

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

3. Health Care Subsidy Fund – Charity Care Subsidy

a) The charity care subsidy shall be determined according to the following methodology for State Fiscal Year (SFY) 2012:

i) Health Care Subsidy Fund Payments shall be calculated using a multiple regression-based formula such that source data used shall be from:

- 1 Hospital Patient Discharge Uniform Billing (UB) Data from calendar year 2009;
- 2- Charity care subsidy allocation for SFY 2011 as calculated in accordance with the approved State Plan in July 2010, and
- 3 Charity care subsidy allocation for SFY 2010 as calculated in accordance with the approved State Plan in July 2009, including any subsequent reallocations;

ii) The SFY 2010 charity care subsidy allocation shall be proportionately increased for each eligible hospital to increase the total subsidy up to \$675,000,000 for this calculation purpose;

iii) The SFY 2012 charity care subsidy allocation calculation for each eligible hospital shall begin with a constant value of \$674,269.40 and be increased by 88.38172% of its Charity Care subsidy allocation for SFY 2010 as calculated in subsection (ii) above;

iv) The SFY 2012 charity care subsidy allocation calculated thus far for each eligible hospital shall be increased by 2.06784% of the total charges from the payer category "self pay" in the calendar year 2009 UB data and then decreased by 0.12446% of the total charges from all payer categories in the calendar year 2009 UB data;

v) The SFY 2011 charity care subsidy allocation for each eligible hospital shall be divided by the total charges for the payer category "self pay" in the calendar year 2009 UB data to generate a ratio for this calculation purpose and then multiplied by a constant value of \$4,239,097;

11-12-MA (NJ)

TN: 11-12-MA (NJ)

Approval Date: DEC -6 2012

**Supersedes: 10-06-MA (NJ)
98-11-MA (NJ)**

Effective Date: July 1, 2011

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

- vi) The SFY 2012 charity care subsidy allocation calculated thus far in subsection (iv) above for each eligible hospital shall be reduced by the amount calculated in subsection (v) above;
- vii) If the SFY 2012 charity care subsidy allocation calculated thus far is less than \$175,000 for any eligible hospital, the SFY 2012 charity care subsidy allocation thus far shall be increased to \$175,000;
- viii) The SFY 2012 charity care subsidy allocation calculated thus far for each eligible hospital shall be proportionately increased or decreased so that the total initial calculated SFY 2012 charity care subsidy shall be equal to \$675,000,000;
- ix) The SFY 2012 charity care subsidy allocation calculated thus far for each eligible hospital shall be multiplied by 25%;
- x) The SFY 2011 charity care subsidy allocation for each eligible hospital shall be multiplied by 75%;
- xi) The amounts calculated in subsections (ix) and (x) above shall be added together for each eligible hospital producing the SFY 2012 charity care subsidy allocation for each eligible hospital;
- xii) The resulting number will constitute each eligible hospital's SFY 2012 charity care subsidy allocation. A proportionate increase or decrease shall be applied to all hospitals if necessary such that the calculated SFY 2012 charity care subsidy allocation for all hospitals totaled shall equal \$675,000,000.

11-12-MA (NJ)

TN: 11-12-MA (NJ)

Approval Date: DEC -6 2012

**Supersedes: 10-06-MA (NJ)
98-11-MA (NJ)**

Effective Date: July 1, 2011

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

Pages 262.2 through 262.5 are intentionally left blank

11-12-MA (NJ)

TN: 11-12-MA (NJ)

Approval Date: DEC -6 2012

**Supersedes: 10-06-MA (NJ)
98-11-MA (NJ)**

Effective Date: July 1, 2011

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

Pages 262.6 through 263.2 are intentionally left blank

11-12-MA (NJ)

NEW PAGE

Approval Date: DEC -6 2012

TN: 11-12-MA (NJ)

Effective Date: July 1, 2011

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

Pages I-266 and I-266.1 are intentionally left blank

11-12-MA (NJ)

NEW PAGE

Approval Date: DEC -6 2012

TN: 11-12-MA (NJ)

Effective Date: July 1, 2011

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

Pages I-268 through I-268.4 are intentionally left blank

11-12-MA (NJ)

NEW PAGE

TN: 11-12-MA (NJ)

Approval Date: DEC -6 2012

Effective Date: July 1, 2011