

**LEGAL NOTICE
STATE OF NEW JERSEY
DEPARTMENT OF HEALTH
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**

HEALTH CARE SUBSIDY FUND PAYMENTS SFY 2015

PUBLIC NOTICE

TAKE NOTICE that the New Jersey Department of Health (DOH), in coordination with the Department of Human Services (DHS), Division of Medical Assistance and Health Services, intends to seek approval from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, for an amendment to the New Jersey Medicaid (Title XIX) State Plan, in order to implement proposed State Fiscal Year (SFY) 2015 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 2015 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 Healthcare Subsidy Fund Payments in SFY 2015 shall be calculated in the following manner:

(a) source data used shall be from calendar years 2012, 2011 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 (CY) 2012, 2011, 2010 and any prior year submitted claims, as submitted by each acute care hospital or determined by the Department of Health (DOH);

(b) source data used for CY 2012 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2012 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data and shall be according to the DOH advance submission request dated February 15, 2013, as submitted by each acute care hospital by March 20, 2013, and source data used for Medicare Cost Report data shall be from CY 2011;

(c) in the event that an eligible hospital failed to submit by March 20, 2013, its total gross revenue for all patients from the CY 2012 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data according to the DOH advance submission request dated February 15, 2013, source data from calendar year 2011 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 2011 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2011 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data and shall be according to the DOH advance submission request dated February 13, 2012, as submitted by each acute care hospital by March 16, 2012, and source data used for Medicare Cost Report data shall be from calendar year 2010;

(e) in the event that an eligible hospital failed to submit by March 16, 2012, its total gross revenue for all patients from the CY 2011 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data according to the DOH advance submission request dated February 13, 2012, source data from calendar year 2010 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) 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 DOH 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;

(g) 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 DOH advance submission request dated February 10, 2011, source data from calendar year 2009 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;

(h) each eligible hospital's charity care subsidy allocation for SFY 2014 as announced by DOH in July 2013, for this calculation purpose only, shall be initially split into three pools, one that equals 78.5% of its SFY 2014 allocation, another that equals 20% of its SFY 2014 allocation, and lastly one that equals 1.5% of its SFY 2014 allocation;

(i) each pool amount in subsection h. above shall be reduced in a proportionately equal manner by multiplying each value by the ratio of 650 divided by 675 to simulate an SFY14 subsidy total for all hospitals of \$650,000,000;

(j) for each eligible hospital the difference between its CY 2012 documented charity care and its CY 2011 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 2011 documented charity care;

(k) for each eligible hospital the ratio of its CY 2012 documented charity care divided by the total CY 2012 documented charity care for all hospitals shall be calculated;

(l) for each eligible hospital the percentage change in documented charity care as calculated in accordance with subsection j. above shall be multiplied by the CY 2012 documented charity care ratio calculated in subsection k. above;

(m) for each eligible hospital the value calculated in accordance with subsection l. above shall be multiplied by the total of the 20% pool for all eligible hospitals as calculated in subsections h. and i. above;

(n) for each eligible hospital the value calculated in accordance with subsection m. above shall be added to its 20% pool value as calculated in subsections h. and i. above;

(o) each eligible hospital that demonstrates an increase in their calendar year documented charity care from 2010 to 2011 and from 2011 to 2012 shall be eligible for participation in the 1.5% pool, and hospitals that do not demonstrate the increasing trend shall receive an amount of \$0 for their 1.5% pool amount;

(p) each hospital that is eligible for the 1.5% pool based on the trend evaluation in subsection o. above shall receive the amount of their initial 1.5% pool amount as calculated in subsections h. and i. above, then multiplied by a common factor until the total of the 1.5% pool for these eligible hospitals equals the total of the 1.5% pool as calculated in subsections h. and i. above;

(q) for each eligible hospital the amount calculated in subsections h. and i. above for its 78.5% pool, subsection n. above for its adjusted 20% pool, and subsections o. and p. above for its adjusted 1.5% pool shall be added together producing the preliminary SFY 2015 charity care subsidy allocation for each eligible hospital;

(r) notwithstanding the provisions above, an eligible hospital shall not receive more than \$1.10 in subsidy for each dollar of CY 2012 documented charity care;

(s) notwithstanding the provisions above, an eligible hospital shall not receive a lower SFY 2015 charity care subsidy allocation than its SFY 2014 charity care subsidy allocation if it had increased documented charity care as calculated in subsection k. above, and an eligible hospital shall not receive a greater SFY 2015 charity care subsidy allocation than its SFY 2014 charity care subsidy allocation if it had decreased documented charity care as calculated in subsection k. above;

(t) if necessary, a proportionate increase or decrease shall be applied to the 20% pool value as calculated in subsections m. and n. for each eligible hospital based on its percentage of total CY 2012 documented charity care such that the total calculated SFY 2015 charity care subsidy allocation for all hospitals shall equal \$650,000,000, except that the proration applied to the subsidy for any eligible hospital shall be modified as necessary to comply with subsections r. and s. above; and

(u) the resulting number will constitute each eligible hospital's SFY 2015 charity care subsidy allocation.

A copy of this Notice is available for public review at the local Medical Assistance Customer Centers, County Welfare Agencies, and on the DHS website at <http://www.state.nj.us/humanservices/providers/grants/public/index.html>. 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
P.O. Box 360
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