

## **Table of Contents**

**State/Territory Name: NJ**

**State Plan Amendment (SPA) #: 23-0013**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

March 6, 2024

Carole Johnson  
Commissioner  
Medical Assistance and Health Services  
Department of Human Services  
CN 12 Quakerbridge Plaza  
Trenton, New Jersey 08625-0712

**RE: NJ 23-0013**

Dear Ms. Johnson,

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State Plan submitted under transmittal number (TN) 23-0013. This SPA updates the redistribution methodology for Charity Care (disproportionate share hospital) payments.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1923 and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. This letter is to inform you that New Jersey 23-0013 is approved effective July 1, 2023. The CMS-179 and approved plan pages are enclosed.

If you have any additional questions or need further assistance, please contact Douglas Spitler at [Douglas.Spitler@cms.hhs.gov](mailto:Douglas.Spitler@cms.hhs.gov)

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Rory Howe  
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 3 — 0 0 1 3

2. STATE

NJ

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX  XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 U.S.C. 1396r-4

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 42,750,000  
b. FFY 2024 \$ 128,250,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19 A I-262  
Attachment 4.19 A I-262.1  
Attachment 4.19 A I-262.2  
Attachment 4.19 A I-262.3  
Attachment 4.19 A I-262.4

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

same  
same  
same  
new  
new

9. SUBJECT OF AMENDMENT

SFY 2024 Charity Care Subsidy

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

12. TYPED NAME  
Sarah Adelman

13. TITLE  
Commissioner, Department of Human Services

14. DATE SUBMITTED  
9/21/23

15. RETURN TO

Jennifer Langer Jacobs, Assistant Commissioner  
Division of Medical Assistance and Health Services  
P.O. Box 712, Mail Code #26  
Trenton, NJ 08625-0712

**FOR CMS USE ONLY**

16. DATE RECEIVED  
9/21/2023

17. DATE APPROVED  
March 6, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
July 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL  
Rory Howe

21. TITLE OF APPROVING OFFICIAL  
Director Financial Management Group

22. REMARKS

Pen and ink change approved by the state and processed by CMS on the following fields:  
Section 8: Added: Attachment 4.19 A I-262.4

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**  
**Reimbursement for Instate Acute Care Inpatient Hospital Services**  
**Disproportionate Share Hospital**

**3. Health Care Subsidy Fund – Charity Care Subsidy**

- a) The Charity Care subsidy totaling \$ 342,000,000 shall be distributed according to the following table in State Fiscal Year (SFY) 2024:

Hospital Name	Individual Hospital Payments
Hackensack University Medical Center	4,639,575
Newark Beth Israel Medical Center	9,833,616
Hackensack UMC - Palisades	9,444,824
Hunterdon Medical Center	520,655
St. Mary's General Hospital	4,317,333
Holy Name Medical Center	655,744
Clara Maass Medical Center	2,261,063
Penn Medicine Princeton Medical Center	861,443
Cape Regional Medical Center	78,419
Valley Hospital	633,489
Cooper Hospital/University MC	19,532,686
Morristown Medical Center	2,320,853
CarePoint Health - Christ Hospital	9,539,362
Chilton Medical Center	142,080
St. Joseph's University Medical Center	40,455,900
RWJ University Hospital - Rahway	286,706
CarePoint Health - Bayonne Medical Center	525,956
Trinitas Regional Medical Center	34,644,886
Newton Medical Center	132,065
Virtua Our Lady of Lourdes Hospital	1,175,765
Deborah Heart and Lung Center	730,045
Riverview Medical Center	383,703
Hackensack UMC - Pascack Valley	11,167
Robert Wood Johnson University Hospital	6,635,160
CarePoint Health - Hoboken University Medical Center	10,975,587
Community Medical Center	576,193

**23-0013-MA (NJ)**

**TN: 23-0013 MA (NJ)**

**Approval Date:** March 6, 2024

**Supersedes: 22-0014-MA (NJ)**

**Effective Date:** July 1, 2023

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
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Capital Health Medical Center - Hopewell	3,759,089
Englewood Hospital and Medical Center	1,920,032
Shore Medical Center	247,889
RWJ University Hospital - Somerset	725,990
St. Clare's Hospital - Denville	474,757
Overlook Medical Center	1,115,131
Ocean Medical Center	545,746
Hackensack UMC - Mountainside	192,867
Virtua Memorial Hospital	1,032,292
New Bridge Medical Center	20,090,652
St. Luke's Warren Hospital	220,044
Virtua Willingboro Hospital	673,884
Inspira Medical Center - Elmer	93,850
St. Peter's University Hospital	21,658,563
Jersey Shore University Medical Center	1,829,096
Jersey City Medical Center	8,456,282
Monmouth Medical Center	2,576,149
St. Barnabas Medical Center	1,385,090
Inspira Medical Center - Mullica Hill	209,684
East Orange General Hospital	4,227,367
Monmouth Medical Center - Southern	1,265,655
Salem Medical Center	72,939
Capital Health Regional Medical Center	18,276,074
St. Michael's Medical Center	3,694,612
JFK Medical Center	1,797,082
RWJ University Hospital - Hamilton	406,656
CentraState Medical Center	602,705
Bayshore Community Hospital	157,351
Southern Ocean Medical Center	153,862
Hackettstown Regional Medical Center	67,195
St. Joseph's Wayne Medical Center	879,102
Hudson Regional Hospital	69,799
University Hospital	62,705,163
Virtua Voorhees Hospital	139,332

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Virtua Marlton Hospital	1,525,922
Inspira Medical Center - Vineland	1,104,555
Raritan Bay Medical Center - Perth Amboy	727,028
Raritan Bay Medical Center - Old Bridge	94,339
St. Clare's Hospital – Dover	764,794
AtlantiCare Regional MC - Mainland	3,672,052
AtlantiCare Regional MC - City	10,126,759
Jefferson Washington Twp Hospital	334,965
Jefferson Cherry Hill Hospital	349,888
Jefferson Stratford Hospital	263,442
<b>TOTAL</b>	<b>342,000,000</b>

The amounts hereinabove appropriated from the Health Care Subsidy Fund for Charity Care payments are subject to the following conditions: (a) a disproportionate share hospital eligible for funding through the Charity Care program may decline all or a part of its Charity Care payments for the fiscal year by notifying the Commissioner of Health on a form designated by the Department of Health on or before the fifteenth day following enactment of the SFY 2024 Appropriations Act. . If a disproportionate share hospital declines Charity Care payments for the fiscal year the amount declined shall be redistributed as follows:

(1) Each hospital shall be ranked in order of its hospital-specific, relative charity care percentage, or RCCP, by dividing the amount of hospital-specific gross revenue for charity care patients by the hospital's total gross revenue for all patients.

(2) The 10 hospitals with the highest RCCPs shall receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care. The hospital ranked number 11 shall receive a charity care payment equal to 94 percent of its hospital-specific reimbursed documented charity care, and each hospital ranked number 12 and below shall receive two percentage points less than the hospital ranked immediately above that hospital.

(3) Notwithstanding the provisions of paragraph (2) of this subsection to the contrary, each of the hospitals located in the 10 municipalities in the State with the lowest median annual household income according to

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the most recent census data, shall be ranked from the hospital with the highest hospital-specific reimbursed documented charity care to the hospital with the lowest hospital-specific reimbursed documented charity care. The hospital in each of the 10 municipalities, if any, with the highest documented hospital-specific charity care shall receive a charity care payment equal to 96 percent of its hospital-specific reimbursed documented charity care.

(4) Notwithstanding the provisions of this subsection to the contrary, no hospital shall receive reimbursement for less than 43 percent of its hospital-specific reimbursed documented charity care.

Notwithstanding these provisions, 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 \$342,000,000.

(a) a disproportionate share hospital that accepts Charity Care payments in the current fiscal year or in a prior fiscal year and is determined through a hospital audit to have exceeded its hospital-specific disproportionate share hospital limit, resulting in the State being subject to reimburse the federal government, shall have its Charity Care payments for the audit year reduced by the amount of any such required reimbursement. In the event that the hospital is determined to have exceeded its disproportionate share hospital limit by an amount greater than its Charity Care allocation for the current fiscal year, the entirety of its Charity Care allocation shall be withheld and the hospital shall be subject to such additional reductions or repayments, or both, as may be determined by the Commissioner of Health to be necessary to ensure compliance with federal and State requirements, subject to the approval of the Director of the Division of Budget and Accounting. In the event that a disproportionate share hospital has its Charity Care payments reduced by the State pursuant to this paragraph, any amounts so reimbursed shall be redistributed as follows:

(1) Each hospital shall be ranked in order of its hospital-specific, relative charity care percentage, or RCCP, by dividing the amount of hospital-specific gross revenue for charity care patients by the hospital's total gross revenue for all patients.

(2) The 10 hospitals with the highest RCCPs shall receive a charity care payment equal to 96 percent of each hospital's hospital-specific reimbursed documented charity care. The hospital ranked number 11 shall receive a charity care payment equal to 94 percent of its hospital-specific reimbursed documented charity care, and each hospital ranked number 12 and below shall receive two percentage points less than the hospital ranked immediately above that hospital.

(3) Notwithstanding the provisions of paragraph (2) of this subsection to the contrary, each of the hospitals located in the 10 municipalities in the State with the lowest median annual household income according to the most recent census data, shall be ranked from the hospital with the highest hospital-specific reimbursed documented charity care to the hospital with the lowest hospital-specific reimbursed documented charity care. The hospital in each of the 10 municipalities, if any, with the highest documented hospital-specific charity care shall receive a charity care payment equal to 96 percent of its hospital-specific reimbursed documented charity care.

**23-0013-MA (NJ)**

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**TN: 23-0013 MA (NJ)**

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(4) Notwithstanding the provisions of this subsection to the contrary, no hospital shall receive reimbursement for less than 43 percent of its hospital-specific reimbursed documented charity care.

In a manner determined by the Commissioner of Health and subject to the approval of the Director of the Division of Budget and Accounting, eligible hospitals shall receive (1) their charity care subsidy payments beginning in July 2023, and (2) their January 2024 payments in December 2023. If an eligible hospital closes before June 30, 2024, the hospital shall reimburse to the State upon closure any subsidy payments attributed on the normal monthly payment basis to after the hospital's date of closure.

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