

June 24, 2022

**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 PROGRAM**

**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 2023 (SFY23) budget provisions for the period July 1, 2022 through June 30, 2023.

For SFY 23, it is important to highlight that the COVID-19 pandemic significantly impacted all NJ hospitals in terms of caseloads and availability of necessary staff and related resources. Moreover, the availability of federal Health Resources and Services Administration (HRSA) reimbursement for claims related to COVID-19 testing and treatment provided to uninsured individuals further impacted claims data as some, albeit not all, NJ hospitals availed themselves of this opportunity and shifted some portion of claims that may have otherwise flowed through Charity Care to HRSA instead. Ultimately, the impacts of COVID-19 and the availability of HRSA funding contributed to a notable decrease in claim volume that forms the basis for the Graduate Medical Education-Supplemental (GME-S) subsidy calculation. As a result, DOH and DHS have agreed that utilizing prior year source data for the GME-S subsidy as set forth below aligns with historical trends and is better representative of the underlying intent for the GME subsidy.

**Safety Net Graduate Medical Education (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, \$24,000,000 from the amounts appropriated from GME shall be designated as GME-S, and conditioned upon the following:

Funds 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 fourteen acute care hospitals with a residency program; (b) the RMP is a ratio calculated using the 2019 Audited Acute Care Hospital (ACH) Cost Reports according to the DOH due date of August 31, 2020, as submitted by January 31, 2021 by each acute care hospital and audited by March 1, 2021; (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 \$24,000,000. Please note that the GME-S calculation methodology is subject to change based upon the final enacted SFY 2023 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 the Department's 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:

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