

Date: 2 / 23 / 2026

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

County: Union 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 Union 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:

Mountainview Behavioral Hospital (formerly known as Cornerstone Behavioral Health) is not being included in the fee.

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)

Policy and legal justifications support excluding Mountainview from the fee. The County based its assessment on the most recently available reliable hospital data, which was for cost reports ending in CY2024.

Mountainview Behavioral Hospital was operated as Cornerstone, a County-owned hospital, until mid-October 2024. The state treated the hospital as public throughout CY2024, including by paying the hospital through New Jersey's State Aid program supporting indigent care at county-owned psychiatric hospitals. The hospital's operations reflected this treatment, as, for example, the hospital did not have payer contracts in place in 2024. In light of the state's continued treatment of the Hospital as a public provider for the purpose of payment throughout CY2024 (the year upon which the fee and corresponding payment program are based), its services are appropriately excluded from the assessment as a public provider under 42 C.F.R. 433.68(c)(1), which requires that a tax be imposed only all health care services in the relevant class furnished by all "non-Federal, non-public providers in the State."

Furthermore, there is insufficient financial data reflecting the hospital's operation as a private entity on which to base the fee. Under the County's ordinance establishing the fee, the County will only assess a new hospital in the program year that begins at least two years following the year in which it becomes a new hospital, provided there is sufficient data to do so. Although Mountainview is not technically a new hospital, because of the change in ownership from public to private, particularly so late in the calendar year without payer contracts in place, there is insufficient data reflecting the hospital's operation as a private hospital on which to base an assessment for program year 2027.

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, and gathering feedback from all hospitals within the jurisdiction, and developing criteria used to evaluate potential models. Those criteria continue to inform the process for the current year. For SFY2027 the County has collected updated data from the hospitals to reevaluate the model (both assessment and payment bases) and has involved the hospitals throughout. 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 gathered feedback to inform the design of the program for SFY27. We also provided support for hospitals in completing all 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 fee per discharge 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?

No.

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 fee is \$1,776.31 per discharge.

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 will add interest to the amount due, not to exceed 1.5% of the outstanding payment amount per month, reflected on the following quarter's invoice. The County may also seek the application of a lien.

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. In the event the County assesses interest on a hospital, the hospital may appeal the decision to impose interest and/or the amount of the interest within 15 days after the receipt of the notice assessing interest.

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 deadline 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.

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 three payment classes: acute general inpatient hospital services, acute psychiatric inpatient hospital services under private ownership as of the most recent Medicare cost reporting period, acute non-psychiatric specialty inpatient services, and acute outpatient hospital services. The County proposes to create the separate classes for psychiatric and specialty hospitals because of the significant difference in patient acuity in these hospitals. The increase in inpatient payments would be implemented as a \$27,648.69 per discharge add-on for the acute general hospitals, a \$10,891.44 per discharge add-on for the private psychiatric hospital (Summit Oaks), and a \$2,655.52 add-on for the non-psychiatric specialty hospital (Kindred). The increase in outpatient payments for the acute class would be implemented as a per visit add-on of \$720.65.

The inpatient payments have been calculated using a Federal Medical Assistance Percentage (FMAP) of 69.77% for the general acute and psychiatric inpatient hospital services classes, 68.084% for the non-psychiatric specialty class, and 69.633% for the acute outpatient hospital services class. In each case, we began by calculating the FMAP based on the mix of Medicaid, expansion and CHIP patients in the state's CY2024 encounter data provided to the County by DMAHS in September 2025 and updated in December 2025.

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 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. The four quarterly payments would each be equal to 25% of the projected annual rate increase amount. These projected rates, which are estimated in the attached model, are based on the state's CY2024 encounter data. A final reconciliation adjustment would be determined after the end of the year for all hospitals, based on actual services provided, keeping the relative distribution of payments across the 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 ~~2.5%~~ 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 Template Hospital Fee Program** **Preliminary DSH Calculation**
- 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

Edward T. Oatman

County Officer or Administrator

Name:

Edward T. OATMAN

Full Name (Printed)

Title:

COUNTY MANAGER

Date:

2/24/26

Email Address:

EOATMAN@UCNJ.ORG

Union



New Jersey County Option Hospital Fee Program: Union County, NJ (SFY27)
 Model for Assessment and Interim Payment Distribution

Last Edit Date: 2.19.2026

1	2	3	4	5	6	7	8	9 = 5 + 8	10	11 = 9 + 10
		Assessment								
CCN	Provider	Discharges (2024)	Assessment Rate	Hospital Assessment		Assessment Rate	Hospital Assessment	Hospital Assessment	Hospital Assessment Transferred from/(to) Another County	Hospital Assessment Total
310024	Rahway (RWJBH)	4,807	\$ 1,776.31	8,538,710		\$ -	-	\$ 8,538,710	\$ -	\$ 8,538,710
310027	Trinitas (RWJBH)	11,789	\$ 1,776.31	20,940,889		\$ -	-	\$ 20,940,889	\$ -	\$ 20,940,889
310051	Overlook (AHS)	21,823	\$ 1,776.31	38,764,359		\$ -	-	\$ 38,764,359	\$ -	\$ 38,764,359
310108	JFK Muhlenberg (HMH)	-	\$ 1,776.31	-		\$ -	-	\$ -	\$ -	\$ -
312018	CareOne at Trinitas	103	\$ 1,776.31	182,960		\$ -	-	\$ 182,960	\$ (182,960)	\$ -
312020	Kindred - Rahway	202	\$ 1,776.31	358,814		\$ -	-	\$ 358,814		\$ 358,814
313300	Children's Spec. (RWJBH)	-	\$ 1,776.31	-		\$ -	-	\$ -	\$ -	\$ -
314001	Summit Oaks	3,263	\$ 1,776.31	5,796,091		\$ -	-	\$ 5,796,091	\$ -	\$ 5,796,091
314027	Mountainview (excluded)	-	\$ -	-		\$ -	-	\$ -	\$ -	\$ -
999	Total	41,987	-	74,581,823		-	\$ -	\$ 74,581,823	\$ (182,960)	\$ 74,398,863

NPSR Reduction Factor	92.23%	4.61%	5.00%	(b) Net Funds Available for Distribution	County	State		
(a1) Assessment				Hospital Assessment Prior to Transfers			\$ 74,581,823	
County Aggregate Assessment (Exh. A)	\$ 74,581,821	4.61%	5.00%	Assessment exc. County & State Admin. Fees	\$ 6,712,364	\$ 745,818	\$ 67,123,641	
Share funded by assessment	\$ 74,581,821	100%		Less: Balance of Transfer to Another County			(164,664)	
Assessment Basis	41,987			Assessment exc. County & State Admin. Fees, Net of Transfers			\$ 66,958,977	
Assessment Rate	\$ 1,776.31							
(a2) Assessment				Percentage of Net Assessment	Inpatient-Disch 69.77%	Inpatient-Days 0.23%	Outpatient 30.00%	100.00%
County Aggregate Assessment (Exh. A)	\$ 74,581,821			Net Assessment	\$ 46,717,278	\$ 154,006	\$ 20,087,693	\$ 66,958,977
Share funded by assessment	\$ -			Federal Match %	68.250%	68.084%	69.633%	
Assessment Basis				Federal Match	\$ 100,423,557	\$ 328,533	\$ 46,061,220	\$ 146,484,778
Assessment Rate	\$ -			Subtotal	\$ 147,140,835	\$ 482,539	\$ 66,148,914	\$ 213,772,288
Variance due to rounding	\$ 2			Less: MMCO 6.1%	\$ (8,975,591)	\$ (29,435)	\$ (4,035,084)	\$ (13,010,675)
				Net Funds Available to Hospitals	\$ 138,165,244	\$ 453,104	\$ 62,113,830	\$ 200,732,178
				Variance due to rounding (N/A - payment rates not rounded)				\$ (0)

Union



New Jersey County Option Hospital Fee Model for Assessment and Interim Pay

Last Edit Date: 2.19.2026

1	2	12	13	14	15	16	17 = 12 * 15	18 = 13 * 16	19 = 17 + 18
		Payment							
CCN	Provider	MMCO Discharges or Days (CY24)	MMCO OP Visits (CY24)	Class	Distribution Rate #1 ^(c)	Distribution Rate #2 ^(c)	Distribution Amount #1	Distribution Amount #2	Medicaid Directed Payment Amount
310024	Rahway (RWJBH)	449	10,837	1	\$ 27,648.69	\$ 720.65	\$ 12,414,262	\$ 7,809,720	\$ 20,223,982
310027	Trinitas (RWJBH)	2,301	31,602	1	\$ 27,648.69	\$ 720.65	\$ 63,619,636	\$ 22,774,086	\$ 86,393,722
310051	Overlook (AHS)	1,687	43,752	1	\$ 27,648.69	\$ 720.65	\$ 46,643,340	\$ 31,530,024	\$ 78,173,364
310108	JFK Muhlenberg (HMH)			9	\$ -	\$ -	\$ -	\$ -	\$ -
312018	CareOne at Trinitas			9	\$ -	\$ -	\$ -	\$ -	\$ -
312020	Kindred - Rahway	261		3	\$ 2,655.52	\$ -	\$ 693,092	\$ -	\$ 693,092
313300	Children's Spec. (RWJBH)			9	\$ -	\$ -	\$ -	\$ -	\$ -
314001	Summit Oaks	1,400		2	\$ 10,891.44	\$ -	\$ 15,248,018	\$ -	\$ 15,248,018
314027	Mountainview (excluded)			9	\$ -	\$ -	\$ -	\$ -	\$ -
999	Total	(x)	86,191	-	-	-	\$ 138,618,348	\$ 62,113,830	\$ 200,732,178

(c) Payment Distribution

Class	Class	%	Inpatient		Outpatient		Inpatient Distribution Rate		Outpatient Distribution Rate	
			Interim Payments	Interim Payments	Distribution %	Interim Payments	MMCO Discharge	Pmt Rate	MMCO OP Visits	Pmt Rate
1	Gen Acute	88.50%	\$ 122,677,238	\$ 62,113,830	100.00%	\$ 62,113,830	4,437	\$ 27,648.69	86,191	\$ 720.65
2	Psych Acute	11.00%	\$ 15,248,018	\$ -		\$ -	1,400	\$ 10,891.44	-	\$ -
3	Specialty	0.50%	\$ 693,092	\$ -		\$ -	261	\$ 2,655.52	-	\$ -
4			\$ -	\$ -		\$ -	-	\$ -	-	\$ -
	Total	100.00%	\$ 138,618,348	\$ 62,113,830	100.00%	\$ 62,113,830	6,098	(x)	86,191	(x)

ok

ok

Union



New Jersey County Option Hospital Fee Program: Union County, NJ (SFY27)
 Model for Assessment and Interim Payment Distribution

Last Edit Date: 2.19.2026

Average Commercial Rate (ACR) Equivalent Analysis: Inpatient

		Adjusted to SFY27\$										2024 Uninflated	
		1	2	3 = 1 / 2	4	5 = 4 / 2	6	7 = 6 / 2	8	9 = 8 / 2	10 = 3+5+7+9	11	12 = 10 / 11
County	Payment Class	MMCO IP Payments CY24\$ to SFY27\$ (Exhibit B)	MMCO Days (CY24) (Exh. B)	Avg. Medicaid MCO Enc. Payment per Day	COHP Directed Payment (per above)	COHP Directed Payment Per Day	QIP Estimated Payment (Exhibit C)	QIP Estimated Payment per Day	State Outpatient Directed Payment	State Outpatient Directed Payment per Day	Total Avg. Medicaid MC Payment per Day	2024 Statewide Average Commercial Rate (audited)	% of ACR
Union	Gen Acute	\$ 50,655,398	27,514	\$ 1,841.08	\$ 122,677,238	\$ 4,458.72	\$ 10,022,031	\$ 364.25	\$ -	\$ -	\$ 6,664.05	\$ 6,688.54	99.63%
Union	Psych Acute	\$ 10,243,709	15,418	\$ 664.40	\$ 15,248,018	\$ 988.98	\$ -	\$ -	\$ -	\$ -	\$ 1,653.37	\$ 6,688.54	24.72%
Union	Specialty	\$ 554,429	261	\$ 2,124.25	\$ 693,092	\$ 2,655.52	\$ -	\$ -	\$ -	\$ -	\$ 4,779.77	\$ 6,688.54	71.46%
Union		\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,688.54	NA
Total		\$ 61,453,535	43,193	\$ 138,618,348	\$ 10,022,031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

Average Commercial Rate (ACR) Equivalent Analysis: Outpatient

		Adjusted to SFY27\$										2024 Uninflated	
		1	2	3 = 1 / 2	4	5 = 4 / 2	6	7 = 6 / 2	8	9 = 8 / 2	10 = 3+5+7+9	11	12 = 10 / 11
County	Payment Class	MMCO OP Payments CY24\$ to SFY27\$ (Exhibit B)	MMCO OP Visits (CY23) (Exhibit B)	Avg. Medicaid MCO Enc. Payment per Visit	COHP Directed Payment (per above)	COHP Directed Payment Per Visit	QIP Estimated Payment	QIP Estimated Payment per Visit	State Outpatient Directed Payment (Exhibit D)	State Outpatient Directed Payment per Visit	Total Avg. Medicaid MC Payment per Visit	2024 Statewide Average Commercial Rate (audited)	% of ACR
Union	Gen Acute	\$ 62,075,086	86,191	\$ 720.20	\$ 62,113,830	\$ 720.65	\$ -	\$ -	\$ 16,496,640	\$ 191.40	\$ 1,632.25	\$ 1,705.58	95.70%
Union	Psych Acute	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,705.58	NA
Union	Specialty	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,705.58	NA
Union		\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,705.58	NA
Total		\$ 62,075,086	86,191	\$ 62,113,830	\$ -	\$ -	\$ -	\$ -	\$ 16,496,640	\$ -	\$ -		

Exhibit A



New Jersey County Option Hospital Fee Program: Union County, NJ (SFY27)
 Maximum Fee Assessment

Last Edit Date: 2.19.2026

Net Patient Service Revenue
 - Net of COHP Exclusions -

Table 1. Maximum Aggregate Assessment (N.J.A.C. 10:52B-2.1 Limit)	FYE	2024 Data Forms Inpatient	2024 Data Forms Outpatient	2024 Data Forms Total	2024 Data Inpatient + Inflation Factor(a)	2024 Data Outpatient + Inflation Factor(a)	2024 Data Total + Inflation Factor(a)
Rahway (RWJBH)	12/31	\$ 71,234,220	\$ 64,735,716	\$ 135,969,936	\$ 77,289,129	\$ 70,238,252	\$ 147,527,381
Trinitas (RWJBH)	12/31	\$ 182,997,635	\$ 97,817,830	\$ 280,815,465	\$ 198,552,434	\$ 106,132,346	\$ 304,684,780
Overlook (AHS)	12/31	\$ 459,982,363	\$ 515,271,811	\$ 975,254,174	\$ 499,080,864	\$ 559,069,915	\$ 1,058,150,779
JFK Muhlenberg (HMH)	12/31	\$ -	\$ 8,454,661	\$ 8,454,661	\$ -	\$ 9,173,307	\$ 9,173,307
CareOne at Trinitas	12/31	\$ 8,751,045	\$ -	\$ 8,751,045	\$ 9,494,884	\$ -	\$ 9,494,884
Kindred - Rahway	12/31	\$ 18,403,950	\$ -	\$ 18,403,950	\$ 19,968,286	\$ -	\$ 19,968,286
Children's Spec. (RWJBH)	12/31	\$ -	\$ 29,864,655	\$ 29,864,655	\$ -	\$ 32,403,151	\$ 32,403,151
Summit Oaks	12/31	\$ 31,699,473	\$ 1,386,347	\$ 33,085,820	\$ 34,393,928	\$ 1,504,186	\$ 35,898,115
Mountainview	12/31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 773,068,686	\$ 717,531,020	\$ 1,490,599,706	\$ 838,779,525	\$ 778,521,156	\$ 1,617,300,681
Limit Requirement: N.J.A.C. 10:52B-2.1	5.0%	\$ 38,653,434	\$ 35,876,551	\$ 74,529,985	\$ 41,938,976	\$ 38,926,058	\$ 80,865,034
Limit Requirement: Federal (6%)	6.0%	\$ 46,384,121	\$ 43,051,861	\$ 89,435,982	\$ 50,326,771	\$ 46,711,269	\$ 97,038,041
Maximum Aggregate Assessment		\$ 38,653,434	\$ 35,876,551	\$ 74,529,985	\$ 41,938,976	\$ 38,926,058	\$ 80,865,034
<i>Market Basket - Weighted (informational only)</i>					1.085	1.085	1.085

(a) Inflation Factor

2024 - 2027 (CMS MBI v.2025Q3)				
Cost Report FYE	Midpoint of Cost FYE	Inflation Factor Midpoint of Cost Report Period	Inflation Factor Midpoint of SFY (1/1/2027)	Inflation Factor
3/31	Q4 23	1.021	1.141	1.118
6/30	Q1 24	1.034	1.141	1.103
9/30	Q2 24	1.042	1.141	1.095
10/31	Q2 24	1.042	1.141	1.095
12/31	Q3 24	1.052	1.141	1.085

Source: <https://www.cms.gov/data-research/statistics-trends-and-reports/medicare-program-rates-statistics/market-ba>

	Tax	Net Tax	Status
(b) Tax Assessments from Other Counties	319999 Not Applicable	- 90%	- Not Applicable
	319999 Not Applicable	- 90%	- Not Applicable

**New Jersey County Option Hospital Fee Program: Union County, NJ (SFY27)
Medicaid MCO Encounter Data to Develop Interim Payments**

Last Edit Date: 1.21.2026

Union
4.17% Union
3.35%

Medicaid Managed Care, CY 2024
(Source: DMAHS, 9/4/25 Run Date + I/P Payments Run Date 12/9/25)

MMCO Payments Adjusted to SFY27 \$

CCN	Provider	MMCO Days (CY24)	MMCO Discharges (CY24)	MMCO IP Payments (CY24)	MMCO OP Visits (CY24)	MMCO OP Payments (CY24)	MMCO Total Payments (CY24)	MMCO Encounter Data set to 0, Tax	Adjustment Factor: Inpatient (Exhibit F)	Adjustment Factor: Outpatient (Exhibit F)	MMCO IP Payments CY24\$ to SFY27\$ (Exhibit B)	MMCO OP Payments CY24\$ to SFY27\$ (Exhibit B)
310024	Rahway (RWJBH)	2,446	449	5,190,539	10,837	6,153,159	11,343,698		1.0417	1.0335	5,407,223	6,359,427
310027	Trinitas (RWJBH)	16,047	2,301	24,928,386	31,602	17,777,110	42,705,496		1.0417	1.0335	25,969,045	18,373,039
310051	Overlook (AHS)	9,021	1,687	18,506,556	43,752	36,131,414	54,637,970		1.0417	1.0335	19,279,130	37,342,620
310108	JFK Muhlenberg (HMH)	-	-	-	-	-	-	Middlesex	1.0417	1.0335	-	-
312018	CareOne at Trinitas	-	-	-	-	-	-	Bergen	1.0417	1.0335	-	-
312020	Kindred - Rahway	261	2	532,211	-	-	532,211	Passaic	1.0417	1.0335	554,429	-
313300	Children's Spec. (RWJBH)	-	-	-	-	-	-	Middlesex	1.0417	1.0335	-	-
314001	Summit Oaks	15,418	1,400	9,833,212	-	-	9,833,212		1.0417	1.0335	10,243,709	-
314027	Mountainview	-	-	-	-	-	-		1.0417	1.0335	-	-
									1.0417	1.0335		
Total Net of Exclusions		43,193	5,839	58,990,904	86,191	60,061,682	119,052,586		(x)	(x)	61,453,535	62,075,086

Exhibit B-1

NJ County Option Hospital Fee Program
CY 2024 Encounter Data Inpatient

Last Edit Date: 12.18.2025

CALENDAR YEAR 2024 (DMAHS 9/4/25 Run Date + I/P Payments Run Date 12/9/25)

I/P Payment Exclude	Medicare ID Roll-up	Facility Name	Days				Discharges				Payments				
			CHIP	Expansion	Medicaid	CY 2024	CHIP	Expansion	Medicaid	CY 2024	CHIP	Expansion	Medicaid	CY 2024	
	310024	RWJBH Rahway	1	1,216	1,229	2,446	1	246	202	449	32,926	2,479,185	2,678,428	5,190,539	
	310027	Trinitas	799	5,650	9,598	16,047	81	883	1,337	2,301	639,813	9,876,086	14,412,487	24,928,386	
	310051	Overlook	216	3,961	4,844	9,021	52	681	954	1,687	410,380	8,776,554	9,319,622	18,506,556	
exc	310108	JFK - Muhlenberg	399	4,309	5,454	10,162	152	813	1,162	2,127	1,131,188	10,171,551	11,152,670	22,455,409	
exc	312018	Care One at Trinitas	0	118	207	325	0	1	1	2	0	189,904	199,415	389,319	
	312020	Kindred - Rahway	0	118	143	261	0	1	1	2	0	236,395	295,816	532,211	
exc	313300	Children's Specialized	1,569	126	4,317	6,012	60	1	161	222	6,013,710	483,152	16,293,989	22,790,852	
	314001	Summit Oaks	1,481	7,972	5,965	15,418	173	738	489	1,400	1,197,425	4,768,452	3,867,335	9,833,212	
exc	314027	Mountainview Behavioral	0	0	0	0	0	0	0	0	0	0	0	0	
			10%	52%	39%		12%	53%	35%		12%	48%	39%		
			65%	90%	50%		65%	90%	50%		65%	90%	50%		
				72.123%				72.939%				71.224%			
County Total			4,466	23,471	31,758	59,696	521	3,365	4,308	8,194	9,425,444	36,981,281	58,219,762	104,626,487	
% of Total			7%	39%	53%	100%	6%	41%	53%	100%	9%	35%	56%	100%	
Federal Match Rate			65%	90%	50%		65%	90%	50%		65%	90%	50%		
FMAP - Inpatient				66.850%				67.382%				65.490%			
Exclusions			1,968	4,553	9,978	16,499	212	815	1,324	2,351	7,144,899	10,844,607	27,646,074	45,635,580	
County Net of Exclusions			2,497	18,917	21,779	43,193	307	2,549	2,983	5,839	2,280,544	26,136,672	30,573,687	58,990,904	
% of Total			6%	44%	50%	100%	5%	44%	51%	100%	4%	44%	52%	100%	
Federal Match Rate			65%	90%	50%		65%	90%	50%		65%	90%	50%		
FMAP - Inpatient Net of Txfr Out				68.386%				68.251%				68.302%			
without Kindred	County Net of Exclusions			2,497	18,799	21,636	42,932	307	2,548	2,982	5,837	2,280,544	25,900,277	30,277,871	58,458,693
without Kindred	% of Total			6%	44%	50%	100%	5%	44%	51%	100%	4%	44%	52%	100%
without Kindred	Federal Match Rate			65%	90%	50%		65%	90%	50%		65%	90%	50%	
without Kindred	FMAP - Inpatient Net of Txfr Out				68.388%				68.250%			68.307%			
Kindred Only	County Net of Exclusions			0	118	143	261	0	1	1	2	0	236,395	295,816	532,211
Kindred Only	% of Total			0%	45%	55%	100%	0%	50%	50%	100%	0%	44%	56%	100%
Kindred Only	Federal Match Rate			65%	90%	50%		65%	90%	50%		65%	90%	50%	
Kindred Only	FMAP - Inpatient Net of Txfr Out				68.084%				70.000%			67.767%			

Exhibit B-2

NJ County Option Hospital Fee Program
CY 2024 Encounter Data Outpatient

Last Edit Date: 12.18.2025

CALENDAR YEAR 2024 (DMAHS 9/4/25 Run Date + I/P Payments Run Date 12/9/25)

O/P Payment Exclude	Medicare ID Roll-up	Facility Name	Visits				Payments			
			CHIP	Expansion	Medicaid	CY 2024	CHIP	Expansion	Medicaid	CY 2024
	310024	RWJBH Rahway	1,125	5,737	3,975	10,837	\$ 442,585	\$ 3,562,206	\$ 2,148,368	6,153,159
	310027	Trinitas	2,891	13,244	15,467	31,602	\$ 1,298,621	\$ 8,519,753	\$ 7,958,737	17,777,110
	310051	Overlook	6,293	19,457	18,002	43,752	\$ 2,805,149	\$ 19,468,012	\$ 13,858,253	36,131,414
exc	310108	JFK - Muhlenberg	7,200	18,939	19,636	45,775	\$ 3,184,261	\$ 15,016,248	\$ 11,925,357	30,125,867
exc	312018	Care One at Trinitas	0	0	0	0	\$ -	\$ -	\$ -	0
exc	312020	Kindred - Rahway	0	0	0	0	\$ -	\$ -	\$ -	0
exc	313300	Children's Specialized	13,767	59	35,363	49,189	\$ 7,058,431	\$ 21,492	\$ 18,309,569	25,389,493
exc	314001	Summit Oaks	0	1	1	2	\$ -	\$ 4,540	\$ 720	5,260
exc	314027	Mountainview Behavioral	0	0	0	0	\$ -	\$ -	\$ -	0

<10 converted to 1	County Total	31,276	57,437	92,444	181,157	14,789,047	46,592,250	54,201,004	115,582,302
	% of Total	17%	32%	51%		13%	40%	47%	
	Federal Match Rate	65%	90%	50%		65%	90%	50%	
	FMAP - Outpatient		65.27%				68.04%		
	Exclusions	20,967	18,999	55,000	94,966	10,242,693	15,042,280	30,235,647	55,520,620
	County Net of Exclusions	10,309	38,438	37,444	86,191	4,546,355	31,549,970	23,965,358	60,061,682
	% of Total	12%	45%	43%	100%	8%	53%	40%	100%
	Federal Match Rate	65%	90%	50%		65%	90%	50%	
	FMAP - Outpatient Net of Txfr C		69.633%				72.147%		

**New Jersey County Option Hospital Fee Program: Union County, NJ (SFY27)
QIP Payments per DMAHS**

Last Edit Date: 6.26.2025

Estimate based on MY3

CCN	Provider	Behavioral Health Performance Payment	Maternal Health Performance Payment	QIP Payments per DMAHS	Notes
310024	Rahway (RWJBH)	797,672	-	797,672	
310027	Trinitas (RWJBH)	5,799,406	945,413	6,744,819	
310051	Overlook (AHS)	1,444,505	1,035,035	2,479,540	
310108	JFK Muhlenberg (HMH)	-	-	-	Campus is o/p, QIP assigned to Middlesex not eligible
312018	CareOne at Trinitas	-	-	-	
312020	Kindred - Rahway	-	-	-	
313300	Children's Spec. (RWJBH)	-	-	-	
314001	Summit Oaks	-	-	-	
County Total		8,041,583	1,980,448	10,022,031	

Exhibit D



**New Jersey County Option Hospital Fee Program: Union County, NJ (SFY27)
State Directed Outpatient Payment per DMAHS (Interim SFY25)**

Last Edit Date: 6.26.2025

CCN	Provider	MMCO Outpatient State Directed Payment (Interim)	Notes
310024	Rahway (RWJBH)	\$ 2,152,980	
310027	Trinitas (RWJBH)	\$ 11,558,295	
310051	Overlook (AHS)	\$ 2,785,365	
310108	JFK Muhlenberg (HMH)	\$ -	pmt assigned to Middlesex Co.
312018	CareOne at Trinitas	\$ -	not eligible
312020	Kindred - Rahway	\$ -	not eligible
313300	Children's Spec. (RWJBH)	\$ -	not eligible
314001	Summit Oaks	\$ -	not eligible
County Total		- (x) 16,496,640	

Mercer Medicaid MCO Final Trend Factors: CY24 - SFY27

Received: 1.19.2026

CY24 to SFY27 Draft Trend Factors					
County	Unit Cost		Units		
	Inpatient Hospital	Outpatient Facility	Inpatient Hospital	Outpatient Facility	
Atlantic	5.82%	4.19%	5.35%	7.57%	
Bergen	4.79%	3.17%	6.73%	9.81%	
Burlington	5.06%	4.76%	5.85%	8.28%	
Camden	4.25%	3.78%	6.84%	8.66%	
Cape May	5.21%	4.09%	5.89%	9.76%	
Cumberland	5.11%	5.24%	6.40%	8.29%	
Essex	4.32%	3.44%	7.01%	9.51%	
Gloucester	4.75%	3.99%	5.80%	7.78%	
Hudson	3.70%	2.86%	7.28%	9.97%	
Hunterdon	7.22%	3.20%	3.29%	9.54%	
Mercer	6.48%	3.34%	6.01%	9.59%	
Middlesex	4.69%	3.51%	6.75%	9.40%	
Monmouth	5.33%	4.77%	6.02%	8.50%	
Morris	5.51%	2.92%	6.69%	10.64%	
Ocean	5.87%	2.99%	3.84%	9.50%	
Passaic	4.30%	2.68%	7.53%	10.06%	
Salem	4.93%	5.46%	5.39%	7.22%	
Somerset	5.32%	3.47%	6.03%	9.68%	
Sussex	6.51%	4.38%	4.57%	7.37%	
Union	4.17%	3.35%	7.34%	10.13%	
Warren	5.04%	5.31%	5.44%	6.99%	

The inpatient units trends can be applied to both days and discharges.

Notes

1. The final trends from the SFY2026 rate development were used to trend CY2023 data and CY2024 data to SFY2025. The draft trends from the SFY2027 Draft rate development were then used thereafter to trend from SFY2025 to SFY2027.
2. Mercer relied on the State's SFY2027 enrollment projections as of October 2025 to develop these trend assumptions.
3. The unit trends for CY2023 are negative due to the sizeable decline in projected enrollment between CY2023 and SFY2027.

Caveats

1. The draft trends from the SFY2027 Draft rate development, which were used in this analysis to trend from SFY2025 to SFY2027, will change as Mercer finalizes the capitation rates for SFY2027. Additionally, updated State enrollment projections will also influence these county-specific inpatient and outpatient trend assumptions.

Attachment A

New Jersey County Option Hospital Fee Program

List of hospitals located in Union County

Overlook Medical Center

99 Beauvoir Avenue

Summit, NJ 07901

- General Acute Hospital
- Non-profit

RWJ at Rahway

865 Stone Street

Rahway, NJ 07065

- General Acute Hospital
- Non-profit

Trinitas Regional Medical Center

225 Williamson Street

Elizabeth, NJ 07202

- General Acute Hospital
- Non-profit

The Rehab Hospital at Raritan Bay

225 Williamson Street

Elizabeth, NJ 07202

- LTACH
- For Profit

Kindred Hospital of Rahway

865 Stone Street

4th Floor

Rahway, NJ 07065

- LTACH

- For Profit

Mountainview Behavioral Health (f/k/a Cornerstone Behavioral Health)

40 Watchung Avenue

Berkeley Heights, NJ 07922

- Psychiatric Hospital
- Public (*based on most recently filed full-year cost report)

Summit Oaks Hospital

19 Prospect Street

Summit, NJ 07901

- Psychiatric Hospital
- For-profit