute care hospital by March 11, 2010, and source data used for Medicare Cost Report data shall be from calendar year 2008;

(e) in the event that an eligible hospital failed to submit by March 11, 2010, its total gross revenue for all patients from the CY 2009 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data according to the DHSS advance submission request dated February 11, 2010, source data from calendar year 2008 shall be used for hospital-specific gross revenue for charity care patients and for hospital total gross revenue for all patients as defined by Form E4, Line 1, Column E;

(f) each eligible hospital's charity care subsidy allocation for SFY 2012 as announced by DHSS in July 2011, for this calculation purpose only, shall be initially split into two pools, one that equals 90% of its SFY 2012 allocation and another that equals 10% of its SFY 2012 allocation;

(g) for each eligible hospital the difference between its CY 2010 documented charity care and its CY 2009 documented charity care shall be calculated then the percentage change in documented charity care for each eligible hospital shall be obtained by dividing this difference by its CY 2009 documented charity care;

(h) each eligible hospital whose percentage change in documented charity care as initially calculated in accordance with subsection g. above that is greater than 15% shall be reduced to 15% for purposes of this calculation only and that is less than -50% shall be increased to -40% for purposes of this calculation only;

(i) for each eligible hospital the ratio of its CY 2010 documented charity care divided by the total CY 2010 documented charity care for all hospitals shall be calculated;

(j) for each eligible hospital the percentage change in documented charity care as calculated in accordance with subsection g. above, unless modified in accordance with subsection h. above in such case the modified percentage from subsection h. above shall be used, shall be multiplied by the CY 2010 documented charity care ratio calculated in subsection i. above;

(k) for each eligible hospital the value calculated in accordance with subsection j. above shall be multiplied by the total of the 10% pool for all eligible hospitals as calculated in subsection f. above;

(l) for each eligible hospital the value calculated in accordance with subsection k. above shall be added to its initial 10% pool value as calculated in subsection f. above;

(m) for each eligible hospital the amount calculated in subsection f. above for its 90% pool and subsection l. above for its adjusted 10% pool shall be added together producing the SFY 2013 charity care subsidy allocation for each eligible hospital;

(n) notwithstanding the provisions above, an eligible hospital shall not receive a lower SFY 2013 charity care subsidy allocation than its SFY 2012 charity care subsidy allocation if it had increased documented charity care as calculated in subsection g. above, and an eligible hospital shall not receive a greater SFY 2013 charity care subsidy allocation than its SFY 2012 charity care subsidy allocation if it had decreased documented charity care as calculated in subsection g. above;

(o) if necessary, a proportionate increase or decrease shall be applied to the 10% pool value as calculated in subsection l. for each eligible hospital based on its percentage of total CY 2010 documented charity care such that the total calculated SFY 2013 charity care subsidy allocation for all hospitals shall equal \$675,000,000, except that the proration applied to the subsidy for any eligible hospital shall be modified as necessary to comply with subsection n. above;

(p) the resulting number will constitute each eligible hospital's SFY 2013 charity care subsidy allocation.

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