Sponsored by:
Assemblyman HERB CONAWAY, JR.
District 7 (Burlington and Camden)
Assemblyman PAUL D. MORIARTY
District 4 (Camden and Gloucester)

Co-Sponsored by:
Assemblywoman Angelini, Assemblymen Schaer, Chivukula, Senators Weinberg, Baroni and Vitale

SYNOPSIS
Prohibits hospitals from charging certain uninsured persons more than 15% greater than applicable Medicare rate.

CURRENT VERSION OF TEXT
As introduced.

(Sponsorship Updated As Of: 5/23/2008)
AN ACT concerning health care facilities and supplementing P.L.1971, c.136 (C.26:2H-1 et seq.).

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. A hospital licensed by the Department of Health and Senior Services pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) shall charge a patient who is an uninsured resident of this State, and whose family gross income is less than 500% of the federal poverty level, an amount no greater than 115% of the applicable payment rate under the federal Medicare program, established pursuant to Pub.L.89-97 (42 U.S.C.s.1395 et seq.), for the health care services rendered to the patient. The amount shall be in accordance with the sliding scale based on income developed by the department pursuant to this act.

2. The Department of Health and Senior Services shall establish a sliding scale based on income which stipulates the percentage of a hospital charge that an uninsured resident of this State whose family gross income is less than 500% of the federal poverty level is required to pay for health care services rendered at a hospital.

3. This act shall take effect on the 180th day after enactment.

STATEMENT

The provisions of this bill will ensure that uninsured patients are charged reasonable rates for inpatient and outpatient health care services rendered at hospitals in this State. Too often, hospitals engage in cost shifting, charging uninsured patients amounts far greater than the facilities receive as reimbursement from health insurers and other third party payers, so as to make up any losses incurred by lower third party payer reimbursement rates. As a result, uninsured patients, who often are the least able to pay for health care services, are charged excessive rates for necessary health care services.

To provide for a more equitable schedule of charges for uninsured patients, this bill provides that a hospital shall charge a patient who is an uninsured resident of this State, and whose family gross income is less than 500% of the federal poverty level, an amount no greater than 15% more than the applicable payment rate under the federal Medicare program for the health care services rendered to the patient. The amount shall be in accordance with the sliding scale based on income developed by the Department of Health and Senior Services (DHSS) pursuant to this bill.
The bill also directs DHSS to establish a sliding scale based on income which stipulates the percentage of a hospital charge that an uninsured State resident whose family gross income is less than 500% of the federal poverty level is required to pay for health care services rendered at a hospital.

The provisions of this bill are based on recommendations from the 2008 final report of the New Jersey Commission on Rationalizing Health Care Resources.