



ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
HEALTH**

FISCAL YEAR

2018-2019

NEW JERSEY STATE LEGISLATURE

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This report was prepared by the Human Services Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Michael D. Fahncke. The background paper entitled "Direct Hospital Subsidies" was authored by Sarah M. Schmidt.

Questions or comments may be directed to the OLS Human Services Section (Tel: 609-847-3860) or the Legislative Budget and Finance Office (Tel: 609-847-3105).

DEPARTMENT OF HEALTH

Budget Pages..... C-5, C-11, C-12, C-18, C-19, C-23,
D-145 to D-175, G-5, H-11

Fiscal Summary (\$000)

	Expended FY 2017	Adjusted Appropriation FY 2018	Recommended FY 2019	Percent Change 2018-19
State Budgeted	\$1,395,821	\$1,517,289	\$1,523,353	0.4%
Federal Funds	566,419	859,126	859,126	0.0%
<u>Other</u>	<u>518,299</u>	<u>487,290</u>	<u>495,730</u>	<u>1.7%</u>
Grand Total	\$2,480,539	\$2,863,705	\$2,878,209	0.5%

Personnel Summary - Positions By Funding Source

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change 2018-19
State	4,669	4,802	4,939	2.9%
Federal	461	465	470	1.1%
<u>Other</u>	<u>337</u>	<u>322</u>	<u>321</u>	<u>(0.3%)</u>
Total Positions	5,467	5,589	5,730	2.5%

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

Link to Website: <http://www.njleg.state.nj.us/legislativepub/finance.asp>

Highlights

- The Governor’s FY 2019 Budget provides a total of \$2.88 billion for the Department of Health, an increase of \$14.5 million (0.5 percent) from the total FY 2018 appropriation. This change incorporates a \$6.1 million increase (0.4 percent) in State funding, no change in federal funding, and an increase of \$8.4 million (1.7 percent) in funding from All Other Funds.
- The Governor recommends a new \$100.0 million appropriation for unspecified Expanded Addiction Initiatives. According to a press release by the Governor’s Office, the appropriation is to fund: prevention, treatment, and recovery programs; social, housing, and employment supports for individuals in recovery; and technological enhancements to the addictions system.
- The Governor proposes discontinuing \$35.7 million in FY 2018 supplemental appropriations that were made to address various aspects of the opioid crisis. It is unclear if the programs supported by the supplemental appropriations will receive funding in FY 2019 under the Governor’s recommended \$100.0 million appropriation for unspecified Expanded Addiction Initiatives.
- The Governor’s FY 2019 Budget maintains the Charity Care (\$252.0 million) and Graduate Medical Education (\$218.0 million) appropriations at their FY 2018 levels. For both programs, the recommended FY 2019 distribution formula is substantively identical to the FY 2018 formula, except that the source data are updated. Consequently, any change in a hospital’s FY 2019 allocation is the result of the use of updated source data in the calculation rather than policy changes.
- The Governor’s FY 2019 Budget does not continue \$26.7 million in funding which was added to the FY 2018 Appropriations Act pursuant to Legislative budget resolutions: \$10.0 million for the South Jersey Cancer Program - Camden; \$5.0 million for Holy Name Hospital, Teaneck - Palliative Care Pilot Program; \$3.0 million for Level 1 Trauma Center Security Grants; \$2.0 million for the New Jersey State Commission on Cancer Research; \$2.0 million for the Cancer Institute of New Jersey - Colorectal and Lung Cancer, Service Expansion; \$1.0 million for the Cancer Institute of New Jersey - University Hospital Cancer Services; \$1.0 million for REED Academy - Autism Services Pilot Program; \$750,000 for the New Jersey Stroke Registry and Stroke Centers Reporting System; \$500,000 for Smoking Cessation and Prevention; \$500,000 for the Integrated Care Pilot Program for Military, Veterans and First Responders; \$400,000 for the New Jersey Center for Tourette Syndrome and Associated Disorders; \$250,000 for the ALS Association; \$200,000 for the Adler Aphasia Center; and \$100,000 for the Princeton Healthcare System - CHOP New Jersey Transition to Adulthood Comprehensive Care Program.
- The Governor’s FY 2019 Budget anticipates \$7.1 million in dedicated FY 2019 revenue for unspecified anti-tobacco initiatives, in accordance with P.L.2017, c.242. The law dedicates one percent of total cigarette tax and tobacco products wholesale sales and use tax collections to anti-tobacco initiatives starting in FY 2019.

Background Paper:

Direct Hospital Subsidies page 28

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2017	Adj. Approp. FY 2018	Recom. FY 2019	Percentage Change	
				2017-19	2018-19
General Fund					
Direct State Services	\$434,793	\$392,148	\$457,687	5.3%	16.7%
Grants-In-Aid	875,550	1,019,398	959,923	9.6%	(5.8%)
State Aid	0	0	0	0.0%	0.0%
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$1,310,343	\$1,411,546	\$1,417,610	8.2%	0.4%
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	84,950	105,214	105,214	23.9%	0.0%
Sub-Total	\$84,950	\$105,214	\$105,214	23.9%	0.0%
Casino Revenue Fund	\$528	\$529	\$529	0.2%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$1,395,821	\$1,517,289	\$1,523,353	9.1%	0.4%
Federal Funds	\$566,419	\$859,126	\$859,126	51.7%	0.0%
Other Funds	\$518,299	\$487,290	\$495,730	(4.4%)	1.7%
Grand Total	\$2,480,539	\$2,863,705	\$2,878,209	16.0%	0.5%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change	
				2017-19	2018-19
State	4,669	4,802	4,939	5.8%	2.9%
Federal	461	465	470	2.0%	1.1%
All Other	337	322	321	(4.7%)	(0.3%)
Total Positions	5,467	5,589	5,730	4.8%	2.5%

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percentage	82.1%	69.9%	N/A	---	---
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<u>HEALTH SERVICES</u>					
General Fund,					
Direct State Services:					
Laboratory Services	\$3,880	\$5,845	\$1,965	50.6%	D-152
Revolving Funds:					
Laboratory Services	\$11,506	\$11,628	\$122	1.1%	G-5

The Governor’s FY 2019 Budget increases the General Fund appropriation for the Division of Public Health and Environmental Laboratories by \$2.0 million. The increase is intended to support Salaries and Wages expenditures that are charged to the division’s revolving fund following a shortfall, relative to original projections, in FY 2018 revenue collections that are dedicated to revolving fund activities.

Notably, the FY 2018 Appropriations Act anticipated \$14.3 million in FY 2018 revenue collections in the division’s revolving fund. That estimate included an additional \$6.0 million from an increase in the fee charged by the department’s Newborn Screening Laboratory from \$90 per test to \$150 per test. The Executive has since lowered the FY 2018 revenue estimate to \$11.5 million, with FY 2019 collections projected at a slightly higher \$11.6 million. As a result, the recommended FY 2019 General Fund appropriation increase of \$2.0 million is intended to supplement the division’s revolving fund Salaries and Wages expenditures.

On April 3, 2017, the DOH amended N.J.A.C.8:45-2.1 to increase the fee charged by the department’s Newborn Screening Laboratory from \$90 per test to \$150 per test. Under the Newborn Screening Program the Newborn Screening Laboratory tests all newborn children in the State for more than 60 biochemical and genetic disorders within 48 hours after birth. The department is authorized to establish and charge reasonable fees for this testing with fee collections dedicated to the testing and follow-up services. Although the fee is initially charged to hospitals, it is typically shifted to third-party insurance providers.

General Fund,					
Direct State Services:					
New Jersey State					
Commission on					
Cancer Research	\$2,000	\$0	(\$2,000)	(100.0%)	D-153

The Governor’s FY 2019 Budget eliminates \$2 million in funding for the New Jersey State Commission on Cancer Research, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution.

Historically, the commission had been appropriated \$1 million each year, in accordance with N.J.S.A.54:40A-37.1. Beginning in FY 2011, however, the commission’s appropriation has been inconsistent from year to year. (Appropriations were \$94,000 in FY 2011; \$0 in FY 2012;

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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\$1 million in FY 2013; \$0 in FY 2014; \$1 million in FY 2015, FY 2016, and FY 2017; and \$2 million in FY 2018.)

The commission was established in 1983, pursuant to the Cancer Research Act of 1983, P.L.1983, c.6, to promote significant and original research in New Jersey into the causes, prevention, treatment, and palliation of cancer, and to serve as a resource to providers and consumers of cancer services. The commission receives its funding from State appropriations, taxpayer donations on the State gross income tax return (Breast Cancer Research Fund, Prostate Cancer Research Fund, and Lung Cancer Research Fund), proceeds from Conquer Cancer license plate sales, and private donations. The commission uses these funds to support research projects through a competitive process for scientists across the State at a variety of universities, research centers, and other settings.

In October 2017, the commission issued an announcement of funding availability for FY 2018 to support 24-month pre- and post-doctoral fellows, who will conduct original basic, biomedical, behavioral or clinical science research related to the causes, prevention, survival and treatment of cancer. As of April 19, 2018, all of the funds appropriated to the commission in FY 2018 had been committed.

**General Fund,
Direct State Services:
Smoking Cessation
and Prevention**

\$500	\$0	(\$500)	(100.0%)	D-153
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**All Other Funds:
Family Health
Services**

\$99,020	\$106,078	\$7,058	7.1%	D-155
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The Governor’s FY 2019 Budget eliminates \$500,000 in funding for Smoking Cessation and Prevention, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. As of April 19, 2018, approximately \$450,000 has been either expended or encumbered, with a portion thereof representing grant funding to New Jersey Prevention Network Inc. The \$500,000 appropriation was in addition to \$10.8 million that the DOH anticipated spending on tobacco prevention and cessation programs in FY 2018, according to its responses to the FY 2018 Discussion Points.

Notwithstanding the recommended non-renewal of the \$500,000 appropriation for Smoking Cessation and Prevention, the Governor’s FY 2019 Budget anticipates \$7.1 million in dedicated FY 2019 revenue for unspecified anti-tobacco initiatives, in accordance with P.L.2017, c.242 (page C-11). The law dedicates one percent of total cigarette tax and tobacco products wholesale sales and use tax collections to anti-tobacco initiatives starting in FY 2019. The \$7.1 million difference in total Family Health Services All Other Funds appropriations reflects the new revenue dedication for anti-tobacco initiatives.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
General Fund, Direct State Services: New Jersey Stroke Registry and Stroke Centers Reporting System	\$750	\$0	(\$750)	(100.0%)	D-153

The Governor's FY 2019 Budget eliminates \$750,000 in funding for the enhancement of the existing New Jersey Stroke Registry and Stroke Centers Reporting System, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. Each hospital designated as a Primary or Comprehensive Stroke Center is required to submit to the New Jersey Acute Stroke Registry, on a quarterly basis, acute stroke data for all patients age 18 and older. These data are collected with the purpose of assessing quality of services and outcomes provided by the facilities. As of April 19, 2018, some \$500,000 of the appropriation has been committed to Rowan University for the New Jersey Acute Stroke Registry Enhancement Project. The award has an end date of June 30, 2019.

General Fund, Grants-in-Aid: Integrated Care Pilot Program for Military, Veterans and First Responders	\$500	\$0	(\$500)	(100.0%)	D-154
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The Governor's FY 2019 Budget eliminates \$500,000 in funding for the Integrated Care Pilot Program for Military, Veterans and First Responders, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. According to related language, which is also discontinued, the funding was to be used by the DOH to award funding to up to one health system or general hospital in the northern part of the State and up to one health system or general hospital in the southern part of the state for a pilot program for integrated health care for military, veterans, and first responders.

Under the program, one grant in the amount of \$500,000 was awarded to the Cooper Health System. The funding was to support a pilot program for integrated health care for military, veterans and first responders using primary care, behavioral health, palliative care, hospice, and telehealth. As of April 18, 2018, the full \$500,000 has been expended or encumbered.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
General Fund, Grants-in-Aid: New Jersey Center for Tourette Syndrome and Associated Disorders, Inc.	\$400	\$0	(\$400)	(100.0%)	D-154

The Governor's FY 2019 Budget eliminates \$400,000 in funding for the New Jersey Center for Tourette Syndrome and Associated Disorders, Inc., which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. As of April 19, 2018, all of the funds appropriated to the Center had been encumbered or expended. The organization also receives grant funding in FY 2018 from the Maternal, Child and Chronic Health Services account (page D-154).

General Fund, Grants-in-Aid: Princeton Healthcare System – CHOP New Jersey Transition to Adulthood Comprehensive Care Program	\$100	\$0	(\$100)	(100.0%)	D-154
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The Governor's FY 2019 Budget eliminates \$100,000 in funding for the Princeton Healthcare System – CHOP New Jersey Transition to Adulthood Comprehensive Care Program, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. As of April 19, 2018, the entire appropriation remained unencumbered and unexpended.

The Children's Hospital of Philadelphia (CHOP) Transition to Adulthood Program is comprised of a number of programs designed to assist minors who have special health care needs with the process of becoming adults through the use of educational programs, career planning and employment assistance, skills training, peer support, and related services. CHOP operates a network specialty care center on the campus of the University Medical Center of Princeton.

General Fund, Grants-in-Aid: Level 1 Trauma Center Security Grants	\$3,000	\$0	(\$3,000)	(100.0%)	D-154
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The Governor's FY 2019 Budget eliminates \$3.0 million in funding for Level 1 Trauma Center Security Grants, which was included in the FY 2018 Appropriations Act pursuant to a

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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Legislative budget resolution. According to related language, which is also discontinued, the funding was to be allocated to the State's three level 1 trauma centers (University Hospital in Newark, Robert Wood Johnson University Hospital in New Brunswick, and Cooper Medical Center in Camden), with each receiving \$1.0 million to maintain continuous operations and strengthen existing security capabilities. As of April 19, 2018, all of the funds appropriated for Level 1 Trauma Center Security Grants had been encumbered or expended.

**General Fund,
Grants-in-Aid:**

ALS Association	\$250	\$0	(\$250)	(100.0%)	D-154
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The Governor's FY 2019 Budget eliminates \$250,000 in funding for the ALS Association, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. Related language, which is also discontinued, allocated 50 percent of the funding to the Greater Philadelphia Chapter of the ALS Association and the other 50 percent to the Greater New York Chapter of the ALS Association to provide support services to New Jersey residents. As of April 19, 2018, all of the funds appropriated to the ALS Association had been encumbered or expended.

The ALS Association is a national non-profit organization that was founded in 1985 to fight amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig's Disease, which is a progressive neurodegenerative disease that affects nerve cells in the brain and spinal cord. The ALS Association supports research, care services, public education, and public policy initiatives. Its regional chapters provide ALS patients and their families with information, resources, and referrals to various community and other services.

**General Fund,
Grants-in-Aid:**

Early Childhood Intervention Program	\$103,594 \$6,752 S	\$111,374	\$1,028	0.9%	D-154
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The DOH administers the Early Childhood Intervention Program (ECIP), also known as Early Intervention Program, for infants and toddlers under age three who have developmental disabilities. In FY 2019, total recommended funding for ECIP equals \$196.4 million, allocated as follows: \$111.4 million in State General Fund appropriations, \$69.2 million in federal funds through the Infants and Toddlers with Disabilities Program, Part C of the Individuals with Disabilities Education Act; \$11.8 million in family contributions for children who are medically eligible, but whose families' incomes are above 350 percent of federal poverty levels; and \$4.0 million in dedicated funding from the Autism Medical Research and Treatment Fund. This represents a \$4.0 million increase from FY 2018, of which \$3.0 million would be funded out of the Autism Medical Research and Treatment Fund and the remaining \$1.0 million from the above General Fund appropriation. The Administration also proposes the continuation of

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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contingency language that would allow for supplemental appropriations of unspecified amounts to the program in the course of the fiscal year and without additional legislative approval. In FY 2018, the State used the language authority and made a supplemental appropriation of \$6.8 million available to the ECIP. According to Evaluation Data, the number of children receiving services through ECIP is anticipated to increase by 1,385, from 28,793 children in FY 2018 to 30,177 children in FY 2019.

**General Fund,
Grants-in-Aid:**

Adler Aphasia Center	\$200	\$0	(\$200)	(100.0%)	D-154
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The Governor’s FY 2019 Budget eliminates a \$200,000 appropriation for the Adler Aphasia Center, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. The Center is a not-for-profit organization which conducts research, outreach, and education for people with aphasia, their family members, caregivers, and professionals in the field. As of April 19, 2018, all of the funds for FY 2018 had been encumbered or expended.

**General Fund,
Grants-in-Aid:**

REED Academy – Autism Services Pilot Program	\$1,000	\$0	(\$1,000)	(100.0%)	D-154
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The Governor’s FY 2019 Budget eliminates a \$1.0 million appropriation for the REED Academy - Autism Services Pilot Program, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. The pilot program was to provide services for individuals with autism age 18 and over through the development of a self-sustaining enterprise in partnership with Ramapo College. The REED Academy is a private, not-for-profit program for individuals with autism spectrum disorders ages 3 to 21. In addition to an individualized full-day school program, the academy also provides family consultation services and parent training. As of April 19, 2018, all of the funds for FY 2018 had been expended or encumbered.

**General Fund,
Grants-in-Aid:
Residential Treatment
for Pregnant Women
and New Mothers**

\$5,000 S	\$0	(\$5,000)	(100.0%)	D-154
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**Opioid Education
Campaign for
Obstetricians**

\$1,000 S	\$0	(\$1,000)	(100.0%)	D-154
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Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Syringe Access Program	\$2,100 S	\$0	(\$2,100)	(100.0%)	D-154

The Governor recommends not renewing \$66.2 million in FY 2018 supplemental appropriations in the Departments of Children and Families, Corrections, Education, Health, and Treasury that sought to address the recent rise in substance use disorders and its consequences. The three supplemental appropriations above were part of the larger package. In making the supplemental appropriations, the Executive relied on a General Provision that authorizes appropriations of unspecified amounts in the course of the fiscal year and without additional legislative approval for programs that preserve or promote public health and safety. It is unclear if the above programs will receive funding under the \$100.0 million appropriation the Governor recommends for unspecified Expanded Addiction Initiatives in FY 2019 (page D-169).

The DOH was to use the \$5.0 million FY 2018 supplemental appropriation for Residential Treatment for Pregnant Women and New Mothers to create residential treatment for pregnant women and new mothers with substance use disorders under new programs to be established in the northern, central, and southern regions of the State. As of April 19, 2018, the entire \$5.0 million had been encumbered or expended for grants to: Cooper Health System, Capital Health System, Robin's Nest Inc., The Center for Great Expectations, and Evas Village Inc.

The DOH was to use the \$1.0 million supplemental appropriation for the Opioid Education Campaign for Obstetricians to address the barriers obstetricians face when addressing substance use with their patients; promote regional opioid education roundtable training sessions; and provide doctors with materials on preventing, recognizing, responding to, and reporting opioid use disorders, with the goal of reducing the number of babies born with neonatal abstinence syndrome. As of April 19, 2018, all of the funds had been encumbered or expended for grant to: The Partnership for Maternal and Child Health of Northern New Jersey, Family Health Initiatives, and Central Jersey Family Health Consortium.

The \$2.1 million supplemental appropriation for the Syringe Access Program was to double the number of Access to Reproductive Care and HIV Services nurses working at syringe access programs operating in the State. The expansion was intended to increase prevention, recognition, and referral services for injection drug users, including providing injection drug users with counseling and referrals to treatment, and integrating naloxone training and distribution into syringe access program services. As of April 19, 2018, all of the funds had been committed or expended with numerous counties and nonprofit organizations having received grant funding.

**General Fund,
Grants-in-Aid:
South Jersey Cancer
Program – Camden**

\$15,400	\$5,400	(\$10,000)	(64.9%)	D-154
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Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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The Governor’s FY 2019 Budget reduces the appropriation for the South Jersey Cancer Program – Camden by \$10.0 million. The appropriation supports the MD Anderson Cancer Center at Cooper, which is part of Cooper University Health Care. The Governor’s FY 2019 Budget also includes language, continued from the FY 2018 Appropriations Act, providing that unexpended funds in this account are to be used for cancer-related capital equipment, design, engineering, and construction expenses. As of April 19, 2018, the entire FY 2018 appropriation had been encumbered or expended.

**General Fund,
Grants-in-Aid:
Cancer Institute of
New Jersey –
University Hospital
Cancer Center
Services**

\$1,000	\$0	(\$1,000)	(100.0%)	D-154
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The FY 2019 Governor’s Budget discontinues the \$1 million appropriation for the Cancer Institute of New Jersey – University Hospital Cancer Center Services, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. Related language specifying that these funds support the expansion of National Cancer Institute-designated Cancer Center services at University Hospital in Newark to attract clinical trials and advanced cancer care and prevention strategies to the Greater Newark Area is also deleted from the FY 2019 Budget Recommendation. As of April 19, 2018, the \$1 million is encumbered for payment to Rutgers, The State University of New Jersey, which is the fiduciary entity for University Hospital.

**General Fund,
Grants-in-Aid:
Cancer Institute of
New Jersey –
Colorectal and Lung
Cancer, Service
Expansion**

\$2,000	\$0	(\$2,000)	(100.0%)	D-154
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The Governor’s FY 2019 Budget eliminates a \$2.0 million appropriation for the Cancer Institute of New Jersey – Colorectal and Lung Cancer, Service Expansion, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. As of April 19, 2018, the \$1 million is encumbered for payment to Rutgers, The State University of New Jersey, which is the fiduciary entity for University Hospital.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<u>HEALTH PLANNING AND EVALUATION</u>					
General Fund, Direct State Services: Health Care Facility Regulation and Oversight TOTAL:	<u>\$8,551</u>	<u>\$9,931</u>	<u>\$1,380</u>	<u>16.1%</u>	D-159
Salaries and Wages	\$5,943	\$7,075	\$1,132	19.0%	
Services Other Than Personal	\$885	\$1,081	\$196	22.1%	
Other Direct State Services Accounts	\$1,723	\$1,775	\$52	3.0%	

According to the Office of Management and Budget, the recommended \$1.4 million increase in the above appropriation is an outcome of the FY 2018 reorganization of the Division of Mental Health and Addiction Services (DMHAS). Related to the reorganization, the Governor recommends an additional FY 2019 shift in Direct State Services funding totaling \$2.0 million from the Division of Management and Budget in the Department of Human Services (included in the changes on page D-221) to two areas in the Department of Health: Health Care Facility Regulation and Oversight (\$1.4 million, page D-159) and Health Administration and Support Services (\$562,000, page D-174).

On October 1, 2017, the DMHAS was officially transferred from the Department of Human Services to the Department of Health in accordance with Reorganization Plan No. 001-2017. The jurisdictional transfer was intended to provide for the increased efficiency, coordination, and integration of the State's mental health and addiction prevention and treatment functions. As part of the reorganization the Department of Health assumed from the Office of Program Integrity and Accountability in the Department of Human Services the responsibility to inspect and license mental health and addiction services facilities and providers, a function external to the DMHAS. The majority of the shift in appropriations associated with the jurisdictional transfer is already included in the adjusted FY 2018 appropriations. The recommended \$1.4 million shift in FY 2019 to Health Care Facility Regulation and Oversight is in addition to the funding shifts that already occurred in FY 2018.

General Fund, Grants-in-Aid: Health Care Subsidy Fund Payments	\$27,155	\$25,155	(\$2,000)	(7.4%)	D-160
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Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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The Governor recommends decreasing the General Fund support for the Health Care Subsidy Fund (HCSF) by \$2.0 million in FY 2019. The reduction reflects the elimination of \$2.0 million, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution to increase HCSF support for Federally Qualified Health Centers (FQHCs) to \$32.0 million. The recommended reduction in this appropriation, however, does not represent a cut to the total FQHC appropriation, as the Governor’s FY 2019 Budget proposes increasing the language appropriation of HCSF resources to the FQHCs by a corresponding \$2.0 million from \$30.0 million to \$32.0 million (page D-175). The net effect of the two changes is therefore a shift of \$2.0 million in FQHC funding from the General Fund to the HCSF.

The HCSF is predominantly supported by dedicated revenue, but draws on the General Fund appropriation as a final source of funding when other revenues are insufficient to pay the fund’s expenses.

Administered under P.L.1997, c.263, the HCSF receives its revenues from several State taxes, among them the cigarette tax, the HMO Premiums Assessment, and the 0.53 percent Hospital Assessment. It is anticipated to collect \$820.4 million in FY 2019 (page H-11 of the Governor’s FY 2019 Budget). Fund expenditures support Statewide health care initiatives. In FY 2019, the HCSF is expected to spend \$847.9 million, as follows: NJ FamilyCare - \$508.6 million; Charity Care - \$252.0 million; Children’s Health Insurance Program - \$22.3 million; FQHCs - \$32.0 million; Delivery System Reform Incentive Payments - \$20.7 million; and Hospital Mental Health Offset Payments - \$12.3 million. The General Fund is anticipated to provide a total of \$27.5 million, including this \$25.2 million appropriation, in FY 2019 to ensure that HCSF expenditures match available resources.

**General Fund,
Grants-in-Aid:
Hospital Asset
Transformation
Program**

\$15,492	\$8,539	(\$6,953)	(44.9%)	D-160
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Two FY 2018 events lowered Hospital Asset Transformation Program (HATP) debt service payment requirements in FY 2019. First, an HATP bond series reached maturity on March 1, 2018 and is now paid off (New Jersey Health Care Facilities Financing Authority (HCFFA) \$17,500,000 State Contract Bonds (Hospital Asset Transformation Program – St. Mary’s Hospital, Passaic, N.J. Issue), Series 2007-2). Second, on December 28, 2017, the HCFFA refunded \$170.5 million of its outstanding bonds (HCFFA \$170,475,000 State Contract Refunding Bonds (Hospital Asset Transformation Program), Series 2017). The FY 2019 HATP appropriation thus reflects the debt service payments the HCFFA must make under the terms of the refunding bonds, which require a 5.0 percent annual interest payment in FY 2019 but no principal payment.

The HATP was established by the “New Jersey Health Care Facilities Financing Authority Law,” P.L.1972, c.29 (N.J.S.A.26:21-1 et seq.) for the purpose of providing financial assistance to

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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nonprofit hospitals in connection with termination of the provision of hospital acute care services at a specific location. The program allows the HCFFA to issue State-backed bonds, secured by a contract with the State Treasurer, on behalf of a hospital meeting certain criteria. The bonds can be used by the hospital to facilitate the closure and realignment of services. The Treasurer agrees to pay the principal and interest on the bonds when due and then the borrower enters into a loan agreement with the authority to make payments equal to the principal and interest on the bonds plus other related costs and fees. The authority then pays those funds directly back to the State. Under the HATP, the HCFFA has issued bonds for St. Michael’s Medical Center in Newark (which filed for bankruptcy in 2016), St. Mary’s Hospital in Passaic, and John F. Kennedy Medical Center in Edison.

General Fund, Grants-in-Aid: Holy Name Hospital, Teaneck – Palliative Care Pilot Program	\$5,000	\$0	(\$5,000)	(100.0%)	D-160
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The Governor’s FY 2019 Budget eliminates a \$5.0 million appropriation for the Holy Name Hospital, Teaneck – Palliative Care Pilot Program, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. The goals of the pilot program included developing a model for end-of-life care in New Jersey; developing education, training, and certification programs for health care professionals; conducting research comparing end-of-life experience and quality between those enrolled and not enrolled in hospice programs; and developing policy recommendations. As of April 19, 2018, the entire FY 2018 appropriation had been encumbered or expended.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<u>MENTAL HEALTH AND ADDICTION SERVICES</u>					
General Fund, Direct State Services: Patient Care and Health Services	\$244,824	\$243,321	(\$1,503)	(0.6%)	D-164
Administration and Support Services	<u>\$60,334</u>	<u>\$54,319</u>	<u>(\$6,015)</u>	<u>(10.0%)</u>	D-164
TOTAL	\$305,158	\$297,640	(\$7,518)	(2.5%)	

The Governor’s FY 2019 Budget decreases the total appropriation for the four State psychiatric hospitals by \$7.5 million. The reduction is not distributed evenly among the psychiatric hospitals. Ann Klein Forensic Center is to receive a \$3.2 million increase in its FY 2019 appropriation, while the other psychiatric hospitals are to absorb a combined decline of \$10.7 million allocated as follows: Ancora Psychiatric Hospital, a \$2.2 million reduction; Greystone Park Psychiatric Hospital, a \$4.2 million reduction; and Trenton Psychiatric Hospital, a \$4.3 million reduction. According to the Office of Management and Budget, the changes reflect trends in operations, as \$7.9 million in FY 2018 psychiatric hospital appropriations is anticipated to be lapsed to the General Fund at the end of the fiscal year.

All Other Funds: Administration and Support Services	\$0	\$450	\$450	---	D-165
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The Governor’s FY 2019 Budget includes a new \$450,000 All Other Funds appropriation for Personal Needs Allowance in the Department of Health. According to recommended language on page D-165, receipts to the General Fund from charges to the trust accounts of psychiatric hospital residents for maintenance costs are appropriated for use as personal needs allowances for residents who have no other source of funds for these purposes; except that the total amount for these allowances shall not exceed \$450,000 and any increase in the maximum monthly allowance shall be approved by the Office of Management and Budget (OMB). The OMB indicated that the language was related to the FY 2018 transfer of the Division of Mental Health and Addiction Services from the Department of Human Services to the Department of Health and that this new language was functionally equivalent to existing language in the Department of Human Services.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
<u>DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES</u>					
General Fund, Direct State Services: Expansion of Opioid Overdose Recovery Program	\$16,600 S	\$0	(\$16,600)	(100.0%)	D-169
On-Campus Recovery Program, Substance- Free Housing and Supportive Services	\$8,000 S	\$0	(\$8,000)	(100.0%)	D-169
Decreasing Incidence of Substance – Exposed Infants	\$1,000 S	\$0	(\$1,000)	(100.0%)	D-169
Expansion of Consumer Helpline	\$1,000 S	\$0	(\$1,000)	(100.0%)	D-169
Certified Alcohol and Drug Counselors in Prenatal Health Care Settings	<u>\$1,000 S</u>	<u>\$0</u>	<u>(\$1,000)</u>	<u>(100.0%)</u>	D-169
TOTAL	\$27,600	\$0	(\$27,600)	(100.0%)	

The Governor recommends not renewing \$66.2 million in FY 2018 supplemental appropriations in the Departments of Children and Families, Corrections, Education, Health, and Treasury that sought to address the recent rise in substance use disorders and its consequences. The five above supplemental appropriations in the Division of Mental Health and Addiction Services were part of the larger package. In effecting the supplemental appropriations, the Executive relied on a General Provision that authorizes appropriations of unspecified amounts in the course of the fiscal year and without additional legislative approval for programs that preserve or promote public health and safety. It is unclear if the above programs will receive funding under the \$100.0 million appropriation the Governor recommends for unspecified Expanded Addiction Initiatives in FY 2019 (see below).

According to a September 2017 Governor's Office press release, the \$16.6 million supplemental appropriation for the Expansion of Opioid Overdose Recovery Program was to expand the Recovery Coach Program for adults who were reversed from an opioid overdose and received treatment in a hospital emergency department as follows: establish post-treatment recovery coaching; serve all overdose admissions to partner hospital emergency departments, beyond the current offering for those who have received Naloxone; and link Recovery Coaches to people in treatment programs at Mid-State and Edna Mahan Correctional

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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Facilities to sustain recoveries. The Governor’s FY 2019 Budget also recommends eliminating a \$1.3 million language appropriation out of the dedicated “Alcohol Treatment Programs Fund” to the Opioid Overdose Recovery Program.

According to the press release, the \$8.0 million supplemental appropriation for On-Campus Recovery Program, Substance-Free Housing and Supportive Services was for individual grants of up to \$1 million for colleges and universities to invest in substance-free housing and supportive services for students in recovery. Seven of New Jersey’s 13 public colleges and universities are subject to a 2015 Campus Recovery Housing law that requires dedicated substance-free housing for students by 2019.

According to the press release, the \$1.0 million supplemental appropriation for Decreasing Incidence of Substance – Exposed Infants and the \$1.0 million supplemental appropriation for Certified Alcohol and Drug Counselors in Prenatal Health Care Settings were to support the hiring of certified alcohol and drug counselors to work at prenatal clinics or other health clinics in counties that have the highest incidence of women who are pregnant and have an opioid addiction. The counselors would work with the clinicians to identify women using substances during pregnancy and provide referral, linkage, and case management services to facilitate access to treatment services, including medication-assisted therapy, with the goal of improving outcomes for pregnant women who are dependent on opioids.

According to the press release, the \$1.0 million supplemental appropriation for Expansion of Consumer Helpline was to expand the capacity of a Consumer Helpline that assists individuals attempting to access treatment who face real or perceived barriers with their insurance carriers.

**General Fund,
Direct State Services:
Expanded Addiction
Initiatives**

\$0	\$100,000	\$100,000	—	D-169
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Language directs that this recommended appropriation be used to develop, support, and expand unspecified programs and services, including providing grants to entities providing such programs and services, that are determined to be most effective in directly addressing the Statewide public health crisis associated with substance use disorders.

According to an April 3, 2018 Governor’s Office press release, the allocation for this appropriation includes: \$56 million for prevention, treatment, and recovery, of which \$38.5 million would be used to expand access to community-based outpatient treatment programs, Medication Assisted Treatment, and recovery peer coach services; \$31 million to address social supports and risk factors for individuals in recovery from a substance use disorder, including providing housing and employment support; and \$13 million to develop the data, technology, and workforce infrastructure components of the addictions system.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
General Fund, Grants-in-Aid: Community Care	\$372,448	\$352,448	(\$20,000)	(5.4%)	D-169

The Governor's FY 2019 Budget decreases the allocation for Division of Mental Health and Addiction Services (DMHAS) purchases of Community Care services by \$20 million in FY 2019. According to the Office of Management and Budget, the decrease reflects the continuation of the lower than originally projected cost to the DMHAS for Community Care in FY 2018, as \$20 million in DMHAS Community Care appropriations is anticipated to be lapsed to the General Fund at the end of FY 2018. In addition, it is anticipated that the numbers of provider agencies, contracts, and clients served under Community Care will remain unchanged from FY 2018 to FY 2019 (pages D-166 and D-167).

**All Other Funds:
Administration and
Support Services**

\$0	\$300	\$300	—	D-170
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The Governor's FY 2019 Budget includes a new Department of Health All Other Funds appropriation of \$300,000 out of receipts from dedicated Mental Health Fees in DMHAS Administration and Support Services. According to recommended language on page D-171, revenues received from fees derived from the licensing of all community mental health programs as specified in N.J.A.C.10:190-1.1 et seq. are appropriated to the DMHAS to offset the costs of performing the required reviews. The Office of Management and Budget indicated that the language was related to the FY 2018 transfer of the DMHAS from the Department of Human Services to the Department of Health and that this new language was functionally equivalent to existing language in the Department of Human Services.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<u>HEALTH ADMINISTRATION</u>					
General Fund, Direct State Services: Administration and Support Services	<u>\$6,365</u>	<u>\$6,927</u>	<u>\$562</u>	<u>8.8%</u>	D-174
Salaries and Wages	<u>\$4,344</u>	<u>4,824</u>	<u>\$480</u>	<u>11.0%</u>	D-175
Other Direct State Services Accounts	<u>\$2,021</u>	<u>\$2,103</u>	<u>\$82</u>	<u>4.1%</u>	D-175

According to the Office of Management and Budget, the recommended \$562,000 increase in the above appropriation is an outcome of the FY 2018 reorganization of the Division of Mental Health and Addiction Services (DMHAS). Related to the reorganization, the Governor recommends an additional FY 2019 shift in Direct State Services funding totaling \$2.0 million from the Division of Management and Budget in the Department of Human Services (included in the changes on page D-221) to two areas in the Department of Health: Health Care Facility Regulation and Oversight (\$1.4 million, page D-159) and Health Administration and Support Services (\$562,000, page D-174).

On October 1, 2017, the DMHAS was officially transferred from the Department of Human Services to the Department of Health in accordance with Reorganization Plan No. 001-2017. The jurisdictional transfer was intended to provide for the increased efficiency, coordination, and integration of the State's mental health and addiction prevention and treatment functions. As part of the reorganization the Department of Health also assumed from the Office of Program Integrity and Accountability in the Department of Human Services the responsibility to inspect and license mental health and addiction services facilities and providers, a function external to the DMHAS. The majority of the shift in appropriations associated with the jurisdictional transfer is already included in the adjusted FY 2018 appropriations. The recommended \$562,000 shift in FY 2019 to Health Administration and Support Services is in addition to the funding shifts that already occurred in FY 2018.

Significant Language Changes

Integrated Care Pilot Program for Military, Veterans and First Responders

Deletion

2018 Handbook: p. B-74

2019 Budget: N/A

~~The Commissioner of Health shall, pursuant to applications, award funding for a pilot program for integrated health care for military, veterans, and first responders, to up to one health system or general hospital in the northern part of the State and up to one health system or general hospital in the southern part of the State.~~

Explanation

The Governor's FY 2019 Budget eliminates \$500,000 in funding for the Integrated Care Pilot Program for Military, Veterans and First Responders, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. This related language, which is also discontinued, specified that the funding was to be used by the DOH to award funding to up to one health system or general hospital in the northern part of the State and up to one health system or general hospital in the southern part of the state for a pilot program for integrated health care for military, veterans, and first responders.

Under the program, one grant in the amount of \$500,000 was awarded to the Cooper Health System. The funding was to support a pilot program for integrated health care for military, veterans and first responders using primary care, behavioral health, palliative care, hospice, and telehealth. As of April 18, 2018, the full \$500,000 has been expended or encumbered.

Level 1 Trauma Center Security Grants

Deletion

2018 Handbook: p. B-74

2019 Budget: N/A

~~Of the amounts hereinabove appropriated for Level 1 Trauma Center Security Grants, there shall be allocated to each level 1 trauma center located in Newark, New Brunswick, and Camden an amount of \$1,000,000 to maintain continuous operations and to enable these centers to strengthen existing security capabilities.~~

Explanation

The Governor's FY 2019 Budget eliminates \$3.0 million in funding for Level 1 Trauma Center Security Grants, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. This related language, which is also discontinued, specified that the funding was to be allocated to the State's three level 1 trauma centers (University Hospital in Newark, Robert Wood Johnson University Hospital in New Brunswick, and Cooper Medical Center in Camden), with each receiving \$1.0 million to maintain continuous operations and

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

strengthen existing security capabilities. As of April 19, 2018, all of the funds appropriated for the Level 1 Trauma Center Security Grants had been encumbered or expended.

ALS Association	
Deletion	2018 Handbook: p. B-74 2019 Budget: N/A

~~Of the amount hereinabove appropriated for the ALS Association to provide support services to New Jersey residents, 50 percent shall be allocated to the Greater Philadelphia Chapter of the ALS Association to serve residents in southern New Jersey and 50 percent shall be allocated to the Greater New York Chapter of the ALS Association to serve residents in central and northern New Jersey.~~

Explanation

The Governor’s FY 2019 Budget eliminates \$250,000 in funding for the ALS Association, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. This related language, which is also discontinued, allocated 50 percent of the funding to the Greater Philadelphia Chapter of the ALS Association and the other 50 percent to the Greater New York Chapter of the ALS Association to provide support services to New Jersey residents. As of April 19, 2018, all of the funds appropriated to the ALS Association had been encumbered or expended.

The ALS Association is a national non-profit organization that was founded in 1985 to fight amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig’s Disease, which is a progressive neurodegenerative disease that affects nerve cells in the brain and spinal cord. The ALS Association supports research, care services, public education, and public policy initiatives. Its regional chapters provide ALS patients and their families with information, resources, and referrals to various community and other services.

Early Childhood Intervention Program	
Revision	2018 Handbook: p. B-74 2019 Budget: p. D-156

Notwithstanding the provisions of any law or regulation to the contrary, in addition to the amount hereinabove appropriated for the Early Childhood Intervention Program, there is appropriated ~~\$1,000,000~~ \$4,000,000 from the Autism Medical Research and Treatment Fund for the same purpose.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough. Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Explanation

The Governor’s FY 2019 Budget increases a language appropriation from the Autism Medical Research and Treatment Fund to the Early Childhood Intervention Program (ECIP) from \$1 million in FY 2018 to \$4 million in FY 2019. This is the same level of funding that was appropriated from the Autism Medical Research and Treatment Fund for ECIP in FY 2017.

In FY 2019, total recommended funding for ECIP equals \$196.4 million, allocated as follows: \$111.4 million in State funds, \$69.2 million in federal funds through the Infants and Toddlers with Disabilities Program, Part C of the Individuals with Disabilities Education Act; \$11.8 million in family contributions for children who are medically eligible, but whose families’ incomes are above 350 percent of federal poverty levels; and \$4.0 million in dedicated funding from the Autism Medical Research and Treatment Fund. This represents a \$4.0 million increase from FY 2018. The OLS notes, however, that the Administration also proposes the continuation of contingency language that would allow for supplemental appropriations of unspecified amounts to the program in the course of the fiscal year and without additional legislative approval. The State has made supplemental appropriations available for ECIP in the past, most recently a \$6.8 million supplemental appropriation in FY 2018. According to budget data (page D-150), the number of children receiving services through ECIP is anticipated to increase by 1,385 children, from 28,793 children in FY 2018 to 30,177 children in FY 2019.

The Department of Health administers the ECIP for infants and toddlers under age three who have developmental disabilities. The department contracts separately with 21 county-based agencies to provide care management services, and 10 child evaluation centers to assess children’s needs.

The Autism Medical Research and Treatment Fund was established by P.L.2003, c. 144 (N.J.S.A.30:6D-62.2 et al) to support the Governor’s Council for Medical Research and Treatment of Infantile Autism and is the recipient of a \$1 surcharge on all fines and penalties paid for motor vehicle violations in the State. The fund is anticipated to collect \$3.8 million in FY 2019 (page C-12).

Cancer Institute of New Jersey

Deletion

2018 Handbook: p. B-76
2019 Budget: N/A

~~The amount hereinabove appropriated for Cancer Institute of New Jersey University Hospital Cancer Center Services is allocated to the Cancer Institute of New Jersey for the~~

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

~~expansion of National Cancer Institute designated Cancer Center services at University Hospital in Newark to attract clinical trials and advanced cancer care and prevention strategies to the Greater Newark Area with the goal of ensuring parity among cancer patients, including the underserved and underinsured populations.~~

Explanation

The FY 2019 Governor’s Budget discontinues the \$1 million appropriation for the Cancer Institute of New Jersey, which was included in the FY 2018 Appropriations Act pursuant to a Legislative budget resolution. This related language, which is also discontinued, specified that the \$1 million was to be used for the expansion of National Cancer Institute-designated Cancer Center services at University Hospital in Newark. Specifically, the funding was intended to attract clinical trials and advanced cancer care and prevention strategies to the Greater Newark Area with the goal of ensuring parity among cancer patients, including the underserved and underinsured populations.

As of April 19, 2018, the \$1 million is currently encumbered for payment to Rutgers, the State University of New Jersey, which is the fiduciary entity for University Hospital.

Charity Care – Hospital Survey Requirement

Revision

2018 Handbook: p. B-80
2019 Budget: p. D-161

The amounts hereinabove appropriated for Charity Care or other funding to a health care facility are conditioned upon the following ~~requirement:~~ requirements, such health care facility shall: participate in planning meetings supervised by the Department of Health for the planning of the provision of hospital, medical, or health programs and services; respond to a survey distributed by the Department of Health, on or before December 31, 2018, soliciting information on the facilities’ processes to connect individuals whose claims are submitted as charity care claims to primary and preventative care systems, or other systems of value-based health care delivery; and shall, to the extent permitted by State and federal law, share patient-level data as needed to facilitate such purposes.

Explanation

The FY 2019 Governor’s Budget newly conditions each hospital’s allocation of Charity Care funding on the hospital responding, on or before December 31, 2018, to a DOH survey soliciting information on the facility’s processes to connect individuals whose claims are submitted as Charity Care claims to primary and preventative care systems, or other systems of value-based health care delivery. The survey is intended to assist the department in its policy formulation.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough. Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Acute care hospitals are required by State law to provide all necessary care to patients regardless of ability to pay, pursuant to P.L.1992, c.160 (N.J.S.A.26:2H-18.52 et al.). To offset the costs to hospitals of uncompensated care delivered to low-income uninsured patients, the State provides subsidies through the New Jersey Hospital Care Payment Assistance Program (Charity Care). Each hospital's subsidy is calculated through a statutorily established formula (subsection b. of N.J.S.A.26:2H-18.59i); however, the statutory formula has been superseded by appropriations language in each Appropriations Act since the current statutory formula was established in 2004.

For FY 2019, the Governor recommends language appropriating \$252.0 million out of the dedicated Health Care Subsidy Fund for Charity Care grants to hospitals, which is the same as the FY 2018 appropriation. The recommended FY 2019 distribution formula is substantively identical to the FY 2018 formula, except that the years of the source data are updated. Consequently, any change in a hospital's FY 2019 Charity Care allocation is the result of updated source data rather than policy changes.

More information on Charity Care, including a description of the proposed distribution formula and the amounts to be provided to each hospital thereunder, is provided in the background paper "Direct Hospital Subsidies" at the end of this analysis.

Expanded Addiction Initiatives

Addition

2018 Handbook: N/A
2019 Budget: p. D-171

Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Expanded Addiction Initiatives shall be used to develop, support, and expand programs and services, including providing grants to entities providing such programs and services, that the Commissioner of Health, the Commissioner of Human Services, and the Commissioner of Children and Families determine to be most effective in directly addressing the statewide public health crisis associated with substance use disorders, including opioid use disorder, subject to the approval of the Director of the Division of Budget and Accounting. Such programs and services may include, but shall not be limited to, efforts to improve access to community-based behavioral health care, develop the State's anti-addiction infrastructure, support enhanced integration of care, and address relevant social and economic factors.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough. Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Explanation

The Governor recommends a new appropriation of \$100 million for unspecified Expanded Addiction Initiatives. This language directs that the appropriation be used to develop, support, and expand unspecified programs and services, including providing grants to entities providing such programs and services, that are determined to be most effective in directly addressing the Statewide public health crisis associated with substance use disorders. According to an April 3, 2018 Governor’s Office press release, the allocation for the \$100 million appropriation includes: \$56 million for prevention, treatment, and recovery, of which \$38.5 million would be used to expand access to community-based outpatient treatment programs, Medication Assisted Treatment, and recovery peer coach services; \$31 million to address social supports and risk factors for individuals in recovery from a substance use disorder, including providing housing and employment support; and \$13 million to develop the data, technology, and workforce infrastructure components of the addictions system.

Opioid Overdose Recovery Program

Deletion

2018 Handbook: p. B-85
2019 Budget: N/A

~~Notwithstanding the provisions of any law or regulation to the contrary, \$1,300,000 from the "Alcohol Treatment Programs Fund", established pursuant to section 2 of P.L.2001, c.48, (C.26:2B-9.2) is appropriated to the Division of Mental Health and Addiction Services for the Opioid Overdose Recovery Program, subject to the approval of the Director of the Division of Budget and Accounting.~~

Explanation

The FY 2019 Governor’s Budget discontinues a \$1.3 million language appropriation from the dedicated “Alcohol Treatment Programs Fund” to the Opioid Overdose Recovery Program (OORP), which is also known as the Recovery Coaches Program. In addition, the Governor recommends not renewing a \$16.6 million FY 2018 supplemental appropriation to expand the OORP. It is unclear if the program will receive funding under the \$100.0 million appropriation the Governor proposes for unspecified Expanded Addiction Initiatives in FY 2019 (page D-169).

The OORP connects individuals who receive treatment at a hospital emergency department for an opioid overdose with recovery specialists and patient navigators; who provide non-clinical assistance, recovery supports, and appropriate referrals to assessment and treatment.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough. Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

The OORP grew out of the Naloxone Training and Distribution Program established in the Department of Human Services (DHS) pursuant to P.L.2013, c.46 (N.J.S.A.24:6J-1 et al.). Under this program, the DHS issued contracts to four Opioid Treatment Programs serving five counties that provided community education and training and distributed naloxone kits. The program was expanded Statewide in the fall of 2015 through the creation of three two-year programs in the northern, central, and southern regions of the State, and contracts were eventually awarded to OORPs serving 20 of the State's 21 counties. The administration of the program was transferred to the Department of Health in FY 2018 as part of Reorganization Plan No. 001-2017.

The dedicated "Alcohol Treatment Programs Fund," which was established in accordance with N.J.S.A.26:2B-9.2, receives \$7.5 million annually out of the Motor Vehicle Surcharges Revenue Fund pursuant to N.J.S.A.34:1B-21.28. Statutes require that fund balances be used for grants to programs that provide treatment for alcoholism, alcohol abuse and other conditions related to the excessive consumption of alcoholic beverages among persons convicted of violating the State's drunk driving laws and others. The Governor recommends retaining budget language that would appropriate fund balances instead for grants to providers of addiction services for capital construction projects and administrative expenditures related to the grant program (page D-171 and D-172).

Federally Qualified Health Centers

Revision

2018 Handbook: p. B-82
2019 Budget: p. D-175

Notwithstanding the provisions of P.L.2005, c.237 or any other law or regulation to the contrary, ~~\$30,000,000~~ \$32,000,000 from the surcharge on each general hospital and each specialty heart hospital is appropriated to fund federally qualified health centers. Any unexpended balance at the end of the preceding fiscal year in the Health Care Subsidy Fund received through the hospital and other health care initiatives account during the preceding fiscal year is appropriated for payments to federally qualified health centers.

Explanation

P.L.2005, c.237 allocated \$40 million annually from the surcharge on each general hospital and each specialty heart hospital to federally qualified health centers (FQHCs). The Governor's FY 2019 Budget includes the above language which overrides this statute and allocates only \$32 million for reimbursements to FQHCs for uncompensated care provided to uninsured patients.

Notwithstanding that the language appropriation out of the Health Care Subsidy Fund is recommended to increase by \$2 million in FY 2019, the overall funding

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

level of \$32 million is identical to the funding provided to FQHCs in FY 2018. This is so because the \$2 million increment represents merely a shift in the funding source, as the Governor recommends eliminating a corresponding \$2 million FY 2018 General Fund appropriation to the FQHCs.

FQHCs provide comprehensive primary health care services primarily to uninsured, underinsured, Medicaid, and Medicare patients. Services are charged on a sliding scale based on patients' income. In 2016, there were 24 FQHCs operating 134 healthcare delivery sites in New Jersey and Medicaid funds accounted for 44.0 percent of FQHC budgets, while State uncompensated care accounted for 8.9 percent.

In response to FY 2018 OLS Discussion Points, the department reported 301,066 uncompensated care visits to FQHCs in FY 2016 and estimated 294,160 uncompensated care visits in FY 2017 and 303,043 in FY 2018.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Background Paper: Direct Hospital Subsidies

Budget Pages.... D-158 to D-162; H-11

Language provisions in the Governor's FY 2019 Budget provide for the disbursement of \$636.6 million in direct subsidies to New Jersey's acute care hospitals. As used in this background paper, the term "direct subsidies" encompasses Charity Care (\$252.0 million), the Delivery System Reform Incentive Payments (DSRIP) program (\$166.6 million), and Graduate Medical Education (GME) (\$218.0 million); it does not discuss other categories of State funding to hospitals, such as payments for services to Medicaid/NJ FamilyCare recipients, payments for the support of University Hospital, or payments for contracted services.

The total FY 2019 recommended funding for direct subsidies and their allocation formulas are identical to FY 2018, as discussed below. However, as a function of the use of more recent source data in the allocation formulas, there are changes in the funding provided to each individual hospital in FY 2019.

Tables 1 to 3 at the end of this background paper provide the Charity Care, DSRIP, and GME subsidies each hospital is scheduled to receive in FY 2018 and anticipates receiving in FY 2019 under the Governor's proposal.

Table 4 at the end of this background paper provides overall funding to each hospital for direct subsidies in FY 2018 compared to the amounts anticipated in FY 2019.

Charity Care

The New Jersey Hospital Care Payment Assistance Program, generally known as Charity Care, is the largest component of direct State subsidies to acute care hospitals, with a recommended funding level of \$252.0 million in FY 2019 from the Health Care Subsidy Fund (page H-11). This is an identical appropriation to FY 2018.

The Charity Care program, established by P.L.1992, c.160 (N.J.S.A.26:2H-18.52 et al.), allows low-income patients without health insurance coverage to receive hospital care at zero or reduced cost, on a sliding scale depending on the patient's income. State law requires hospitals to provide and document this care, and the State provides a subsidy to offset the associated costs. The program does not pay hospitals set reimbursement rates for each treatment delivered. Rather, the State analyzes the amount of charity care the hospital delivered in a previous year and enters this amount into a formula to determine each hospital's subsidy.

Charity Care expenditures are paid out of the Health Care Subsidy Fund (HCSF) administered under P.L.1997, c.263 (page H-11). The HCSF receives its balances from several State taxes, among them the cigarette tax, the HMO Premiums Assessment, and the 0.53 percent Hospital Assessment.

State Charity Care spending is also eligible for a federal match that historically is drawn from federal funds under the Medicaid Disproportionate Share Hospital (DSH) program. The DSH program allows the State to receive federal funds based on State payments to hospitals for costs that are not otherwise eligible for federal Medicaid matching funds (e.g. Charity Care, and most payments to psychiatric hospitals). Under the formula provided by federal statute (42 U.S.C.

Background Paper: Direct Hospital Subsidies (Cont'd)

1396r-4(f)), the State's DSH allotment generally increases each year by the same percentage as the consumer price index. Currently, the State does not use federal Medicaid DSH matching funds received for State Charity Care expenditures to support the Charity Care program. According to the Department of Human Services' responses to the FY 2018 OLS Discussion Points, the State anticipated receiving \$402.9 million in DSH funds in FY 2018, of which \$126.0 million was attributed to Charity Care. The federal revenue anticipated by the Department of Human Services for State Charity Care expenditures is part of Schedule 1, reported under "Medicaid Uncompensated Care - Acute" (page C-5) and Schedule 2, reported under "Title XIX Medical Assistance" (page C-20).

The current statutory Charity Care distribution formula, established pursuant to subsection b. of N.J.S.A.26:2H-18.59i, ranks hospitals according to the percentage of each hospital's gross patient revenue attributable to charity care patients, and pays hospitals with a higher rank a larger subsidy in proportion to their total documented charity care. Notably, the statutory formula provides for the hospitals that provide the most charity care and the hospitals that serve the communities with the lowest median incomes to receive State charity care payments equal to 96 percent of the hospitals' documented charity care, and it provides for a minimum reimbursement to each hospital of 43 percent of its documented charity care.

The current statutory formula has never been implemented precisely as enacted, as appropriations language has overridden the permanent statute in each Appropriations Act since the current formula was established in 2004. In the Governor's FY 2019 Budget, proposed language limits the total amount available in FY 2019 to \$252.0 million, and calculates each hospital's share of the \$252.0 million according to an unchanged formula, as discussed in more detail below.

Proposed FY 2019 Formula: The FY 2019 Charity Care formula, as proposed in budget language on page D-161, follows some of the statutorily established steps, but amends the formula to abide by the following rules: the source data are based on the more recent 2016 5-Year American Community Survey instead of the 2010 census; the minimum subsidy for hospitals may be reduced from the statutorily required 43 percent to 0 percent; and all subsidies must be proportionally divided so that total charity care disbursements do not exceed \$252.0 million, except that the proportionate reduction does not apply to those hospitals that are required to receive 96 percent of their hospital-specific unreimbursed documented charity care pursuant to the statutory formula (see steps 2 and 3 below).

The FY 2019 Charity Care formula differs from the FY 2018 formula only in that it uses the more recent source data and revises data submission dates.

The FY 2019 Charity Care formula, as well as the statutory formula, first establishes each hospital's relative charity care percentage (RCCP). RCCP is the product of (a) the hospital-specific gross revenue for CY 2016 for charity care patients divided by (b) total gross revenue for all patients. The data used in the RCCP calculation are as reported by the hospitals by October 30, 2017 and as early as June 30, 2017. After the RCCP is established, the following steps are taken to determine each hospital's subsidy.

1. Each hospital is ranked by its RCCP.
2. The nine hospitals with the highest RCCP receive 96 percent of their unreimbursed documented Charity Care.

Background Paper: Direct Hospital Subsidies (Cont'd)

3. In addition, the hospital with the highest documented hospital-specific Charity Care in each of the 10 municipalities with the lowest median annual household income (as determined in the 5-year American Community Survey), if any, also receives 96 percent of its RCCP.
4. Except for the 96 percent hospitals identified in steps 2 and 3, each hospital's subsidy is prorated to ensure that the total amount of Charity Care does not exceed \$252 million.

The formula results in 23 hospitals receiving less Charity Care in FY 2019 than in FY 2018, and 48 receiving more. All of the hospitals are reimbursed at least 11.5 percent of their 2016 documented charity care. Any changes in hospital-specific Charity Care allocations reflect the use of more recent source data in the calculation.

The 12 hospitals that will receive 96 percent of their documented Charity Care (pursuant to steps 2 and 3 above) are: AtlantiCare Regional Medical Center – City Division; Capital Health Regional Medical Center; CarePoint Health – Christ Hospital; CarePoint Health – Hoboken University Medical Center; Cooper Hospital/University Medical Center; Jersey City Medical Center; New Bridge Medical Center (Bergen Regional); St. Francis Medical Center; St. Joseph's Regional Medical Center; St. Mary's General Hospital; Trinitas Regional Medical Center; and University Hospital.

Table 1 at the end of this background paper displays the Governor's recommended FY 2019 Charity Care subsidy for each hospital and the actual FY 2018 distribution.

Delivery System Reform Incentive Payments (DSRIP) Program

The Governor's FY 2019 Budget appropriates \$166.6 million for the Delivery System Reform Incentive Payments (DSRIP) program, which is unchanged from FY 2018. The DSRIP program, a component of the Comprehensive 1115 Medicaid Waiver, was originally established as a five-year federally co-funded demonstration project to be completed on June 30, 2017. In 2017, the federal Centers for Medicare and Medicaid Services (CMS) approved a two-year extension of the DSRIP program, plus a one-year transition period, thus fully funding a continuation of the program for FY 2018 through FY 2020 at \$166.6 million per fiscal year.¹

DSRIP provides subsidies to participating hospitals that carry out approved projects designed to improve the quality of care provided, the efficiency with which care is provided, or population health. DSRIP disbursements are linked to the achievement of specific performance objectives. Forty-six hospitals have submitted reapplications for the program's first extension year, three fewer than the number of hospitals that initially participated in the program.

The DSRIP program requires each participating hospital to develop an Individual Hospital DSRIP Plan, which describes how the hospital will carry out a project. The plan must focus on an area from the list contained in the New Jersey Comprehensive Medicaid 1115 Waiver (or another focus area approved by the State and the federal government). Each plan must also include a narrative that describes the stages and activities selected for the project, and a set of measures and milestones upon which the hospital's performance is to be evaluated. Hospitals participating in the DSRIP extension and transition period are required to continue with the DSRIP project and project plan approved by the State and CMS at the program's onset.

¹ <https://dsrip.nj.gov/>

Background Paper: Direct Hospital Subsidies (Cont'd)

DSRIP is a federally funded program and participating states must match the federal funding. State funding that qualifies for the federal match may come from additional General Fund expenditures. But the State may also provide match-eligible funding at no additional cost to the State by designating existing state expenditures for services that are similar to Medicaid services but are not currently matched with federal dollars.

The Governor's FY 2019 Budget includes language stating that an unchanged \$166.6 million is appropriated for DSRIP (pages D-161 and D-162). The appropriation has three funding sources: \$62.6 million from the General Fund (page D-160); \$20.7 million from the Health Care Subsidy Fund (a portion of the recommended \$287.0 million FY 2019 All Other Funds appropriation on page D-160 and referenced on page H-11); and \$83.3 million in federal funding (a portion of the recommended \$89.0 million FY 2019 Federal Funds appropriation on page D-160 and referenced on page H-11).

Proposed FY 2019 Allocation: The total target funding amount for FY 2019 for all participating hospitals is \$161.7 million, approximately \$4.9 million less than the \$166.6 million appropriation with the \$4.9 million increment to be allocated at a later date based on hospitals' performance against targets. Whether a hospital will receive, or even exceed, the target funding amount will depend on its completion of activities and measurements of performance as defined in the Funding and Mechanics Protocol dated February 13, 2018, accessible online at dsrip.nj.gov.

Table 2 at the end of this background paper displays the anticipated FY 2019 DSRIP target funding amount for each hospital, which is unchanged from FY 2018.

Graduate Medical Education

The third component of direct State subsidies to acute care hospitals is Graduate Medical Education (GME). The Executive recommends an FY 2019 program allocation totaling \$218.0 million (page D-160), which is equal to the FY 2018 adjusted appropriation.

The Governor's FY 2019 Budget displays the \$218.0 million as a General Fund appropriation, but only \$79.8 million of the total represents State funding. The remaining \$138.2 million comes from federal funds (page C-5). While the funding remains stable, the FY 2019 recommended GME appropriation includes a shift of \$519,000 from federal to State funds.

Historically, Medicaid GME was supported with 50 percent federal Medicaid funds, but beginning in FY 2015, the State received a higher federal matching rate under the federal Affordable Care Act for certain patients seen by the hospitals. The recommended FY 2019 appropriation anticipates a 63.7 percent blended federal match, virtually unchanged from FY 2018.

The GME payment for each of the 43 teaching hospitals is determined by a State-established formula as detailed in the budget language (pages D-162). The federal government allows States to apply for GME funding through state Medicaid funding, but any changes in the amount allocated, or the formula determining the distribution of funding, must be approved by

Background Paper: Direct Hospital Subsidies (Cont'd)

the Centers for Medicare and Medicaid Services as a State plan amendment each year.² Teaching hospitals also receive separate and additional GME funding through federal programs, the most important being Medicare, but these amounts do not flow through the State budget.

The amount each hospital receives from State Medicaid GME each year is determined by the amounts the hospitals spent in a previous year on costs related to the training of future physicians, adjusted so the total amount does not exceed the total subsidy provided through the budget each year.

Specifically, each hospital's FY 2019 GME is determined by calculating the sum of two types of expenditures made by that hospital in 2016 in the training of medical interns and residents. These expenditures are referred to as direct medical education (DME) costs and indirect medical education (IME) costs. DME expenditures are those directly related to educating interns and residents, such as pay for residents. IME expenditures are those higher costs associated with having to provide additional staff and resources to assist the interns and residents. These costs are calculated through the use of a formula discussed below.

Proposed FY 2019 Formula: The proposed formula for distributing GME funding to teaching hospitals is found on page D-162 of the Governor's FY 2019 Budget. The proposed language is similar to the FY 2018 formula. It differs in that it updates the year of the reference material to 2016 from 2015 and changes the date by which hospitals must submit a report regarding the number of physicians who completed their training during 2017, and the number of those physicians who plan to practice medicine within New Jersey to May 31, 2019 from October 31, 2018.

The proposed language requires the \$218.0 million appropriation to be split into a Direct Medical Education (DME) allocation, which is calculated by multiplying \$218.0 million by the ratio of 2016 total median Medicaid managed care DME costs to 2016 total median Medicaid managed care GME costs; and an Indirect Medical Education (IME) allocation, which is calculated by multiplying \$218.0 million by the ratio of 2016 total Medicaid managed care IME costs to total 2016 Medicaid managed care GME costs.

Each hospital's percentage of total 2016 Medicaid managed care DME costs will be multiplied by the DME allocation to calculate the hospital's DME payment.

Each hospital's percentage of total 2016 Medicaid managed care IME costs will be multiplied by the IME allocation to calculate the hospital's IME payment.

The sum of a hospital's DME and IME payments equals its GME payment.

The proposed formula results in 27 of the 43 eligible hospitals receiving a greater subsidy than anticipated in FY 2018, and 16 receiving less.

Table 3 at the end of this background paper displays, for each hospital, the Governor's recommended FY 2019 GME allocation and the actual FY 2018 distribution.

²<http://www.nj.gov/health/hcf/documents/gme/SFY2018%20Public%20Notice%20-%20Graduate%20Medical%20Education.pdf>

Table 1: Charity Care Subsidies

Hospital Name	Charity Care FY 2018	Charity Care FY 2019	Change FY 2018 to FY 2019	Percentage Change
AtlantiCare Regional MC - City	\$10,440,618	\$7,095,918	(\$3,344,700)	-32.0%
AtlantiCare Regional MC - Mainland	\$1,114,553	\$1,178,894	\$64,341	5.8%
Bayshore Community Hospital	\$52,745	\$78,555	\$25,810	48.9%
Cape Regional Medical Center	\$93,679	\$92,980	(\$699)	-0.7%
Capital Health Medical Center - Hopewell	\$897,903	\$1,199,824	\$301,921	33.6%
Capital Health Regional Medical Center	\$13,053,265	\$15,668,252	\$2,614,987	20.0%
CarePoint Health - Bayonne Medical Center	\$529,281	\$996,184	\$466,904	88.2%
CarePoint Health - Christ Hospital	\$10,394,010	\$12,680,209	\$2,286,199	22.0%
CarePoint Health - Hoboken University Medical Center	\$10,600,458	\$11,647,087	\$1,046,629	9.9%
CentraState Medical Center	\$289,807	\$381,640	\$91,833	31.7%
Chilton Medical Center	\$93,970	\$74,274	(\$19,696)	-21.0%
Clara Maass Medical Center	\$403,396	\$292,817	(\$110,579)	-27.4%
Community Medical Center	\$214,129	\$327,803	\$113,674	53.1%
Cooper Hospital/University MC	\$13,376,641	\$13,667,770	\$291,129	2.2%
Deborah Heart and Lung Center	\$270,094	\$308,946	\$38,852	14.4%
East Orange General Hospital	\$690,618	\$932,509	\$241,891	35.0%
Englewood Hospital and Medical Center	\$578,838	\$957,781	\$378,943	65.5%
Hackensack UMC - Mountainside	\$183,554	\$156,060	(\$27,493)	-15.0%
Hackensack UMC - Palisades	\$1,377,349	\$2,491,783	\$1,114,433	80.9%
Hackensack UMC - Pascack Valley	\$27,769	\$34,963	\$7,194	25.9%
Hackensack University Medical Center	\$1,499,260	\$1,722,574	\$223,314	14.9%
Hackettstown Regional Medical Center	\$56,404	\$52,698	(\$3,706)	-6.6%
Holy Name Medical Center	\$216,163	\$387,939	\$171,776	79.5%
Hudson Regional Hospital (Meadowlands)	\$23,860	\$29,631	\$5,771	24.2%
Hunterdon Medical Center	\$275,598	\$283,888	\$8,291	3.0%
Inspira Medical Center - Elmer	\$59,934	\$51,343	(\$8,592)	-14.3%
Inspira Medical Center - Vineland	\$976,418	\$587,521	(\$388,897)	-39.8%
Inspira Medical Center - Woodbury	\$109,912	\$108,873	(\$1,039)	-0.9%
Jefferson Cherry Hill Hospital	\$137,450	\$180,945	\$43,495	31.6%
Jefferson Stratford Hospital	\$114,294	\$160,916	\$46,622	40.8%
Jefferson Washington Twp Hospital	\$147,963	\$176,644	\$28,681	19.4%
Jersey City Medical Center	\$18,902,794	\$20,329,708	\$1,426,914	7.5%
Jersey Shore University Medical Center	\$690,940	\$1,000,493	\$309,553	44.8%
JFK Medical Center	\$959,264	\$1,330,750	\$371,486	38.7%
Lourdes Medical Center of Burlington Cty.	\$272,772	\$314,630	\$41,858	15.3%
Memorial Hospital of Salem County	\$18,383	\$32,552	\$14,169	77.1%
Monmouth Medical Center	\$644,089	\$962,553	\$318,464	49.4%
Monmouth Medical Center - Southern	\$446,087	\$542,272	\$96,185	21.6%
Morristown Medical Center	\$838,839	\$963,845	\$125,007	14.9%
New Bridge Medical Center (Bergen Regional)	\$17,479,694	\$14,164,959	(\$3,314,735)	-19.0%
Newark Beth Israel Medical Center	\$1,633,698	\$1,376,948	(\$256,750)	-15.7%
Newton Medical Center	\$86,751	\$100,398	\$13,646	15.7%
Ocean Medical Center	\$251,562	\$258,101	\$6,540	2.6%
Our Lady of Lourdes Medical Center	\$1,040,808	\$926,568	(\$114,240)	-11.0%
Overlook Medical Center	\$524,742	\$588,227	\$63,484	12.1%
Raritan Bay Medical Center - Old Bridge	\$201,639	\$144,069	(\$57,570)	-28.6%
Raritan Bay Medical Center - Perth Amboy	\$1,428,866	\$1,323,218	(\$105,648)	-7.4%
Riverview Medical Center	\$185,532	\$294,177	\$108,645	58.6%
Robert Wood Johnson University Hospital	\$2,022,167	\$3,403,020	\$1,380,853	68.3%
RWJ University Hospital - Hamilton	\$225,454	\$286,704	\$61,250	27.2%
RWJ University Hospital - Rahway	\$80,421	\$120,104	\$39,683	49.3%
RWJ University Hospital - Somerset	\$224,750	\$384,837	\$160,087	71.2%
Shore Medical Center	\$122,744	\$123,913	\$1,169	1.0%
Southern Ocean Medical Center	\$54,190	\$109,987	\$55,797	103.0%
St. Barnabas Medical Center	\$478,945	\$422,275	(\$56,670)	-11.8%
St. Clare's Hospital - Denville	\$391,089	\$255,621	(\$135,467)	-34.6%
St. Clare's Hospital - Dover	\$446,846	\$579,068	\$132,221	29.6%
St. Francis Medical Center	\$6,013,960	\$5,442,116	(\$571,844)	-9.5%
St. Joseph's Regional Medical Center	\$41,341,107	\$34,933,829	(\$6,407,278)	-15.5%
St. Joseph's Wayne Hospital	\$142,250	\$120,391	(\$21,860)	-15.4%
St. Luke's Warren Hospital	\$109,618	\$73,924	(\$35,694)	-32.6%
St. Mary's General Hospital	\$3,862,809	\$3,705,699	(\$157,110)	-4.1%
St. Michael's Medical Center	\$1,310,117	\$1,768,590	\$458,473	35.0%
St. Peter's University Hospital	\$2,522,547	\$3,389,808	\$867,261	34.4%
Trinitas Regional Medical Center	\$29,145,115	\$30,235,923	\$1,090,808	3.7%
University Hospital	\$48,147,762	\$46,043,835	(\$2,103,927)	-4.4%
University MC of Princeton - Plainsboro	\$427,649	\$517,330	\$89,682	21.0%
Valley Hospital	\$160,504	\$294,195	\$133,691	83.3%
Virtua-Mem. Hospital of Burlington County	\$345,246	\$614,569	\$269,323	78.0%
Virtua-West Jersey Health Sys. - Marlton	\$184,399	\$152,691	(\$31,708)	-17.2%
Virtua-West Jersey Health Sys. - Voorhees	\$333,922	\$360,884	\$26,962	8.1%
Totals	\$252,000,000	\$252,000,000	\$0	0.0%

Table 2: Delivery System Reform Incentive Payments³

Hospital Name	DSRIP Funding Targets FY 2018 and FY 2019
AtlantiCare Regional Medical Center	\$6,676,138
Bayshore Community Hospital	\$0
Cape Regional Medical Center	\$0
Capital Health Medical Center - Hopewell	\$1,898,860
Capital Health Regional Medical Center	\$3,535,341
CarePoint Health - Bayonne Medical Center	\$250,000
CarePoint Health - Christ Hospital	\$2,203,816
CarePoint Health - Hoboken University Medical Center	\$1,053,708
CentraState Medical Center	\$425,804
Chilton Medical Center	\$250,000
Clara Maass Medical Center	\$2,755,066
Community Medical Center	\$452,606
Cooper Hospital/University MC	\$6,122,062
Deborah Heart and Lung Center	\$0
East Orange General Hospital	\$2,687,750
Englewood Hospital and Medical Center	\$404,564
Hackensack UMC - Mountainside	\$0
Hackensack UMC - Palisades	\$897,627
Hackensack UMC - Pascack Valley	\$0
Hackensack University Medical Center	\$1,479,694
Hackettstown Regional Medical Center	\$0
Holy Name Medical Center	\$0
Hudson Regional Hospital (Meadowlands)	\$0
Hunterdon Medical Center	\$0
Inspira Medical Center - Elmer	\$250,000
Inspira Medical Center - Vineland	\$4,350,233
Inspira Medical Center - Woodbury	\$763,136
Jefferson Health System	\$6,402,389
Jersey City Medical Center	\$7,596,119
Jersey Shore University Medical Center	\$3,529,681
JFK Medical Center	\$408,104
Lourdes Medical Center of Burlington County	\$2,047,576
Memorial Hospital of Salem County	\$0
Monmouth Medical Center	\$7,642,526
Monmouth Medical Center - Southern	\$4,969,597
Morristown Medical Center	\$451,595
New Bridge Medical Center (Bergen Regional)	\$14,046,927
Newark Beth Israel Medical Center	\$12,336,508
Newton Medical Center	\$250,000
Ocean Medical Center	\$0
Our Lady of Lourdes Medical Center	\$2,428,853
Overlook Medical Center	\$264,483
Raritan Bay Medical Center	\$2,444,506
Riverview Medical Center	\$0
Robert Wood Johnson University Hospital	\$3,927,127
RWJ University Hospital - Hamilton	\$250,000
RWJ University Hospital - Rahway	\$0
RWJ University Hospital - Somerset	\$0
Shore Medical Center	\$0
Southern Ocean Medical Center	\$0
St. Barnabas Medical Center	\$462,214
St. Clare's Denville/Dover	\$5,530,996
St. Francis Medical Center	\$1,250,987
St. Joseph's Medical Center	\$10,705,204
St. Luke's Warren Hospital	\$0
St. Mary's General Hospital	\$2,302,211
St. Michael's Medical Center	\$6,635,156
St. Peter's University Hospital	\$4,532,171
Trinitas Regional Medical Center	\$9,421,729
University Hospital	\$13,516,857
University MC of Princeton - Plainsboro	\$298,872
Valley Hospital	\$0
Virtua-Memorial Hospital of Burlington County, Inc.	\$710,516
Virtua - West Jersey Hospital	\$887,512
Total	\$161,706,819

³ According to the Funding and Mechanics Protocol for State Fiscal Years 2018-2020, each of the \$166.6 million FY 2018 and FY 2019 DSRIP appropriations includes \$4,893,000 that will be allocated to hospitals at a later date.

Table 3: Graduate Medical Education

Hospital Name	GME FY 2018	GME FY 2019	Change FY 2018 to FY 2019	Percentage Change
AtlantiCare Regional Medical Center	\$2,871,872	\$2,805,103	(\$66,769)	-2.3%
Bayshore Community Hospital	\$0	\$0	\$0	0.0%
Cape Regional Medical Center	\$0	\$0	\$0	0.0%
Capital Health Medical Center - Hopewell	\$80,809	\$89,394	\$8,585	10.6%
Capital Health Regional Medical Center	\$1,572,842	\$1,232,793	(\$340,050)	-21.6%
CarePoint Health - Bayonne Medical Center	\$95,953	\$687,022	\$591,070	616.0%
CarePoint Health - Christ Hospital	\$1,142,027	\$1,081,703	(\$60,324)	-5.3%
CarePoint Health - Hoboken University Medical Center	\$2,304,032	\$2,171,092	(\$132,939)	-5.8%
CentraState Medical Center	\$287,275	\$319,147	\$31,871	11.1%
Chilton Medical Center	\$0	\$0	\$0	0.0%
Clara Maass Medical Center	\$0	\$0	\$0	0.0%
Community Medical Center	\$0	\$0	\$0	0.0%
Cooper Hospital/University MC	\$30,006,666	\$28,027,906	(\$1,978,760)	-6.6%
Deborah Heart and Lung Center	\$991,223	\$1,084,291	\$93,068	9.4%
East Orange General Hospital	\$0	\$0	\$0	0.0%
Englewood Hospital and Medical Center	\$859,117	\$1,069,280	\$210,163	24.5%
Hackensack UMC - Mountainside	\$1,239,397	\$1,299,303	\$59,906	4.8%
Hackensack UMC - Palisades	\$3,479,093	\$3,551,124	\$72,031	2.1%
Hackensack UMC - Pascack Valley	\$0	\$0	\$0	0.0%
Hackensack University Medical Center	\$9,011,908	\$10,704,249	\$1,692,341	18.8%
Hackettstown Regional Medical Center	\$0	\$0	\$0	0.0%
Holy Name Medical Center	\$0	\$0	\$0	0.0%
Hudson Regional Hospital (Meadowlands)	\$932,053	\$129,058	(\$802,995)	-86.2%
Hunterdon Medical Center	\$317,390	\$345,542	\$28,152	8.9%
Inspira Medical Center - Elmer	\$0	\$0	\$0	0.0%
Inspira Medical Center - Vineland	\$8,924,040	\$9,618,511	\$694,471	7.8%
Inspira Medical Center - Woodbury	\$411,427	\$478,925	\$67,498	16.4%
Jefferson Health System	\$5,647,815	\$5,797,107	\$149,292	2.6%
Jersey City Medical Center	\$6,735,477	\$8,120,104	\$1,384,627	20.6%
Jersey Shore University Medical Center	\$5,752,263	\$5,629,953	(\$122,309)	-2.1%
JFK Medical Center	\$1,049,672	\$1,088,594	\$38,922	3.7%
Lourdes Medical Center of Burlington Cty.	\$151,771	\$186,766	\$34,994	23.1%
Memorial Hospital of Salem County	\$0	\$0	\$0	0.0%
Monmouth Medical Center	\$9,735,363	\$8,348,939	(\$1,386,425)	-14.2%
Monmouth Medical Center - Southern	\$0	\$0	\$0	0.0%
Morristown Medical Center	\$4,887,101	\$5,059,068	\$171,967	3.5%
New Bridge Medical Center (Bergen Regional)	\$84,153	\$83,705	(\$449)	-0.5%
Newark Beth Israel Medical Center	\$24,380,932	\$22,957,842	(\$1,423,090)	-5.8%
Newton Medical Center	\$0	\$0	\$0	0.0%
Ocean Medical Center	\$0	\$0	\$0	0.0%
Our Lady of Lourdes Medical Center	\$2,892,436	\$2,733,930	(\$158,507)	-5.5%
Overlook Medical Center	\$1,797,529	\$2,161,328	\$363,799	20.2%
Raritan Bay Medical Center	\$1,117,334	\$1,251,523	\$134,189	12.0%
Riverview Medical Center	\$0	\$0	\$0	0.0%
Robert Wood Johnson University Hospital	\$15,913,502	\$15,158,692	(\$754,810)	-4.7%
RWJ University Hospital - Hamilton	\$0	\$0	\$0	0.0%
RWJ University Hospital - Rahway	\$0	\$0	\$0	0.0%
RWJ University Hospital - Somerset	\$395,346	\$314,607	(\$80,739)	-20.4%
Shore Medical Center	\$0	\$0	\$0	0.0%
Southern Ocean Medical Center	\$0	\$0	\$0	0.0%
St. Barnabas Medical Center	\$7,939,311	\$7,895,033	(\$44,278)	-0.6%
St. Clare's Denville / Dover	\$0	\$0	\$0	0.0%
St. Francis Medical Center	\$1,008,318	\$1,050,428	\$42,110	4.2%
St. Joseph's Regional Medical Center	\$17,213,075	\$17,320,005	\$106,930	0.6%
St. Luke's Warren Hospital	\$431,084	\$291,695	(\$139,390)	-32.3%
St. Mary's General Hospital	\$110,282	\$122,379	\$12,097	11.0%
St. Michael's Medical Center	\$4,615,031	\$4,763,564	\$148,533	3.2%
St. Peter's University Hospital	\$5,738,478	\$6,008,366	\$269,888	4.7%
Trinitas Regional Medical Center	\$2,706,015	\$3,301,674	\$595,660	22.0%
University Hospital	\$31,215,945	\$31,653,803	\$437,858	0.0%
University MC of Princeton - Plainsboro	\$479,743	\$481,262	\$1,519	0.3%
Valley Hospital	\$0	\$0	\$0	0.0%
Virtua - Mem. Hospital of Burlington County	\$475,370	\$542,760	\$67,390	14.2%
Virtua - West Jersey Health	\$999,528	\$982,432	(\$17,096)	-1.7%
Totals	\$218,000,000	\$218,000,000	\$0	0.0%

Table 4: Total Amounts Received by Hospitals⁴

Hospital Name	Total Funding FY 2018	Total Funding FY 2019	Change Amount	Percentage Change
AtlantiCare Regional Medical Center	\$21,103,181	\$17,756,053	(\$3,347,128)	-15.9%
Bayshore Community Hospital	\$52,745	\$78,555	\$25,810	48.9%
Cape Regional Medical Center	\$93,679	\$92,980	(\$699)	-0.7%
Capital Health Medical Center - Hopewell	\$2,877,573	\$3,188,078	\$310,505	10.8%
Capital Health Regional Medical Center	\$18,161,448	\$20,436,386	\$2,274,938	12.5%
CarePoint Health - Bayonne Medical Center	\$875,233	\$1,933,207	\$1,057,973	120.9%
CarePoint Health - Christ Hospital	\$13,739,852	\$15,965,728	\$2,225,875	16.2%
CarePoint Health - Hoboken University Medical Center	\$13,958,197	\$14,871,888	\$913,690	6.5%
CentraState Medical Center	\$1,002,886	\$1,126,591	\$123,705	12.3%
Chilton Medical Center	\$343,970	\$324,274	(\$19,696)	-5.7%
Clara Maass Medical Center	\$3,158,462	\$3,047,883	(\$110,579)	-3.5%
Community Medical Center	\$666,735	\$780,409	\$113,674	17.0%
Cooper Hospital/University MC	\$49,505,368	\$47,817,738	(\$1,687,630)	-3.4%
Deborah Heart and Lung Center	\$1,261,318	\$1,393,238	\$131,920	10.5%
East Orange General Hospital	\$3,378,368	\$3,620,259	\$241,892	7.2%
Englewood Hospital and Medical Center	\$1,842,519	\$2,431,625	\$589,105	32.0%
Hackensack UMC - Mountainside	\$1,422,951	\$1,455,364	\$32,412	2.3%
Hackensack UMC - Palisades	\$5,754,069	\$6,940,534	\$1,186,464	20.6%
Hackensack UMC - Pascack Valley	\$27,769	\$34,963	\$7,194	25.9%
Hackensack University Medical Center	\$11,990,861	\$13,906,517	\$1,915,655	16.0%
Hackettstown Regional Medical Center	\$56,404	\$52,698	(\$3,706)	-6.6%
Holy Name Medical Center	\$216,163	\$387,939	\$171,776	79.5%
Hudson Regional Hospital (Meadowlands)	\$955,913	\$158,689	(\$797,224)	-83.4%
Hunterdon Medical Center	\$592,988	\$629,431	\$36,443	6.1%
Inspira Medical Center - Elmer	\$309,934	\$301,343	(\$8,592)	-2.8%
Inspira Medical Center - Vineland	\$14,250,692	\$14,556,265	\$305,574	2.1%
Inspira Medical Center - Woodbury	\$1,284,475	\$1,350,934	\$66,459	5.2%
Jefferson Health System	\$12,449,911	\$12,718,001	\$268,090	2.2%
Jersey City Medical Center	\$33,234,390	\$36,045,931	\$2,811,541	8.5%
Jersey Shore University Medical Center	\$9,972,883	\$10,160,127	\$187,244	1.9%
JFK Medical Center	\$2,417,041	\$2,827,448	\$410,407	17.0%
Lourdes Medical Center of Burlington County	\$2,472,120	\$2,548,972	\$76,852	3.1%
Memorial Hospital of Salem County	\$18,383	\$32,552	\$14,169	77.1%
Monmouth Medical Center	\$18,021,978	\$16,954,018	(\$1,067,960)	-5.9%
Monmouth Medical Center - Southern	\$5,415,684	\$5,511,869	\$96,185	1.8%
Morristown Medical Center	\$6,177,535	\$6,474,508	\$296,973	4.8%
New Bridge Medical Center (Bergen Regional)	\$31,610,774	\$28,295,591	(\$3,315,183)	-10.5%
Newark Beth Israel Medical Center	\$38,351,138	\$36,671,298	(\$1,679,840)	-4.4%
Newton Medical Center	\$336,751	\$350,398	\$13,646	4.1%
Ocean Medical Center	\$251,562	\$258,101	\$6,540	2.6%
Our Lady of Lourdes Medical Center	\$6,362,097	\$6,089,350	(\$272,747)	-4.3%
Overlook Medical Center	\$2,586,755	\$3,014,038	\$427,283	16.5%
Raritan Bay Medical Center	\$5,192,344	\$5,163,316	(\$29,028)	-0.6%
Riverview Medical Center	\$185,532	\$294,177	\$108,645	58.6%
Robert Wood Johnson University Hospital	\$21,862,796	\$22,488,839	\$626,042	2.9%
RWJ University Hospital - Hamilton	\$475,454	\$536,704	\$61,250	12.9%
RWJ University Hospital - Rahway	\$80,421	\$120,104	\$39,683	49.3%
RWJ University Hospital - Somerset	\$620,096	\$699,444	\$79,349	12.8%
Shore Medical Center	\$122,744	\$123,913	\$1,169	1.0%
Southern Ocean Medical Center	\$54,190	\$109,987	\$55,797	103.0%
St. Barnabas Medical Center	\$8,880,470	\$8,779,521	(\$100,949)	-1.1%
St. Clare's Denville/Dover	\$6,368,931	\$6,365,685	(\$3,246)	-0.1%
St. Francis Medical Center	\$8,273,265	\$7,743,531	(\$529,734)	-6.4%
St. Joseph's Medical Center	\$69,401,636	\$63,079,429	(\$6,322,207)	-9.1%
St. Luke's Warren Hospital	\$540,701	\$365,618	(\$175,084)	-32.4%
St. Mary's General Hospital	\$6,275,303	\$6,130,289	(\$145,013)	-2.3%
St. Michael's Medical Center	\$12,560,305	\$13,167,310	\$607,005	4.8%
St. Peter's University Hospital	\$12,793,195	\$13,930,344	\$1,137,149	8.9%
Trinitas Regional Medical Center	\$41,272,858	\$42,959,326	\$1,686,468	4.1%
University Hospital	\$92,880,564	\$91,214,495	(\$1,666,069)	-1.8%
University MC of Princeton - Plainsboro	\$1,206,263	\$1,297,464	\$91,201	7.6%
Valley Hospital	\$160,504	\$294,195	\$133,691	83.3%
Virtua - Memorial Hospital of Burlington County	\$1,531,133	\$1,867,845	\$336,712	22.0%
Virtua - West Jersey Hospital	\$2,405,361	\$2,383,519	(\$21,842)	-0.9%
Totals	\$631,706,819	\$631,706,819	\$0	0.0%

⁴ The FY 2018 and FY 2019 direct hospital subsidies totals are \$4,893,000 less in each fiscal year than the amounts appropriated due to the allocation to hospitals of \$4,893,000 in appropriated DSRIP funding at a later date.

OFFICE OF LEGISLATIVE SERVICES

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The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

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Individuals wishing information and committee schedules on the FY 2019 budget are encouraged to contact:

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