

**Date:** 1/30/2026

**Subject:** New Jersey County Option Hospital Fee Program Fee and Expenditure Report

**County:** Mercer County

**GENERAL**

Describe the proposed hospital fee program the county intends to enact by providing details on all of the elements listed below.

**FEE PROGRAM**

1. What is the county's proposed effective date of the fee program?

July 1, 2026

2. List of all licensed hospitals located in your county:

Please Include: Name, address, facility ownership (for profit, NFP or government owned) and type of facility (acute care, psychiatric, rehabilitation, children's, LTACH, Specialty)

Please see "Attachment A" for full list of hospitals located in Mercer County.

3. Federal law and regulations require all hospitals in a jurisdiction to be taxed, unless a specific process is followed to exempt particular hospitals - a process that includes meeting a statistical test.

Does the county plan on excluding any hospitals from the fee program?  No  Yes

If so, please list name(s) and type of facility:

Trenton Psychiatric Hospital, a state-owned psychiatric hospital, is not included in the fee. Pursuant to 42 CFR 433.68(c)(1), a provider assessment is considered to be broad based if it is imposed on providers of the applicable services "furnished by all non-Federal, non-public providers."

4. If the county plan **proposes to exempt** particular hospitals/classes of hospitals, please provide a policy justification for excluding those specific hospitals/classes of hospitals from the fee program. (If not, please leave blank)

5. The law creating the County Option Hospital Fee Program requires that counties consult with affected hospitals within their jurisdiction prior to submitting the Fee and Expenditure Report to the Commissioner of Human Services. Please detail when and how county officials consulted with affected hospitals.

Beginning with the first program year, the County, through its contractor, Eyman Partners, implemented a comprehensive process of educating, consulting with, and gathering feedback from all hospitals within the jurisdiction, and developing criteria to evaluate potential models. Those criteria continue to inform the model development process for the current year. For SFY27, the County has collected updated data from the hospitals to reevaluate the model (both assessment and payment bases) and has involved the hospitals throughout this process. Informed by insights from the original modeling process, we reviewed the impact of updated data on the current model, identified any deviations from the guidelines/priorities we set out in creating the initial model, and then reviewed targeted additional options to address those deviations. We shared this information with the hospitals by email and video call and gathered their feedback to inform design of the program for SFY27. We also provided support to the hospitals to complete the required forms.

6. Please describe the basis of the proposed fee – e.g. net patient revenue, days of care, discharges? (N.J.A.C. 10:52B)

The County proposes to assess a fee on inpatient hospital services, structured as a percentage of non-Medicare net inpatient service revenues for services furnished within the County's jurisdiction. Those hospitals that have provider-based facilities located outside the county, have segregated their in-county from out-of-county services and only the services provided within the County will be assessed. The County has used calendar year 2024 data, inflated through 2027, as the source for calculating the fees.

7. Will the basis for the proposed fee exclude Medicare and /or Medicaid data?

Yes, the fee is on net inpatient hospital service revenues excluding Medicare revenues.

8. What is the proposed fee rate or fee amount?

Please specify if different fee rates or amounts will be applied to inpatient versus outpatient services and identify respective notes/ amounts.

The proposed rate will be 9.88% of non-Medicare net revenues for inpatient hospital services.

9. Will the same fee rate or fee amount apply to all hospitals included in the fee program?  No  Yes

If not, please describe which fee rate or amount is proposed to be applied to each hospital and the policy rationale.

10. If the fee program is not uniform or broad based, one or more statistical tests must be passed for the fee to comply with federal regulations. If the proposed fee program is **not broad-based** or **not uniform**, please provide a copy of the federally compliant statistical test(s) in an excel document.  N/A  Attached

Information on federally compliant statistical test (s) can be accessed at 42 CFR § 433.68

- Permissible health care-related taxes.

<https://www.govinfo.gov/content/pkg/CFR-2018-title42-vol4/xml/CFR-2018-title42-vol4-sec433-68.xml>

11. While the transfers to the state from the county must occur quarterly, what is the planned timing for collecting the fee – quarterly, monthly, biannually?

Quarterly  Monthly  Biannually  Other \_\_\_\_\_

12. What interest and/or penalties will be imposed for failure to pay the fee?

In the event a hospital fails to remit the fee by the due date, the County may apply interest to the amount due, not to exceed 1.5% of the outstanding payment amount per month, reflected on the following quarter's invoice.

13. What appeal process will be established to resolve any disputes related to the fee program?

Upon federal approval of the program, the County will officially notify hospitals that the fee program will take effect, and of the amount of the quarterly fee they will be required to pay throughout the program. The hospitals will have 15 days from receipt of that notice to contest the fee amount, by submitting a letter, including any supporting documents, to the County specifying the basis for the appeal.

14. How will hospitals be notified of their fee obligation and any other related operational requirements under the fee program?

In addition to the annual notice notifying the hospitals that the fee program will take effect, and of the annual quarterly fee amounts they will be required to pay under the program, the County will send each hospital quarterly invoices notifying them of their fee obligation and the payment at least 20 days in advance of each quarterly due date.

15. Please provide any additional pertinent information that you believe would be helpful in describing the program.

The County proposes that the amount of the assessment collected from Princeton House, a Mercer County location of Penn Medicine-Princeton, based in Middlesex County (after taking into account applicable fee withholdings) be utilized for County Option payments made to Mercer County hospitals, as the services provided at Princeton House will be paid through the Mercer County program.

This Fee & Expenditure report was prepared by the County's contractors who have nationwide experience working with these types of programs. The County has relied extensively on their expertise in developing the model, responding to these questions and assuring compliance with state and federal rules. The signed certification below relies in large part on the work and advice of the contractors.

## PROPOSED PAYMENT PROGRAM

As part of the program, counties may submit a proposed payment methodology detailing how program funds will be distributed to hospitals and the basis of the distribution. However, as the single State agency for the Medicaid Program, the Department's role is to review the proposed programs to assure that the assessment design and proposed expenditure methodology, if provided, comply with federal regulations governing such programs. A county's proposed payment method must include details on elements listed below.

### 1. What is the proposed basis for determining the hospital payment amounts?

The County proposes a state directed payment to be implemented as a uniform increase to Medicaid Managed Care inpatient payments across two classes of hospitals: general acute and non-general acute hospitals to account for differences in acuity between the two classes. The County also proposes a uniform increase to Medicaid Managed Care outpatient payments for the general acute class of hospitals. The increase in inpatient payments would be implemented as a per discharge add-on of \$22,170.66 for general acute care hospitals with main campuses in Mercer County and \$35,724.75 per discharge for the non-general acute care hospital with a main campus in Mercer County (Lawrence Rehabilitation). The increase in outpatient payments for the general acute class would be implemented as a per visit add-on of \$763.77. While the imposition of the fee is limited to services furnished within the County, the directed payment would include all inpatient hospital services provided by the hospital, regardless of the location of the services.

The inpatient payments have been calculated using an estimated Federal Medical Assistance Percentage (FMAP) of 65.33% for the general acute class and 72.53% for the non-general acute class. The outpatient payment for the general acute class of hospitals has been calculated using an estimated FMAP of 67.03%. In each case, we began by calculating the FMAP based on the mix of Medicaid, expansion and CHIP patients in the state's CY2024 data.

The payment methodology would be the same for all hospitals in a class, thereby directing the expenditures equally, using the same terms of performance, as required by 42 CFR 438.6(c)(2)(ii)(B). Details of the calculation of this payment methodology are contained in the attached model, prepared by the County's contractors, who can be available to the state to answer any questions about it or provide additional information as needed.

The directed payments would be provided on a quarterly basis, paid to the managed care organizations as a separate payment term (apart from monthly capitation payments to the plans). The four quarterly payments would each be equal to 25% of the projected annual rate increase amount (which is estimated in the attached model, based on the state's CY2024 encounter data forwarded to the County by DMAHS in September 2025 and updated in December 2025). A final reconciliation adjustment would be determined after the end of the year, based on actual services provided, keeping the relative distribution of payments across the general acute and specialty hospital classes as modeled. In this way, the payments would meet the federal requirement at 42 CFR 438.6(c)(2)(ii)(A) that directed payments be "based on the utilization and delivery of services."

### 2. The purpose of the County Option Hospital Fee Program is to increase financial resources through the Medicaid/NJ FamilyCare program to support local hospitals and to ensure that they continue to provide necessary services to low-income residents. How will the payments be utilized to effectuate this purpose?

The resources generated from the County Option Hospital Fee Program will help to stabilize the hospitals' financial positions, particularly in view of the low base Medicaid rates in the state compared to the average commercial rate, and, consequently, will strengthen their capacity to provide access to quality comprehensive and essential healthcare services to low-income County residents as well as encourage the hospitals to expand their provision of Medicaid services.

## OTHER COUNTY REQUIREMENTS

### CHECK BOX TO CONFIRM COMPLETION AND/OR AGREEMENT

- The county has provided the state with all calculations for the fee, the proposed payments, and the statistical test.
- The county understands that the funds created from this program are to increase financial resources through the Medicaid/NJ FamilyCare program to support local hospitals in providing necessary services to low-income residents.
- The county understands that at least 90% of the fee amounts collected will be transferred to the state to be used as the non-federal share for federally matched hospital payments.
- The county understands that at least 1% of the fee amounts collected will be transferred to the state for the state's administrative costs.
- The county understands that fees to be collected may not exceed <sup>5%</sup>~~2.5%~~ of the net patient revenue of hospitals included in the fee program.
- The following FORMS and ATTESTATION must be submitted with the Fee and Expenditure Report for each hospital located in the county (Include all source documents)
  - Data Form for County Option Hospital Fee Program**
  - Preliminary DSH Calculation Template**
- Attestation**  
Signed by each hospital located in the county.

## ATTESTATION

### NEW JERSEY COUNTY OPTION HOSPITAL FEE PROGRAM

### FEE AND EXPENDITURE ATTESTATION

#### CERTIFICATION BY COUNTY OFFICER OR ADMINISTRATOR

I hereby certify that I have examined the Fee & Expenditure Report for the reporting periods specified and that to the best of my knowledge and belief it is true, correct and complete statement prepared from the county option hospital fee state data set created from reports submitted by the hospitals within the county's jurisdiction in accordance with applicable instructions, except as noted. I understand that misrepresentation or falsification of any information contained in this report may be punishable by criminal, civil and administrative action, fine and/or imprisonment under state or federal law.

Signed

*Christopher R. Marion*

County Officer or Administrator

Name:

CHRISTOPHER R. MARION

Full Name (Printed)

Title:

COUNTY ADMINISTRATOR

Date:

2 / 2 / 2026

Email Address:

cmarion@mercercounty.org

**Attachment A**

New Jersey County Option Hospital Fee Program List of  
hospitals located in Mercer County

**Capital Health Medical Center - Hopewell**

One Capital Way  
Pennington, NJ 08534  
General Acute  
Non-profit

**Capital Health Regional Medical Center**

750 Brunswick Ave  
Trenton, NJ 08638  
General Acute  
Non-profit

**Robert Wood Johnson University Hospital - Hamilton**

One Hamilton Health Place  
Hamilton, NJ 08690  
General Acute  
Non-profit

**St Francis Medical Center**

601 Hamilton Ave  
Trenton, NJ 08629  
General Acute  
Non-profit

**St Lawrence Rehabilitation Center**

2381 Lawrenceville Road  
Lawrenceville, NJ 08648  
Comprehensive Rehabilitation  
Non-Profit

**Princeton House Behavioral Health**

905 Herrontown Road  
Princeton, NJ 08540  
Psychiatric Hospital  
Non-profit

**Trenton Psychiatric Hospital**

Sullivan Way  
P.O. Box 7500  
West Trenton, NJ 08628  
State-owned hospital

# MERCER COUNTY HOSPITAL FEE

1/30/2026

**Fee Basis:** 9.89% of Non-Medicare Net Inpatient Service Revenue

**State-Directed Medicaid Managed Care Payment (General Acute):** \$22,170.67 per discharge and \$765.12 per visit

**State-Directed Medicaid Managed Care Payment (Non General Acute):** \$35,724,76 per discharge

<b>Total Fee Receipts</b>	<b>\$64,942,974</b>
<b>County's Resource</b>	<b>\$5,844,868</b>
State's Resource	\$649,430
<i>Non-federal Share of Medicaid Payments</i>	<i>\$58,448,677</i>

HOSPITAL	Fees Paid	State Directed Medicaid Payments
Capital Health Regional Med. Ctr.	\$28,768,941	\$52,977,366
Capital Health Med. Ctr. - Hopewell	\$24,099,856	\$71,550,450
RWJUH-Hamilton	\$6,296,456	\$21,442,063
Lawrence Rehabilitation	\$559,722	\$3,179,503
	<b>\$59,724,974</b>	<b>\$149,149,382</b>
Penn Medicine - Princeton House	\$5,218,000	\$0

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1/30/2026

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		a	b	c = a - b	d = c * fee rate
	HOSPITAL	Net Patient Service Revenue (Inpatient)	Medicare Inpatient Net Patient Service Revenue	Revenue Basis	Fee Receipts
INPATIENT	Capital Health Regional	\$376,817,388	\$85,808,563	\$291,008,825	\$28,768,941
	Capital Health Hopewell	\$314,322,270	\$70,543,018	\$243,779,252	\$24,099,856
	RWJUH-Hamilton	\$124,853,612	\$61,162,556	\$63,691,055	\$6,296,456
	St. Lawrence Rehab	\$26,883,632	\$21,221,832	\$5,661,799	\$559,722
	Princeton House	\$58,666,997	\$5,884,936	\$52,782,061	\$5,218,000
	<b>Total IP</b>	<b>\$901,543,898</b>	<b>\$244,620,906</b>	<b>\$656,922,992</b>	<b>\$64,942,974</b>

<b>Fee Rate</b>	<b>9.89%</b>
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<b>Total Fee Receipts</b>	<b>\$64,942,974</b>	<b>h = f</b>
County Resource	\$5,844,868	i = h * 9%
State Resource	\$649,430	j = h * 1%
State Share Medicaid Payments	\$58,448,677	k = h - i - j
State Share Medicaid Payments for Middlesex County Hospitals	\$4,696,200	l = 90% of PH fee
State Share Medicaid Payments for Mercer County Hospitals	\$53,752,477	m = k - l
State Share Medicaid IPH Payments for General Acute Mercer County Hospitals	\$31,994,000	n
Est Effective FMAP	65.33%	o
State + Federal Share of Medicaid General Acute IPH Payments	\$92,271,541	p = n / (1 - o)
6% HMO Admin Fee	\$5,628,564	q = p * 6.1%
State + Federal Share of Medicaid IPH Payments Going to General Acute Hospitals	\$86,642,977	r = p - q
State Share Medicaid IPH Payments for Mercer County Non-General Acute Hospitals	\$930,213	s = n / (1 - 2.8%) - n
Est Effective FMAP	72.53%	t
State + Federal Share of Medicaid Non-General Acute IPH Payments	\$3,386,053	u = s / (1 - t)
6% HMO Admin Fee	\$206,549	v = u * 6.1%
State + Federal Share of Medicaid IPH Payments Going to Non-General Acute Hospitals	\$3,179,503	w = u - v
State Share Medicaid OPH Payments for Mercer County General Acute Hospitals	\$20,828,263	x = m2 - n - s
Est Effective FMAP	67.03%	y
State + Federal Share of Medicaid General Acute OPH Payments	\$63,180,939	z = x / (1 - y)
6% HMO Admin Fee	\$3,854,037	aa = z * 6.1%
State + Federal Share of Medicaid OPH Payments Going to General Acute Hospitals	\$59,326,901	ab = z - aa

# MERCER COUNTY HOSPITAL FEE

1/30/2026

**Fee Basis:** 9.89% of Non-Medicare Net Inpatient Service Revenue

**State-Directed Medicaid Managed Care Payment (General Acute):** \$22,170.67 per discharge and \$765.12 per visit

**State-Directed Medicaid Managed Care Payment (Non General Acute):** \$35,724.76 per discharge

Total Inpatient Hospital Enhanced Payments	\$86,642,977	a
<i>Inpatient Hospital Add-On Payment</i>	\$22,170.67	$b = a / g_{sum}$
Total Outpatient Hospital Enhanced Payments	\$59,326,901	c
<i>Outpatient Hospital Add-On Payment</i>	\$765.12	$d = c / i_{sum}$
Total Inpatient Hospital Enhanced Payments	\$3,179,503	e
<i>Inpatient Hospital Add-On Payment</i>	\$35,724.76	$f = e / k$

g                      h = b \* g                      i                      j = i \* d

## GENERAL ACUTE HOSPITAL PAYMENT INCREASE

HOSPITAL	Discharges	PAYMENTS	VISITS	PAYMENTS
Capital Health Regional	1,312	29,087,919	31,223	\$23,889,447
Capital Health Hopewell	2,097	46,491,894	32,751	\$25,058,556
RWJUH-Hamilton	499	11,063,164	13,565	\$10,378,899
	<b>3,908</b>	<b>\$86,642,977</b>	<b>77,539</b>	<b>\$59,326,901</b>

k                      l = f \* k

## NON-GENERAL ACUTE HOSPITAL PAYMENT INCREASE

HOSPITAL	Discharges	PAYMENTS	VISITS	PAYMENTS
Lawrence Rehabilitation	89	3,179,503		0
	<b>89</b>	<b>\$3,179,503</b>	<b>0</b>	<b>\$0</b>

**Maximum Fee Receipts Analysis**

	Net Patient Service Revenue as Reported		
	Inpatient	Outpatient	Inpat + Outpat
Capital Health Regional	\$346,947,717	\$206,843,093	\$553,790,810
Capital Health Hopewell	\$289,406,480	\$399,993,076	\$689,399,556
RWJUH-Hamilton	\$114,956,679	\$129,209,945	\$244,166,624
St. Lawrence Rehab	\$24,752,612	\$1,863,174	\$26,615,786
Penn Med. - Princeton House	\$54,016,564	\$28,610,404	\$82,626,968
	<b>\$830,080,052</b>	<b>\$766,519,692</b>	<b>\$1,596,599,744</b>

<b>1.0861</b>	<b>Inflator</b>
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	Inflated NPSR Revenue Basis		
	Inpatient	Outpatient	Inpat + Outpat
Capital Health Regional	\$376,817,388	\$224,650,777	\$601,468,165
Capital Health Hopewell	\$314,322,270	\$434,429,566	\$748,751,836
RWJUH-Hamilton	\$124,853,612	\$140,333,980	\$265,187,592
St. Lawrence Rehab	\$26,883,632	\$2,023,580	\$28,907,211
Penn Med. - Princeton House	\$58,666,997	\$31,073,551	\$89,740,548
	<b>\$901,543,898</b>	<b>\$832,511,454</b>	<b>\$1,734,055,351</b>

<b>\$1,734,055,351</b>	<b>Total Inflated NPSR</b>
<b>\$86,702,768</b>	<b>5% Revenue Cap</b>
\$64,942,974	Max Fee Receipts
	<b>3.75%</b>

**ACR Equivalent and Total SDP Amount Analyses**

**GENERAL ACUTE HOSPITALS**

**Inpatient Hospital**

<i>Per Diem ACR Threshold</i>		\$6,688.54	a
Aggregate CY23 Patient Days	21,007		
Medicaid HMO Payments	\$47,434,880.42	\$2,258.05	b
QIP-NJ	\$6,426,636.00	\$305.93	c
		\$2,563.98	d = b + c
<i>Remaining Room Under ACR Threshold (Pre County Option)</i>		<i>\$4,124.56</i>	<i>e = a - d</i>
County Option SDPs	\$86,642,977.25	\$4,124.48	f
<b>Post County Option Remaining ACR Room</b>		<b>\$0.08</b>	<b>g = e - f</b>

<b>Percentage of ACR Equivalent</b>	<b>100.00%</b>	<b>h = (d + f) / a</b>
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**Outpatient Hospital**

<i>Per Diem ACR Threshold</i>		\$1,705.58	j
Aggregate CY23 Visits	77,539		
Medicaid HMO Payments	\$56,935,549.81	\$734.28	k
Interim State Directed Payments	\$15,984,300.00	\$206.15	l
		\$940.43	m = k + l
<i>Remaining Room Under ACR Threshold (Pre County Option)</i>		<i>\$765.15</i>	<i>n = j - m</i>
County Option SDPs	\$59,326,901.43	\$765.12	o
<b>Post County Option Remaining ACR Room</b>		<b>\$0.03</b>	<b>p = n - o</b>

<b>Percentage of ACR Equivalent</b>	<b>100.00%</b>	<b>q = (m + o) / j</b>
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**NON - GENERAL ACUTE HOSPITALS**

**Inpatient Hospital**

<i>Per Diem ACR Threshold</i>		\$6,688.54	a
Aggregate CY23 Patient Days	1,048		
Medicaid HMO Payments	\$926,307.85	\$883.88	b
QIP-NJ		\$0.00	c
		\$883.88	d = b + c
<i>Remaining Room Under ACR Threshold (Pre County Option)</i>		<i>\$5,804.66</i>	<i>e = a - d</i>
County Option SDPs	\$3,179,503.36	\$3,033.88	f
<b>Post County Option Remaining ACR Room</b>		<b>\$2,770.78</b>	<b>g = e - f</b>

<b>Percentage of ACR Equivalent</b>	<b>58.57%</b>	<b>h = (d + f) / a</b>
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<b>SFY2026 Total SDP Amount</b>	<b>\$174,544,613</b>
<b>Under / (Over)</b>	<b>\$25,395,231</b>

**CY 2024 Encounter Data, FMAP Calculations and Outpatient Hospital SDP Estimates**

	PATIENT DAYS				DISCHARGES				Medicaid HMO Payments			
	CHIP	Expansion	Medicaid	TOTAL	CHIP	Expansion	Medicaid	TOTAL	CHIP	Expansion	Medicaid	TOTAL
CHMC Hopewell	89	2,902	6,141	9,132	24	541	1,532	2,097	\$180,020.49	\$7,120,320.55	\$11,302,105.47	\$18,602,446.51
Capital Health RMC	14	4,639	4,667	9,320	4	668	640	1,312	\$25,127.00	\$10,341,380.85	\$10,281,794.88	\$20,648,302.73
RWJUH Hamilton	16	1,310	1,229	2,555	5	276	218	499	\$33,724.00	\$2,788,629.70	\$2,475,056.73	\$5,297,410.43
Lawrence Rehab	34	600	414	1,048	3	49	37	89	\$27,733.00	\$498,035.00	\$344,168.00	\$869,936.00
	<b>153</b>	<b>9,451</b>	<b>12,451</b>	<b>22,055</b>	<b>36</b>	<b>1,534</b>	<b>2,427</b>	<b>3,997</b>				<b>\$45,418,095.67</b>

\$2,059.31

\$44,548,159.67

	General Acute FMAP Calculation (IP)				Non-General Acute FMAP Calculation (IP)			
	CHIP	Expansion	Medicaid	TOTAL	CHIP	Expansion	Medicaid	TOTAL
Population Discharges	33	1,485	2,390	3,908	3	49	37	89
Population Proportion	0.84%	38.00%	61.16%		3.37%	55.06%	41.57%	100.00%
Population FMAP	65%	90%	50%		65%	90%	50%	
Aggregate FMAP	0.55%	34.20%	30.58%	<b>65.33%</b>	2.19%	49.55%	20.79%	<b>72.53%</b>

**Visits**

	CHIP	Expansion	Medicaid	TOTAL
CHMC Hopewell	4,348	11,218	17,185	32,751
Capital Health RMC	2,919	11,399	16,905	31,223
RWJ Hamilton	1,402	7,152	5,011	13,565
	<b>8,669</b>	<b>29,769</b>	<b>39,101</b>	<b>77,539</b>

**Medicaid HMO Payments**

	CHIP	Expansion	Medicaid	TOTAL
	\$2,731,303.43	\$11,076,042.22	\$13,036,181.25	\$26,843,526.90
	\$1,660,959.43	\$8,039,252.33	\$10,047,987.39	\$19,748,199.15
	\$487,850.15	\$4,899,821.26	\$3,115,967.17	\$8,503,638.58
	<b>\$4,880,113.01</b>	<b>\$24,015,115.81</b>	<b>\$26,200,135.81</b>	<b>\$55,095,364.63</b>

**General Acute FMAP Calculation (OP)**

	CHIP	Expansion	Medicaid	TOTAL
Population Discharges	8,669	29,769	39,101	77,539
Population Proportion	11.18%	38.39%	50.43%	
Population FMAP	65%	90%	50%	
Aggregate FMAP	7.27%	34.55%	25.21%	<b>67.03%</b>

**Outpatient Hospital SDP Estimate**

	Visits	Rate	Payment
CHMC Hopewell	32,751	\$120.00	\$3,930,120
Capital Health RMC	31,223	\$360.00	\$11,240,280
RWJ Hamilton	13,565	\$60.00	\$813,900
<b>Total</b>			<b>\$15,984,300</b>

# MERCER COUNTY HOSPITAL FEE

1/30/2026

**Quarterly Index Levels \***  
**Inpatient Hospital Input Price Index using IHS Global Inc.**  
**Forecast**  
**Assumptions by Expense Category**

<i>Expense Category</i>	<i>Price/Wage Variable</i>	Base Year Weights 2023
Total - PPS23		100.0

2024 Q4	Forecast 2025 Q4	Forecast 2026 Q4	Forecast 2027 Q2
1.057	1.094	1.129	1.148

3.500%    3.199%    1.683%

<b>Draft CY24 to SFY27 Inflaters Developed by Mercer Consulting</b>	
<b>Inpatient Hospital</b>	<b>Outpatient Facility</b>
6.48%	3.34%

\* Quarterly index levels and four-quarter moving average percent changes are reported on a calendar year (CY) basis. For example, the Q4 index level corresponds with October 1 through December 31 and the Q4 four-quarter moving average percent change reflects the CY growth rate.

\*\* Percent change moving averages are calculated using more than ten decimal places.

Source: IHS Global Inc. 2025Q3 Forecast

Historical Data through 2025Q2

Released by CMS, OACT, National Health Statistics Group, dnhs@cms.hhs.gov

12/15/2025