

**LEGAL NOTICE
STATE OF NEW JERSEY
DEPARTMENT OF HEALTH
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**

**HEALTH CARE SUBSIDY FUND PAYMENTS
PUBLIC NOTICE**

TAKE NOTICE that the New Jersey Department of Health (DOH), in coordination with the Department of Human Services (DHS), Division of Medical Assistance and Health Services, intends to seek approval from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, for an amendment to the New Jersey Medicaid (Title XIX) State Plan, in order to implement proposed State Fiscal Year (SFY) 2014 budget provisions. This Notice is intended to satisfy the requirements of Federal law and regulations, specifically, 42 U.S.C. § 1396a(a)(13) and 42 CFR 447.205.

If this proposal is approved as part of the SFY 2014 Appropriations Act, then, notwithstanding the provisions of Section 3 of P.L. 2004, c. 113 (C.26:2H-18.59i) or any law or regulation to the contrary, the appropriation for Healthcare Subsidy Fund Payments in SFY 2014 shall be calculated in the following manner:

(a) source data used shall be from calendar years 2011 and 2010 for documented charity care claims data and hospital-specific gross revenue for charity care patients and shall include all adjustments and void claims related to calendar years 2011, 2010 and any prior year submitted claims, as submitted by each acute care hospital or determined by the DOH;

(b) source data used for CY 2011 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2011 Acute Care Hospital Cost

Report as defined by Form E4, Line 1, Column E data and shall be according to the DOH advance submission request dated February 13, 2012, as submitted by each acute care hospital by March 16, 2012, and source data used for Medicare Cost Report data shall be from calendar year 2010;

(c) in the event that an eligible hospital failed to submit by March 16, 2012, its total gross revenue for all patients from the CY 2011 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data according to the DOH advance submission request dated February 13, 2012, source data from calendar year 2010 shall be used for hospital-specific gross revenue for charity care patients and for hospital total gross revenue for all patients as defined by Form E4, Line 1, Column E;

(d) source data used for CY 2010 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2010 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data and shall be according to the DOH advance submission request dated February 10, 2011, as submitted by each acute care hospital by March 10, 2011, and source data used for Medicare Cost Report data shall be from calendar year 2009;

(e) in the event that an eligible hospital failed to submit by March 10, 2011, its total gross revenue for all patients from the CY 2010 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data according to the DOH advance submission request dated February 10, 2011, source data from calendar year 2009 shall be used for hospital-specific gross revenue for charity care patients and for hospital total gross revenue for all patients as defined by Form E4, Line 1, Column E;

(f) each eligible hospital's charity care subsidy allocation for SFY 2013 as announced by DOH in July 2012, for this calculation purpose only, shall be initially split into two pools, one that equals 80% of its SFY 2013 allocation and another that equals 20% of its SFY 2013 allocation;

(g) for each eligible hospital the difference between its CY 2011 documented charity care and its CY 2010 documented charity care shall be calculated, then the percentage change in documented charity care for each eligible hospital shall be obtained by dividing this difference by its CY 2010 documented charity care;

(h) for each eligible hospital the ratio of its CY 2011 documented charity care divided by the total CY 2011 documented charity care for all hospitals shall be calculated;

(i) for each eligible hospital the percentage change in documented charity care as calculated in accordance with subsection g. above shall be multiplied by the CY 2011 documented charity care ratio calculated in subsection h. above;

(j) for each eligible hospital the value calculated in accordance with subsection i. above shall be multiplied by the total of the 20% pool for all eligible hospitals as calculated in subsection f. above;

(k) for each eligible hospital the value calculated in accordance with subsection j. above shall be added to its initial 20% pool value as calculated in subsection f. above;

(l) for each eligible hospital the amount calculated in subsection f. above for its 80% pool and subsection k. above for its adjusted 20% pool shall be added together producing the SFY 2014 charity care subsidy allocation for each eligible hospital;

(m) notwithstanding the provisions above, an eligible hospital shall not receive a lower SFY 2014 charity care subsidy allocation than its SFY 2013 charity care subsidy

allocation if it had increased documented charity care as calculated in subsection g. above, and an eligible hospital shall not receive a greater SFY 2014 charity care subsidy allocation than its SFY 2013 charity care subsidy allocation if it had decreased documented charity care as calculated in subsection g. above;

(n) if necessary, a proportionate increase or decrease shall be applied to the 20% pool value as calculated in subsection k. for each eligible hospital based on its percentage of total CY 2011 documented charity care such that the total calculated SFY 2014 charity care subsidy allocation for all hospitals shall equal \$675,000,000, except that the proration applied to the subsidy for any eligible hospital shall be modified as necessary to comply with subsection m. above; and

(o) the resulting number will constitute each eligible hospital's SFY 2014 charity care subsidy allocation.

A copy of this Notice is available for public review at the local Medical Assistance Customer Centers, County Welfare Agencies, and on the DHS 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:

Robert T. Neu
Director, Hospital Finance and Charity Care
Department of Health
P.O. Box 360
Trenton, New Jersey 08625-0360