

January 29, 2021

The Honorable Abraham Antun
County Administrator of Hudson County
567 Pavonia Avenue
Jersey City, 07306

Dear Mr. Antun,

Thank you for submitting your proposed Fee and Expenditure Report for the New Jersey County Option Hospital Fee Pilot Program on December 10, 2020. This Report has been under public review from December 24, 2020 through January 15, 2021. Please refer to the correspondence dated December 23, 2020 for those details.

The 21-day public review period concluded on January 15, 2021. Below are the comments that were received for Hudson County's Program:

1. Requests for F&E Reports were received from the following stakeholders; F&E Reports have been disseminated to all who requested them:
 - Tim Hanlon, Shore Medical Center
 - Patricia Quinn, O'Conco Healthcare Consultants
 - Margaret King, Myers and Stauffer
 - Scott B. Stolbach, Ocean Healthcare Management
 - Michael Keevey, RWJ Barnabas
2. Several stakeholders from Hudson County expressed support for the December 10 Hudson County F&E Report and submitted comments. All comments were acknowledged, and no change will be made upon the adoption in response to the comments. The comments are attached. The stakeholders who submitted comments were:
 - William Pelino, Chief Financial Officer at CarePoint Health
 - Kathryn Gibbons, Vice President, Finance, Reimbursement, Budgeting, & Revenue Analytics, Hackensack Meridian Health

At this time, the NJ Department of Human Services (the Department) has approved your local hospital assessment program and it will be submitted to CMS for federal review and approval. Hudson County's program continues to be considered for a potentially effective date of July 1, 2021, pending CMS approval.

Next steps for implementation of the program include:

1. State drafts IGT agreement between Hudson County and State to outline provisions for the non-federal share of Medicaid payments to Hudson County.
2. County must pass ordinance in compliance with N.J.A.C. 10:52B-2.2.

3. State submits preprint, quality parameters to CMS for approval for an effective date of July 1, 2021. Please see the [Revised Preprint](#) form released by CMS on January 8, 2021 for more information.
4. State and Hudson County finalize IGT agreement.

Please direct all questions to Dmahs.hospcountyfee@dhs.nj.gov. The Department will notify you upon CMS approval of the Program.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian Francz". The signature is fluid and cursive, with the first name "Brian" and last name "Francz" clearly distinguishable.

Brian Francz
Chief Financial Officer, Department of Human Services

Date: 12 / 10 / 20

Subject: New Jersey County Option Hospital Fee Pilot Program Fee and Expenditure Report

County: Hudson County

GENERAL

Describe the proposed hospital fee program the county intends to enact by providing details on all of the elements listed below.

FEE PROGRAM

1. What is the county's proposed effective date of the fee pilot program?

July 1, 2021

2. List of all licensed hospitals located in your county:

Please Include: Name, address, facility ownership (for profit, NFP or government owned) **and** type of facility (acute care, psychiatric, rehabilitation, children's, LTACH, Specialty)

Please see "Attachment A" for full list of hospitals located in Hudson County.

3. Federal law and regulations require all hospitals in a jurisdiction to be taxed, unless a specific process is followed to exempt particular hospitals – a process that includes meeting a statistical test.

Does the county plan on excluding any hospitals from the fee program? No Yes

If so, please list name(s) and type of facility:

Please note that Hudson County Meadowview Psychiatric Hospital, a public psychiatric hospital, is not being included in the fee. However, pursuant to 42 CFR 433.68(c)(1), a provider assessment is considered to be "broad based" if it is imposed on all providers of the applicable services "furnished by all non-Federal, non-public providers"

Notwithstanding the exclusion of Meadowview, the county's proposed fee will be imposed on all non-Federal, non-public providers of inpatient hospital services, and therefore no waiver is necessary and the statistical test is not required.

4. If the county plan **proposes to exempt** particular hospitals/classes of hospitals, please provide a policy justification for excluding those specific hospitals/classes of hospitals from the fee program. (If not, please leave blank)

5. The law creating the County Option Hospital Fee Pilot Program requires that counties consult with affected hospitals within their jurisdiction prior to submitting the Fee and Expenditure Report to the Commissioner of Human Services. Please detail when and how county officials consulted with affected hospitals.

The County, through its contracted legal counsel, Eyman Associates, implemented a comprehensive process of consulting and gathering feedback from all hospitals within the jurisdiction. The County began with a hospital kick-off call to educate every affected hospital on the intent and goals of the pilot program, the relevant state and federal requirements, and the information required to inform the County's Fee and Expenditure report. The County's contractor, including its technical subcontractor, supported affected hospitals in completing the state's data, DSH template, and attestation forms. Once all data was collected, hospitals were again invited to participate in a discussion of available options for both the fee and payment components of the program. The contractor hosted follow-up calls requested by select hospitals to answer questions and discuss concerns unique to those facilities and obtained written feedback from each affected hospital to inform the County's decision.

6. Please describe the basis of the proposed fee – e.g. net patient revenue, days of care, discharges? (N.J.A.C. 10:52B)

The County's proposed fee will be assessed on total days of inpatient hospital services furnished within the County's jurisdiction. Those hospitals that have provider-based facilities located outside the county, have segregated their in-county from out-of-county services and only the services provided within the County will be assessed.

7. Will the basis for the proposed fee exclude Medicare and /or Medicaid data?

No.

8. What is the proposed fee rate or fee amount?

Please specify if different fee rates or amounts will be applied to inpatient versus outpatient services and identify respective notes/ amounts.

The assessment will be \$133.33 per patient day and will only be applied to inpatient hospital services.

9. Will the same fee rate or fee amount apply to all hospitals included in the fee program? No Yes

If not, please describe which fee rate or amount is proposed to be applied to each hospital and the policy rationale.

10. If the fee program is not uniform or broad based, one or more statistical tests must be passed for the fee to comply with federal regulations. If the proposed fee program is **not broad-based** or **not uniform**, please provide a copy of the federally compliant statistical test(s) in an excel document. N/A Attached

Information on federally compliant statistical test (s) can be accessed at 42 CFR § 433.68

- Permissible health care-related taxes.

<https://www.govinfo.gov/content/pkg/CFR-2018-title42-vol4/xml/CFR-2018-title42-vol4-sec433-68.xml>

11. While the transfers to the state from the county must occur quarterly, what is the planned timing for collecting the fee – quarterly, monthly, biannually?

Quarterly Monthly Biannually Other _____

12. What interest and/or penalties will be imposed for failure to pay the fee?

In the event a hospital fails to remit the fee by the due date, the County will add interest to the amount due, not to exceed 1.5% of the outstanding payment amount per month, reflected on to the following quarter's invoice.

13. What appeal process will be established to resolve any disputes related to the fee program?

Upon federal approval of the program, the County will officially notify hospitals that the fee program will take effect, and of the amount of the quarterly fee they will be required to pay throughout the program. The hospitals will have 15 days from receipt of that notice to contest the fee amount, by submitting a letter, including any supporting documents, to the County specifying the basis for the appeal. The County will specify in its ordinance a process for an appeal of interest charges on late payments and/or the amount of the interest assessed in the event a hospital fails to remit payment by the due date.

14. How will hospitals be notified of their fee obligation and any other related operational requirements under the fee program?

The County will send each hospital quarterly invoices notifying them of their fee obligation and the payment deadline at least 20 days in advance of each quarterly due date.

15. Please provide any additional pertinent information that you believe would be helpful in describing the program.

This Fee & Expenditure report was prepared by the County's contracted attorneys who have nationwide experience working with these types of programs. The County has relied extensively on their expertise in developing the model, responding to these questions and assuring compliance with state and federal rules. The signed certification below relies in large part on the work and advice of the contracted attorneys.

The County also seeks to confirm its understanding that in the event a hospital fails to remit its fee to the County, the County will not be liable for transferring such hospital's share of the total assessment to the State.

PROPOSED PAYMENT PROGRAM

As part of the pilot program, counties may submit a proposed payment methodology detailing how pilot program funds will be distributed to hospitals and the basis of the distribution. However, as the single State agency for the Medicaid Program, the Department's role is to review the proposed programs to assure that the assessment design and proposed expenditure methodology, if provided, comply with federal regulations governing such programs. A county's proposed payment method must include details on elements listed below.

1. What is the proposed basis for determining the hospital payment amounts?

The County proposes that the state implement a managed care directed payment in the form of uniform rate increase to Medicaid managed care payments. The increase would be implemented as a dollar add-on per Medicaid managed care discharge, projected to be \$5,616.41 per discharge. The proposed eligible class is all hospitals whose main campus is located within Hudson County. While the imposition of the fee is limited to services furnished within the County, the directed payment would include all services provided by the hospital, regardless of the location of the services. The payment methodology would be the same for all hospitals, thereby directing the expenditures equally, using the same terms of performance, as required by 42 CFR 438.6(c)(2)(i)(B). Details of the calculation of this payment methodology are contained in the attached model, prepared by our contractors, and we will make our contractors available to the state to answer any questions about it or provide additional information as needed.

The directed payments would be provided on a quarterly basis, paid to the managed care organizations as a separate payment term (apart from monthly capitation payments to the plans). The four quarterly payments would each be equal to 25% of the projected annual rate increase amount (which is estimated in the attached model, based on the state's CY2019 encounter data forwarded to us by DMAHS on 8/27/20). A final reconciliation adjustment would be determined after the end of the year, based on actual services provided, and the first quarterly payment of the subsequent year would be adjusted (upwards or downwards) by the reconciliation amount. In this way, the payments would meet the federal requirement at 42 CFR 438.6(c)(2)(i)(A) that directed payments be "based on the utilization and delivery of services."

Throughout the County's consultation process, affected hospitals consistently raised concerns regarding potential constraints on cash flow upon payment of the fee. Many of these hospitals are already facing precarious financial conditions, which have been exacerbated as a result of the COVID-19 pandemic. It is precisely these resource constraints that have galvanized support throughout the state for this critical pilot program. To curb the fee's potential to trigger liquidity problems and financial instability, the County stresses the imperative of minimizing the time between the hospitals' payment of the fee and the distribution of the managed care directed payment to the hospitals. It is our hope that the state will establish a timeline that will ensure payments are distributed in the most timely manner possible. Towards that end, based on hospital feedback, the County requests that the managed care organizations be directed to make the requisite payments to the hospitals within 10 calendar days of receipt of the payments from the state.

Moreover, because our proposed model would impose very little, if any, administrative burden on the managed care organizations, requiring them simply to make the directed payments in the amounts provided by the state, it is our understanding that they will be permitted to retain no more of the directed payment amounts provided to them than the amount necessary to cover their incremental HMO premium fee costs (currently 5%). The contract language with the managed care organizations should reflect this requirement in order to ensure that the program complies with the intended purpose of supporting local hospitals.

The County anticipates that the state would work with the participating hospitals in developing an evaluation plan for the program and any associated quality reporting requirements.

2. The purpose of the County Option Hospital Fee Pilot Program is to increase financial resources through the Medicaid/NJ FamilyCare program to support local hospitals and to ensure that they continue to provide necessary services to low-income residents. How will the payments be utilized to effectuate this purpose?

Hudson County hospitals collectively provide nearly \$130 million in unreimbursed health care services to uninsured and low-income patients throughout the County. Moreover, all of the hospitals have been significantly impacted by the COVID-19 pandemic. The new resources generated from the County Option Hospital Fee Pilot Program will help to stabilize the hospitals' financial position and strengthen their capacity to continue providing access to comprehensive and essential health care services to low income Hudson County residents.

Please note that the County reserves the right to use its 9% share of the fee proceeds for any purpose it deems appropriate.

OTHER COUNTY REQUIREMENTS

CHECK BOX TO CONFIRM COMPLETION AND/OR AGREEMENT

- The county has provided the state with all calculations for the fee, the proposed payments, and the statistical test.
- The county understands that the funds created from this program are to increase financial resources through the Medicaid/NJ FamilyCare program to support local hospitals in providing necessary services to low-income residents.
- The county understands that at least 90% of the fee amounts collected will be transferred to the state to be used as the non-federal share for federally matched hospital payments.
- The county understands that at least 1% of the fee amounts collected will be transferred to the state for the state's administrative costs.
- The county understands that fees to be collected may not exceed 2.5% of the net patient revenue of hospitals included in the fee program.
- The following FORMS and ATTESTATION must be submitted with the Fee and Expenditure Report for each hospital located in the county (Include all source documents)
 - Data Form for County Option Hospital Fee Program**
 - Preliminary DSH Calculation Template**
- Attestation**
Signed by each hospital located in the county.

ATTESTATION

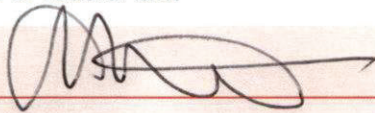
NEW JERSEY COUNTY OPTION HOSPITAL FEE PILOT PROGRAM

FEE AND EXPENDITURE ATTESTATION

CERTIFICATION BY COUNTY OFFICER OR ADMINISTRATOR

I hereby certify that I have examined the Fee & Expenditure Report for the reporting periods specified and that to the best of my knowledge and belief it is true, correct and complete statement prepared from the county option hospital fee state data set created from reports submitted by the hospitals within the county's jurisdiction in accordance with applicable instructions, except as noted. I understand that misrepresentation or falsification of any information contained in this report may be punishable by criminal, civil and administrative action, fine and/or imprisonment under state or federal law.

Signed



County Officer or Administrator

Name:

Abraham Antun

Full Name (Printed)

Title:

County Administrator

Date: 12 / 10 / 20

Email Address:

aantun@hcnj.us

Attachment A
New Jersey County Option Hospital Fee Program
List of hospitals located in Hudson County

Carepoint Health - Bayonne Medical Center
29 East 29th St
Bayonne, NJ 07002
Acute Care
For profit

Carepoint Health-Hoboken University Medical Center
308 Willow Ave
Hoboken, NJ 07030
Acute Care
For profit

Carepoint Health-Christ Hospital
176 Palisade Ave
Jersey City, NJ 07306
Acute Care
For profit

Jersey City Medical Center
355 Grand Street
Jersey City, NJ 07302
Acute Care
Not for profit

Palisades Medical Center
7600 River Rd
North Bergen, NJ 07047
Acute Care
Not for profit

Hudson Regional Hospital
55 Meadowlands Pkwy
Secaucus, NJ 07094
Acute Care
For profit

Hudson County Meadowview Psychiatric Hospital
595 County Avenue
Secaucus, NJ 07094
Psychiatric
Public

**County Option Hospital Fee Pilot Program: Hudson County, NJ
Model for Assessment and Distribution (Rev. 12.20.2020)**

1	2	3	4	5 = 3 * 4	6	7	8 = 6 * 7	9	10 5 * 9	11	12 = 10 + 11	13 = 8 + 12	14	15
No.	Provider	Fee Assessment			Payment Distribution prior to DSH Limit			DSH Limit & DSH Payments						
		Patient Days (exc. SNF, L&D) (Cost Report)	Assess ment per Day (a)	Hospital Assessment	Medicaid MCO Discharges (2019 per DMAHS, 12/4/20)	Payment Add-on per Medicaid MCO Discharge (b)	Medicaid Directed Payment Amount	(Medicaid + Uninsured) to Total Cost (SFY 2016) (Exhibit E)	Assessment Fee Related to DSH = Addl DSH Room	Projected Over (Under) DSH Limit (SFY 2022) (Table 3)	Projected Over (Under) DSH Limit inc. % of Assessment (SFY 2022)	Remaining Room Over/Under DSH Limit After Payment Distribution	DSH Payback ?	DSH Payback Amount (Limited to DSH Pmts or Amount over Cap)
3	HMH Palisades	34,158	\$ 133.33	\$ 4,554,306	1,815	\$ 5,616.41	\$ 10,193,778	59.7%	(2,719,974)	(14,725,259)	(17,445,233)	(7,251,455)	No	\$ -
16	Carepoint - Christ	43,695	\$ 133.33	\$ 5,825,880	2,567	\$ 5,616.41	\$ 14,417,316	60.6%	(3,530,369)	(37,282,797)	(40,813,167)	(26,395,851)	No	\$ -
25	Carepoint - Bayonne	25,735	\$ 133.33	\$ 3,431,262	843	\$ 5,616.41	\$ 4,734,631	39.8%	(1,366,679)	(18,731,808)	(20,098,487)	(15,363,856)	No	\$ -
40	Carepoint - Hoboken	33,555	\$ 133.33	\$ 4,473,908	1,618	\$ 5,616.41	\$ 9,087,346	61.6%	(2,757,630)	(24,112,967)	(26,870,597)	(17,783,251)	No	\$ -
74	RWJBHS - Jersey City	78,389	\$ 133.33	\$ 10,451,651	4,665	\$ 5,616.41	\$ 26,200,538	53.4%	(5,578,776)	(20,244,674)	(25,823,450)	377,088	Yes	\$ 377,088
118	Hudson Regional	10,065	\$ 133.33	\$ 1,341,972	542	\$ 5,616.41	\$ 3,044,093	25.7%	(344,600)	(13,625,057)	(13,969,657)	(10,925,565)	No	\$ -
999	Total	225,597	\$ 133.33	\$ 30,078,979	12,050	\$ 5,616.41	\$ 67,677,702	(x)	(16,298,029)	(128,722,562)	(145,020,591)	(77,342,889)	(x)	\$ 377,088

(a) Assessment:

County Maximum Aggregate Assessment (Table 1)	\$	30,078,979
Total Days		<u>225,597</u>
Assessment per Day	\$	133.33

(b) Payment Distribution:

Net Funds Available for Distribution (Table 2)	\$	67,677,702
Total Medicaid MCO Discharges		<u>12,050</u>
Distribution Amount per Discharge	\$	5,616.41

County Option Hospital Fee Pilot Program: Hudson County, NJ

Assumptions

Table 1. Maximum Aggregate Assessment (N.J.A.C. 10:52-2.1)	Cost Report 2019			Hospital Data Form			COHP Exclusion Notes
	NPSR (Cost Report)	COHP Required Exclusions (Data Form)	NPSR (exc. SNF, Out-of-County)	Inpatient NPSR Net of Bad Debt (Form)	Outpatient NPSR Net of Bad Debt (Form)	Total NPSR Net of Bad Debt (Form)	
HMH Palisades	\$ 184,322,854	\$ (3,039,319)	\$ 181,283,535	\$ 140,763,971	\$ 43,558,884	\$ 184,322,855	Out-of-County (Sports Med.)
Carepoint - Christ	\$ 192,531,913	\$ -	\$ 192,531,913	\$ 105,356,283	\$ 87,175,630	\$ 192,531,913	
Carepoint - Bayonne	\$ 147,992,545	\$ (2,147,937)	\$ 145,844,608	\$ 81,595,010	\$ 66,397,535	\$ 147,992,545	SNF (Nursing Home)
Carepoint - Hoboken	\$ 203,803,286	\$ (2,102,901)	\$ 201,700,385	\$ 106,925,267	\$ 96,878,144	\$ 203,803,411	SNF (Nursing Home)
RWJBHS - Jersey City	\$ 381,387,714	\$ -	\$ 381,387,714	\$ 228,940,381	\$ 152,447,331	\$ 381,387,712	
<u>Hudson Regional</u>	<u>\$ 100,411,000</u>	<u>\$ -</u>	<u>\$ 100,411,000</u>	<u>\$ 61,375,000</u>	<u>\$ 39,036,000</u>	<u>\$ 100,411,000</u>	
Total Hudson Co.	\$ 1,210,449,312	\$ (7,290,157)	\$ 1,203,159,155	\$ 724,955,912	\$ 485,493,524	\$ 1,210,449,436	
N.J.A.C. 10:52B-2.1 Limit			<u>2.5%</u>				
Maximum Aggregate Assessment - Hudson Co			\$ 30,078,979				

Table 2. Maximum Net Funds for Distribution	Factors	Value
Total Hospital NPSR Assessment	2.50%	\$ 30,078,979
DOH Administration Fee	-1.00%	(300,790)
County Administrative Fee	-9.00%	(2,707,108)
Net Assessment Eligible for Federal Match		27,071,081
Federal Match Percentage SFY 2022	62.00%	44,168,606
MCO Administration Fee - esti.	-5.00%	(3,561,984)
Net Funds Available to Hospitals		\$ 67,677,702

Room under DSH Cap (prior to Assessment)

Table 3. Preliminary DSH SFY 2022	DSH Room per Data Forms	Adjustments to Data Form	DSH Room per Data Forms inc. Adjs.
HMH Palisades	\$ (14,725,259)	\$ -	\$ (14,725,259)
Carepoint - Christ	\$ (38,406,842)	\$ -	\$ (38,406,842)
Carepoint - Bayonne	\$ (18,731,808)	\$ -	\$ (18,731,808)
Carepoint - Hoboken	\$ (26,877,577)	\$ -	\$ (26,877,577)
RWJBHS - Jersey City	\$ (20,244,674)	\$ -	\$ (20,244,674)
Hudson Regional	\$ (13,625,057)	\$ -	\$ (13,625,057)

Exhibit E



County Option Hospital Fee Pilot Program: Hudson County, NJ
Estimated Percentage of DSH Cost to Hospital Total Cost

Medicaid DSH Audit, 2016

No.	Hospital	Total IP/OP Medicaid Cost of Care	Total IP/OP Uninsured Cost of Care	Medicaid DSH Cost (2016)	Hospital Total Cost (2016)	Estimated DSH Cost % (2016)
3	HMH Palisades	74,558,399	11,486,261	86,044,660	144,072,582	59.7%
16	Carepoint - Christ	83,935,697	16,247,512	100,183,209	165,324,150	60.6%
25	Carepoint - Bayonne	41,189,843	6,456,951	47,646,794	119,624,764	39.8%
40	Carepoint - Hoboken	72,247,454	17,121,127	89,368,581	144,989,269	61.6%
74	RWJBH - Jersey City	142,129,119	25,831,810	167,960,929	314,669,184	53.4%
118	Hudson Regional	12,827,356	2,625,866	15,453,222	60,179,267	25.7%

Source: State of New Jersey, Schedule of Annual Reporting Requirements (table), For the Medicaid State Plan Rate Year Ended June 30, 2016

**County Option Hospital Fee Pilot Program: Hudson County, NJ
Model for Assessment and Distribution (Rev. 12.20.2020)**

1	2	3	4	5 = 3 * 4	6	7	8 = 6 * 7	9	10 5 * 9	11	12 = 10 + 11	13 = 8 + 12	14	15
No.	Provider	Fee Assessment			Payment Distribution prior to DSH Limit			DSH Limit & DSH Payments						
		Patient Days (exc. SNF, L&D) (Cost Report)	Assess ment per Day (a)	Hospital Assessment	Medicaid MCO Discharges (2019 per DMAHS, 12/4/20)	Payment Add-on per Medicaid MCO Discharge (b)	Medicaid Directed Payment Amount	(Medicaid + Uninsured) to Total Cost (SFY 2016) (Exhibit E)	Assessment Fee Related to DSH = Addl DSH Room	Projected Over (Under) DSH Limit (SFY 2022) (Table 3)	Projected Over (Under) DSH Limit inc. % of Assessment (SFY 2022)	Remaining Room Over/Under DSH Limit After Payment Distribution	DSH Payback?	DSH Payback Amount (Limited to DSH Pmts or Amount over Cap)
3	HMH Palisades	34,158	\$ 133.33	\$ 4,554,306	1,815	\$ 5,616.41	\$ 10,193,778	59.7%	(2,719,974)	(14,725,259)	(17,445,233)	(7,251,455)	No	\$ -
16	Carepoint - Christ	43,695	\$ 133.33	\$ 5,825,880	2,567	\$ 5,616.41	\$ 14,417,316	60.6%	(3,530,369)	(37,282,797)	(40,813,167)	(26,395,851)	No	\$ -
25	Carepoint - Bayonne	25,735	\$ 133.33	\$ 3,431,262	843	\$ 5,616.41	\$ 4,734,631	39.8%	(1,366,679)	(18,731,808)	(20,098,487)	(15,363,856)	No	\$ -
40	Carepoint - Hoboken	33,555	\$ 133.33	\$ 4,473,908	1,618	\$ 5,616.41	\$ 9,087,346	61.6%	(2,757,630)	(24,112,967)	(26,870,597)	(17,783,251)	No	\$ -
74	RWJBHS - Jersey City	78,389	\$ 133.33	\$ 10,451,651	4,665	\$ 5,616.41	\$ 26,200,538	53.4%	(5,578,776)	(20,244,674)	(25,823,450)	377,088	Yes	\$ 377,088
118	Hudson Regional	10,065	\$ 133.33	\$ 1,341,972	542	\$ 5,616.41	\$ 3,044,093	25.7%	(344,600)	(13,625,057)	(13,969,657)	(10,925,565)	No	\$ -
999	Total	225,597	\$ 133.33	\$ 30,078,979	12,050	\$ 5,616.41	\$ 67,677,702	(x)	(16,298,029)	(128,722,562)	(145,020,591)	(77,342,889)	(x)	\$ 377,088

(a) Assessment:

County Maximum Aggregate Assessment (Table 1)	\$ 30,078,979
Total Days	<u>225,597</u>
Assessment per Day	\$ 133.33

(b) Payment Distribution:

Net Funds Available for Distribution (Table 2)	\$ 67,677,702
Total Medicaid MCO Discharges	<u>12,050</u>
Distribution Amount per Discharge	\$ 5,616.41

County Option Hospital Fee Pilot Program: Hudson County, NJ

Assumptions

Table 1. Maximum Aggregate Assessment (N.J.A.C. 10:52-2.1)	Cost Report 2019			Hospital Data Form			COHP Exclusion Notes
	NPSR (Cost Report)	COHP Required Exclusions (Data Form)	NPSR (exc. SNF, Out-of-County)	Inpatient NPSR Net of Bad Debt (Form)	Outpatient NPSR Net of Bad Debt (Form)	Total NPSR Net of Bad Debt (Form)	
HMH Palisades	\$ 184,322,854	\$ (3,039,319)	\$ 181,283,535	\$ 140,763,971	\$ 43,558,884	\$ 184,322,855	Out-of-County (Sports Med.)
Carepoint - Christ	\$ 192,531,913	\$ -	\$ 192,531,913	\$ 105,356,283	\$ 87,175,630	\$ 192,531,913	
Carepoint - Bayonne	\$ 147,992,545	\$ (2,147,937)	\$ 145,844,608	\$ 81,595,010	\$ 66,397,535	\$ 147,992,545	SNF (Nursing Home)
Carepoint - Hoboken	\$ 203,803,286	\$ (2,102,901)	\$ 201,700,385	\$ 106,925,267	\$ 96,878,144	\$ 203,803,411	SNF (Nursing Home)
RWJBHS - Jersey City	\$ 381,387,714	\$ -	\$ 381,387,714	\$ 228,940,381	\$ 152,447,331	\$ 381,387,712	
<u>Hudson Regional</u>	<u>\$ 100,411,000</u>	<u>\$ -</u>	<u>\$ 100,411,000</u>	<u>\$ 61,375,000</u>	<u>\$ 39,036,000</u>	<u>\$ 100,411,000</u>	
Total Hudson Co.	\$ 1,210,449,312	\$ (7,290,157)	\$ 1,203,159,155	\$ 724,955,912	\$ 485,493,524	\$ 1,210,449,436	
N.J.A.C. 10:52B-2.1 Limit			2.5%				
Maximum Aggregate Assessment - Hudson Co			\$ 30,078,979				

Table 2. Maximum Net Funds for Distribution	Factors	Value
Total Hospital NPSR Assessment	2.50%	\$ 30,078,979
DOH Administration Fee	-1.00%	(300,790)
County Administrative Fee	-9.00%	(2,707,108)
Net Assessment Eligible for Federal Match		27,071,081
Federal Match Percentage SFY 2022	62.00%	44,168,606
MCO Administration Fee - esti.	-5.00%	(3,561,984)
Net Funds Available to Hospitals		\$ 67,677,702

Room under DSH Cap (prior to Assessment)

Table 3. Preliminary DSH SFY 2022	DSH Room per Data Forms	Adjustments to Data Form	DSH Room per Data Forms inc. Adjs.
HMH Palisades	\$ (14,725,259)	\$ -	\$ (14,725,259)
Carepoint - Christ	\$ (38,406,842)	\$ -	\$ (38,406,842)
Carepoint - Bayonne	\$ (18,731,808)	\$ -	\$ (18,731,808)
Carepoint - Hoboken	\$ (26,877,577)	\$ -	\$ (26,877,577)
RWJBHS - Jersey City	\$ (20,244,674)	\$ -	\$ (20,244,674)
Hudson Regional	\$ (13,625,057)	\$ -	\$ (13,625,057)

Exhibit E



**County Option Hospital Fee Pilot Program: Hudson County, NJ
Estimated Percentage of DSH Cost to Hospital Total Cost**

Medicaid DSH Audit, 2016

No.	Hospital	Total IP/OP Medicaid Cost of Care	Total IP/OP Uninsured Cost of Care	Medicaid DSH Cost (2016)	Hospital Total Cost (2016)	Estimated DSH Cost % (2016)
3	HMH Palisades	74,558,399	11,486,261	86,044,660	144,072,582	59.7%
16	Carepoint - Christ	83,935,697	16,247,512	100,183,209	165,324,150	60.6%
25	Carepoint - Bayonne	41,189,843	6,456,951	47,646,794	119,624,764	39.8%
40	Carepoint - Hoboken	72,247,454	17,121,127	89,368,581	144,989,269	61.6%
74	RWJBH - Jersey City	142,129,119	25,831,810	167,960,929	314,669,184	53.4%
118	Hudson Regional	12,827,356	2,625,866	15,453,222	60,179,267	25.7%

Source: State of New Jersey, Schedule of Annual Reporting Requirements (table), For the Medicaid State Plan Rate Year Ended June 30, 2016