

**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, to implement legislation amending the Supplemental Graduate Medical Education Subsidy for State Fiscal Year 2026 (SFY26). P.L. 2025, c.219 amends the New Jersey annual appropriations act for SFY26, increasing the Supplemental Graduate Medical Education Subsidy by \$496,000 and adding a fifteenth eligible hospital pursuant to the below calculation.

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, \$34,496,000 from the amounts appropriated from GME shall be designated as Supplemental Graduate Medical Education Subsidy (GME-S) and shall be available to hospitals that 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 2023 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 for Medicaid and Medicaid HMO payers 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 for the first fourteen hospitals in order of highest to lowest RMP shall not exceed \$34,000,000 and, and the amount of the GME-S for the fifteenth hospital shall not exceed \$496,000.

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 on the Department's web site 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:

Department of Health
Office of Legal & Regulatory Compliance
Attention: Kimberly Jenkins P.O.
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