

SENATE, No. 1927

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1997

By Senators LIPMAN, RICE and Codey

1 AN ACT concerning charity care and other uncompensated care
2 disproportionate share payments to hospitals.

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

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7 1. The Commissioner of Health and Senior Services shall provide
8 for the redistribution of charity care subsidy payments which would
9 have been allocated to United Hospitals Medical Center from the
10 Health Care Subsidy Fund to each hospital located within a five-mile
11 radius of United Hospitals Medical Center that is eligible for a charity
12 care subsidy payment pursuant to section 7 of P.L.1996, c.28
13 (C.26:2H-18.59e), in accordance with the methodology established
14 pursuant to that section.

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16 2. The Commissioner of Human Services shall provide for the
17 redistribution of payments from the Hospital Health Care Subsidy
18 account in the Division of Medical Assistance and Health Services
19 which would have been allocated to United Hospitals Medical Center
20 to each disproportionate share hospital located within a five-mile
21 radius of United Hospitals Medical Center that is eligible for a
22 payment pursuant to section 12 of P.L.1996, c.28, in accordance with
23 the methodology adopted by the commissioner pursuant to
24 N.J.A.C.10:52-8.2.

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26 3. This act shall take effect immediately and be retroactive to
27 February 18, 1997.

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STATEMENT

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32 This bill provides for the redistribution of hospital charity care
33 subsidy and Hospital Relief Fund (Medicaid) payments which would
34 have been allocated to United Hospitals Medical Center in the city of
35 Newark to each hospital located within a five-mile radius of United
36 Hospitals Medical Center that is eligible for such a payment pursuant
37 to P.L.1996, c.28, in accordance with the methodology previously

1 established for each of these payments.

2 United Hospitals Medical Center, which has entered into
3 bankruptcy proceedings, has ceased to operate as a licensed acute care
4 hospital and has transferred its patients to other facilities. On
5 February 18, 1997, the Commissioner of Health and Senior Services
6 granted a certificate of need for the closure of United Hospitals
7 Medical Center and the transfer of certain services, including, but not
8 limited to, pediatric cardiac surgery, to Newark Beth Israel Medical
9 Center, which is part of the St. Barnabas Health Care System, and
10 which the commissioner formally recognized as the successor to
11 United Hospitals Medical Center (Children's Hospital of New Jersey)
12 as the State's specialty acute care children's hospital for northern New
13 Jersey (pursuant to section 2 of P.L.1985, c.306; C.26:2H-18a).

14 This bill is intended to ensure that those hospitals which will be
15 required to care for the medically indigent patient population
16 previously served by United Hospitals Medical Center will be
17 compensated appropriately for providing that care within the limits of
18 available funds pursuant to State law.

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23 Provides for redistribution of charity care subsidy and Hospital Relief
24 Fund payments from United Hospitals Medical Center to other area
25 hospitals.