

**LEGAL NOTICE
STATE OF NEW JERSEY
DEPARTMENT OF HEALTH
OFFICE OF HEALTH CARE FINANCING
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
HOSPITAL FINANCE
GRADUATE MEDICAL EDUCATION - SUPPLEMENTAL**

TAKE NOTICE: The New Jersey Department of Health (DOH), in coordination with the New Jersey Department of Human Services (DHS), Division of Medical Assistance and Health Services (DMAHS) intends to seek any required approval from the United States Department of Health and Human Services (HHS), Centers for Medicare and Medicaid Services (CMS), for an amendment to the New Jersey Medicaid (Title XIX) State Plan, in order to implement the following, subject to the passage of State Fiscal Year 2027 (SFY 27) budget provisions for the period July 1, 2026 through June 30, 2027.

Hospital Reimbursement for GME-S

Notwithstanding the provisions of any law or regulation to the contrary, and except as otherwise provided and subject to such modifications as may be required by the Centers for Medicare and Medicaid Services in order to achieve any required federal approval and full Federal Financial Participation, \$34,000,000 from the amounts appropriated from GME shall be designated as Supplemental Graduate Medical Education Subsidy (GME-S) and shall be available to acute care hospitals that are licensed and operational as of July 1, 2026 and meet the following eligibility criteria:

(a) an eligible hospital has a Relative Medicaid Percentage (RMP) that is among the top fifteen acute care hospitals with a residency program;

(b) the RMP is a ratio calculated using the 2024 Audited Acute Care Hospital (ACH) Cost Reports;

(c) the RMP numerator equals a hospital's gross revenue from patient care for Medicaid and Medicaid HMO payers as reported on Forms E5 and E6, Line 1, Column D & Column H;

(d) the RMP denominator equals a hospital's gross revenue from patient care as reported on Form E4, Line 1, Column E;

(e) for instances where hospitals that have a single Medicaid identification number submit a separate ACH Cost Report for each individually licensed hospital, the ACH Cost Report data for those hospitals shall be consolidated to the single Medicaid identification number;

(f) the GME-S Subsidy shall be calculated using the same methodology as the GME Subsidy is calculated in the Act, except the total amount of the GME-S Subsidy payments shall not exceed \$34,000,000.

Please note that the GME-S calculation methodology is subject to change based upon the final enacted SFY 27 budget language.

This Notice is intended to satisfy the requirements of Federal statutes and regulations, specifically 42 CFR 447.205, and 42 U.S.C. 1396a(a)(13). A copy of this Notice is available for public review at the Medical Assistance Customer Centers, County Welfare Agencies, and DHS' website at the following website address:

<https://nj.gov/humanservices/notices/grants/public-notices/>. Comments or inquiries must be submitted in writing within 30 days of the date of this notice to:

Department of Health
Office of Legal & Regulatory Compliance
Attention: Kimberly Jenkins
P.O. Box 360
Trenton, New Jersey 08625
E-mail: Kimberly.Jenkins@doh.nj.gov