

**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
HEALTH CARE SUBSIDY FUND PAYMENT REDISTRIBUTION METHODOLOGY**

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 2024 (SFY 24) budget provisions for the period July 1, 2023 through June 30, 2024.

For SFY 24, it is important to highlight that although the State has seen some encouraging improvement, the lingering effects of the COVID-19 pandemic nevertheless continue to impact NJ hospitals in terms of caseloads and availability of necessary staff and related resources, although the degree of impact varies from hospital to hospital. Ultimately, the lingering impacts of COVID-19 on hospitals continues to contribute to an overall decrease in claim volume that forms the basis for the Charity Care subsidy calculation. As a result, DOH and DHS have agreed that utilizing prior year source data for the Charity Care subsidy as set forth below aligns with historical hospital trends and is better representative of the underlying intent for the Charity Care subsidy.

Hospital Reimbursement for Charity Care: Redistribution Methodology

Notwithstanding the provisions of any law or regulation to the contrary, the amounts hereinabove appropriated from the Health Care Subsidy Fund for Charity Care payments are subject to the following conditions: (a) a disproportionate share hospital eligible for funding through the Charity Care program may decline all or a part of its Charity Care payments for the fiscal year by notifying the Commissioner of Health on a form designated by the Department of Health on or before the fifteenth day following enactment of the SFY 2024 Appropriations Act. If a disproportionate share hospital declines Charity Care payments for the fiscal year the amount declined shall be redistributed in accordance with the provisions of section 3 of P.L.2004, c.113 (C.26:2H-18.59i), as modified by this act, subject to the approval of the Director of the Division of Budget and Accounting; and (b) a disproportionate share hospital that accepts Charity Care payments in the current fiscal year or in a prior fiscal year and is determined through a hospital audit to have exceeded its hospital-specific disproportionate share hospital limit, resulting in the State being subject to reimburse the federal government, shall have its Charity Care payments for the audit year reduced by the amount of any such required reimbursement. In the event that the hospital is determined to have exceeded its disproportionate share hospital limit by an amount greater than its Charity Care allocation for the current fiscal year, the entirety of its Charity Care allocation shall be withheld and the hospital shall be

subject to such additional reductions or repayments, or both, as may be determined by the Commissioner of Health to be necessary to ensure compliance with federal and State requirements, subject to the approval of the Director of the Division of Budget and Accounting. In the event that a disproportionate share hospital has its Charity Care payments reduced by the State pursuant to this paragraph, any amounts so reimbursed shall be redistributed in accordance with the provisions of section 3 of P.L.2004, c.113 (C.26:2H-18.59i), as modified by the appropriations law in effect at the time the hospital's reimbursed Charity Care allocation was authorized, subject to the approval of the Director of the Division of Budget and Accounting.

The Charity Care redistribution methodology is directly tied to the hospital reimbursement for Charity Care and subject to change based upon the final enacted SFY 24 budget language. As such, there is no anticipated fiscal impact beyond the approved appropriated amount in the final enacted SFY 2024 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: <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