

June 24, 2022

**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 PAYMENTS**

**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 2023 (SFY23) budget provisions for the period July 1, 2022 through June 30, 2023.

For SFY 23, it is important to highlight that the COVID-19 pandemic significantly impacted all NJ hospitals in terms of caseloads and availability of necessary staff and related resources. Moreover, the availability of federal Health Resources and Services Administration (HRSA) reimbursement for claims related to COVID-19 testing and treatment provided to uninsured individuals further impacted claims data as some, albeit not all, NJ hospitals availed themselves of this opportunity and shifted some portion of claims that may have otherwise flowed through Charity Care to HRSA instead. Ultimately, the impacts of COVID-19 and the availability of HRSA funding contributed to a notable 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 as set forth below aligns with historical trends and is better representative of the underlying intent for the Charity Care subsidy.

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 supplemental appropriation for Health Care Subsidy Fund Payments is subject to the following conditions: the distribution of Charity Care funding shall be calculated in the following manner: (a) source data for the census data shall be from the 2020 5-Year American Community Survey; (b) source data used shall be from calendar year (CY) 2019 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 CY 2019 and any prior year submitted claims, as submitted by each acute care hospital or determined by the Department of Health (DOH); (c) source data used for CY 2019 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2019 audited Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data and shall be 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; (d) source data used for CY 2019 documented charity care shall be from CY 2019 Medicaid Cost Report submitted by each acute care hospital by February 14, 2021; (e) in the event that an eligible hospital failed to submit the CY 2019 Acute Care Hospital Cost Report, source data from their CY 2018 Acute Care Hospital

Cost Report 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) in the event that an eligible hospital failed to submit a full year CY 2019 Acute Care Hospital Cost Report, source data from a supplemental 2019 Acute Care Hospital Cost Report 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; (g) for each eligible hospital, except those designated 96% by their hospital-specific reimbursed documented charity care, a proportionate decrease shall be applied to its calculated subsidy based on its percentage of total subsidy such that the total calculated subsidy for all hospitals shall equal \$339,000,000; and (h) the resulting value will constitute each eligible hospital's SFY 2023 charity care subsidy allocation. Please note that the Charity Care calculation methodology is subject to change based upon the final enacted SFY 2023 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 the Department's 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:

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