

ASSEMBLY, No. 2110

STATE OF NEW JERSEY

INTRODUCED JUNE 3, 1996

By Assemblymen PASCHELL, BLEE, Doria, LeFevre, T.Smith, Corodemus, Roberts, Suliga, Mattison, Charles, Jones, Dalton, Barnes, Greenwald, Impreduto, Assemblywoman Gill, Assemblymen Cohen, Gregg, Augustine, Bagger, Assemblywomen Buono, Friscia, Assemblymen Wisniewski, Garcia, Romano, R.Smith, Green, Assemblywomen Turner, Weinberg, Assemblymen Stanley, Gusciora, Assemblywoman Quigley, Assemblymen Caraballo, Zisa and Steele

1 AN ACT establishing the "Legislative Commission on Charity Care  
2 Funding."

3  
4 BE IT ENACTED *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

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7 1. This act shall be known and may be cited as the "Legislative  
8 Commission on Charity Care Funding Act."

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10 2. The Legislature finds and declares that:

11 a. The State should take all necessary and appropriate actions to  
12 ensure that high quality and cost-effective health care services are  
13 available to all of its citizens;

14 b. There are more than one million New Jersey residents without  
15 health insurance coverage to protect themselves and their families  
16 against the soaring costs of health care services;

17 c. The business community and health insurers are increasingly  
18 concerned about funding hospital charity care as a result of the  
19 growing financial burden imposed upon them by increasing health care  
20 costs;

21 d. Hospitals in this State are mandated by State law to provide care  
22 for all patients regardless of their ability to pay or source of payment;

23 e. The Governor and Legislature have to date been unable to  
24 implement a means of paying for hospital charity care in a manner that  
25 ensures a permanent source of funding, fully reimburses hospitals for  
26 the care that they provide, and recognizes the broad societal obligation  
27 attendant upon State government in attempting to devise an  
28 appropriate policy to address this issue; and

29 g. The Governor, Legislature and other interested parties have an  
30 obligation to finally meet the challenge of funding hospital charity care

1 on a permanent basis that adequately addresses the financial needs of  
2 hospitals and health care accessibility for all New Jerseyans within the  
3 context of a responsible State fiscal policy.

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5 3. There is established the "Legislative Commission on Charity  
6 Care Funding." The purpose of the commission is to study the issue  
7 of reimbursing hospitals for the charity care which they provide  
8 pursuant to State and federal law and to develop recommendations for  
9 legislation to provide a permanent solution to funding hospital charity  
10 care subsidies which is realistic and equitable with respect to the  
11 amount of funding provided and the source of that funding.

12 The commission shall present a preliminary report of its findings  
13 and recommendations to the Legislature no later than three months  
14 after the organization of the commission and a final report no later  
15 than three months after the presentation of the preliminary report.

16  
17 4. a. The commission shall consist of 21 members as follows: three  
18 members of the Senate, no more than two of whom shall be of the  
19 same political party, to be appointed by the President of the Senate;  
20 three members of the General Assembly, no more than two of whom  
21 shall be of the same political party, to be appointed by the Speaker of  
22 the General Assembly; and 15 public members to be appointed by the  
23 Governor as follows: one member upon the recommendation of the  
24 New Jersey Hospital Association; one member upon the  
25 recommendation of the Hospital Alliance of New Jersey; one member  
26 upon the recommendation of the University Health System of New  
27 Jersey; one member upon the recommendation of the Medical Society  
28 of New Jersey; one member upon the recommendation of the New  
29 Jersey State Nurses Association; one member upon the  
30 recommendation of the New Jersey Dental Association; two  
31 representatives of business organizations; two members upon the  
32 recommendation of the New Jersey State AFL-CIO; one representative  
33 of a health insurer authorized to transact business in this State; one  
34 member upon the recommendation of the New Jersey Health  
35 Maintenance Organization Association; one member upon the  
36 recommendation of a separate employee welfare arrangement  
37 established pursuant to a collective bargaining agreement; one member  
38 upon the recommendation of a separate employer who provides a self-  
39 insured health benefits plan to his employees; and one member of the  
40 public who shall not represent the sectors of business, labor, health  
41 care providers or the professions or insurers hereinabove listed, but  
42 who shall be a consumer of health care services.

43 b. The commission shall elect a chairman and a vice chairman from  
44 among its public members and a secretary who need not be a member  
45 of the commission.

1 c. Vacancies in the membership of the commission shall be filled in  
2 the same manner provided for the original appointments. The members  
3 of the commission shall serve without compensation but shall be  
4 reimbursed for traveling and other miscellaneous expenses necessary  
5 to perform their duties, within the limits of funds made available to the  
6 commission for its purposes.

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8 5. The commission shall be entitled to call upon the services of any  
9 State, county or municipal department, board, commission or agency,  
10 as may be available to it for these purposes, and to incur such traveling  
11 and other miscellaneous expenses as it may deem necessary for the  
12 proper execution of its duties and as may be within the limit of funds  
13 appropriated or otherwise made available to it for these purposes.

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15 6. The commission may meet and hold hearings at such places as  
16 it shall designate during the sessions or recesses of the Legislature.

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18 7. The commission shall expire upon the issuance of its report.  
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#### 21 STATEMENT

22  
23 This bill establishes a 21-member "Legislative Commission on  
24 Charity Care Funding." The commission is to study the issue of  
25 reimbursing hospitals for the charity care which they provide pursuant  
26 to State and federal law and to develop recommendations for  
27 legislation to provide a permanent solution to funding hospital charity  
28 care subsidies which is realistic and equitable with respect to the  
29 amount of funding provided and the source of that funding. The  
30 commission is directed to present a preliminary report of its findings  
31 and recommendations to the Legislature no later than three months  
32 after the organization of the commission and a final report no later  
33 than three months after the first report.

34 The members of the commission will include three Senators and  
35 three Assemblymen and 15 public members. The public members, to  
36 be appointed by the Governor, shall include a representative each from  
37 the New Jersey Hospital Association, the Hospital Alliance of New  
38 Jersey, the University Health System of New Jersey, the Medical  
39 Society of New Jersey, the New Jersey State Nurses Association, the  
40 New Jersey Dental Association, a health insurer, the New Jersey  
41 Health Maintenance Organization Association, and both a union and  
42 an employer self-insured health coverage plan, two representatives  
43 from business organizations and two from the New Jersey State AFL-  
44 CIO, and a member of the public who is a consumer of health care  
45 services.

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3 "Legislative Commission on Charity Care Funding Act."