

**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  
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) 2016 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 2016 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 2016 shall be calculated using source data for the most recent census data as used in State fiscal year 2015 in the following manner:

(a) source data used shall be from calendar years (CY) 2013 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 2013 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 2013 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2013 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 14, 2014, as submitted by each acute care hospital by March 20, 2014, and source data used for Medicare Cost Report data shall be from CY 2012;

(c) in the event that an eligible hospital failed to submit by March 20, 2014, its total gross revenue for all patients from the CY 2013 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data according to the DOH advance submission request dated February 14, 2014, source data from CY 2012 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) the hospital-specific reimbursed documented charity care percentage shall be permitted to decline to 0%, rather than be limited to no less than 43%;

(e) for each eligible hospital a proportionate decrease shall be applied to its calculated subsidy based on its percentage of total subsidy such that the total calculated subsidy for all hospitals shall equal \$502,000,000;

(f) for each eligible hospital the difference shall be calculated between its SFY 2015 subsidy allocation as announced on July 2, 2014 and its calculated SFY 2016 subsidy;

(g) notwithstanding the provision above each eligible hospital its calculated SFY 2016 subsidy shall be limited to no more than a 5% increase over its SFY 2015 subsidy allocation;

- (h) notwithstanding the provisions above, an eligible hospital shall not receive less than \$0.02 in subsidy for each dollar of CY 2013 documented charity care;
- (i) if necessary, a proportionate increase or decrease shall be applied to the calculated SFY 2016 subsidy for each eligible hospital based on its percentage of the total calculated SFY 2016 subsidy for all hospitals such that the total calculated SFY 2016 charity care subsidy allocation for all hospitals shall equal \$502,000,000, except that the proration applied to the subsidy for any eligible hospital shall be modified as necessary to comply with subsections g. and h. above; and
- (j) the resulting value will constitute each eligible hospital's SFY 2016 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  
Trenton, New Jersey 08625-0360