

**SENATE COMMITTEE SUBSTITUTE FOR  
SENATE BILL NO. 782**

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Committee Substitute for Senate Bill No. 782 with my recommendations for reconsideration.

This legislation would change some of the financial reporting standards used by certain health care facilities in New Jersey. Specifically, this bill would require that general hospitals licensed by the Department of Health submit their filed Internal Revenue Service Form 990 or equivalent information to the Department. In turn, the Department would make this information publicly available on its website.

It has been one of the overarching goals of this Administration to remain committed to government transparency. In particular, where taxpayer dollars are concerned, there must be a level of accountability to the citizens of New Jersey that public funds are being utilized in a beneficial and cost-effective manner. While the goals laid out in this legislation are laudable, I believe this bill fails to address the need for greater public access to the practices of all health care providers that benefit from State funding. The changes proposed by this bill require careful consideration to prevent the State from over-reaching into the business arena, while still acknowledging the importance of transparency for institutions receiving State funds. This is an issue that calls for a holistic response and potentially significant reform.

Therefore, I recommend that the Commissioner of Health undertake a review of the existing hospital financial reporting requirements, as well as the changes proposed in this bill, and develop findings and recommendations on how the State can more

effectively make this data publicly available, and report directly to me no later than six months after the enactment of this bill. In particular, I recommend that the Commissioner examine the impact of, and make recommendations on, the changes proposed by this bill as they relate to Internal Revenue Service Filings, Securities and Exchange Commission Filings, and audited financial statements of all entities receiving Health Care Subsidy Fund payments from the State.

Any change where the State interjects itself into private business raises important issues that should be responsibly and cautiously evaluated. My recommendations will ensure the proper attention to these matters.

Accordingly, I herewith return Senate Committee Substitute for Senate Bill No. 782 and recommend that it be amended as follows:

Page 2, Section 1, Line 7:

Delete "This act shall be known and may be cited as the "New Jersey" and insert "The Commissioner of Health and Senior Services shall undertake a review of New Jersey's hospital financial reporting requirements and shall report any findings and recommendations directly to the Governor no later than six months from the date of enactment of this act. Specifically, the Commissioner shall examine the impact of, and make recommendations on, the following areas for all entities receiving Health Care Subsidy Fund payments from the State: Internal Revenue Service Filings, Securities and Exchange Commission Filings, and audited financial statements. "

Page 2, Section 1, Line 8:

Delete in its entirety

Page 2, Section 2, Lines 10-28:

Delete in their entirety

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

3

Page 2, Section 3, Lines 30-33:

Delete in their entirety

Page 2, Section 4, Line 35:

Delete "4" and insert  
"2"

Respectfully,

/s/ Chris Christie  
Governor

[seal]

Attest:

/s/ Charles B. McKenna

Chief Counsel to the Governor