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, 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 continue to contribute to an overall 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 hospital trends and is better representative of the underlying intent for the GME-S subsidy.

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, \$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 24 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
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