

## **Table of Contents**

**State/Territory Name: New Jersey**

**State Plan Amendment (SPA) NJ: 24-0008**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

December 18, 2024

Gregory Woods  
Assistant Commissioner  
Division of Medical Assistance and Health Services  
P.O. Box 712, Mail Code #26  
Trenton, NJ 08625-0712

Reference: TN NJ-24-0008

Dear Commissioner Woods,

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) NJ-24-0008. This amendment updates the methodology for the distribution of charity care subsidy payments for disproportionate share hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1923 and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment NJ-24-0008 is approved effective July 1, 2024. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Robert Bromwell at (410)-786-5914 or [Robert.Bromwell@cms.hhs.gov](mailto:Robert.Bromwell@cms.hhs.gov).

Sincerely,



Rory Howe  
Director  
Financial Management Group

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 4 — 0 0 0 8

2. STATE

NJ

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX  XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION

42 U.S.C. 1396r-4

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 34,305,473  
b. FFY 2025 \$ 34,305,473

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19 A I-262, I-262.1, I-262.2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

same

9. SUBJECT OF AMENDMENT

SFY 2025 Charity Care Subsidy

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

12. TYPED NAME

Sarah Adelman

13. TITLE

Commissioner, Department of Human Services

14. DATE SUBMITTED

9/24/2024

15. RETURN TO

Gregory Woods, Assistant Commissioner  
Division of Medical Assistance and Health Services  
P.O. Box 712, Mail Code #26  
Trenton, NJ 08625-0712

**FOR CMS USE ONLY**

16. DATE RECEIVED

9/24/2024

17. DATE APPROVED

December 18, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. REMARKS

**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 totaling \$ 137,221,891 shall be distributed according to the following table in State Fiscal Year (SFY) 2025:

HOSP		SFY 2025
NO	HOSPITAL NAME	Subsidy Amounts
2	Newark Beth Israel Medical Center	\$5,491,402
3	Hackensack UMC – Palisades	\$4,838,705
6	St. Mary's Medical Center	\$2,154,717
9	Clara Maass Medical Center	\$1,996,072
14	Cooper Hospital/University MC	\$7,021,296
16	CarePoint Health - Christ Hospital	\$4,243,015
19	St. Joseph's University Medical Center	\$16,250,062
21	St. Francis Medical Center	\$1,127,525
27	Trinitas Regional Medical Center	\$7,311,288
31	Deborah Heart and Lung Center	\$923,765
38	Robert Wood Johnson University	\$10,718,289
40	CarePoint Health - Hoboken University Medical Center	\$4,188,043
58	New Bridge Medical Center	\$7,778,621
61	Virtua Willingboro Hospital	\$501,861
70	St. Peter's University Hospital	\$7,972,497
74	Jersey City Medical Center	\$4,485,654
83	CareWell Health Medical Center	\$1,254,337
84	Monmouth University – Southern	\$971,984
92	Capital Health Regional Medical Center	\$6,424,980
96	St. Michael's Medical Center	\$2,324,427
119	University Hospital	\$35,085,344
324	Inspira Medical Center – Vineland	\$1,318,821

**24-0008-MA (NJ)**

**TN: 24-0008 MA (NJ)**

**Approval Date:** December 18, 2024

**Supersedes: 23-0013 MA (NJ)**

**Effective Date:** July 1, 2024

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

391	Raritan Bay Perth Amboy	\$599,408
642	AtlantiCare Regional MC – City	\$2,239,780
	<b>TOTAL</b>	<b>\$137,221,891</b>

The appropriation for the Health Care Subsidy Fund Payments is subject to the following condition: (a) the distribution of charity care subsidy payments shall be calculated using the following methodology:

(1) each hospital shall be ranked in order of its hospital-specific, relative charity care percentage, or RCCP, based on the submitted 2022 Acute Care Hospital (ACH) Cost Reports, by dividing the amount of hospital-specific gross revenue for charity care patients by the hospital's total gross revenue for all patients;

(2) the ten hospitals with the highest RCCP shall receive a charity care payment equal to 40 percent of each hospital's hospital-specific reimbursed documented charity care, except that such a hospital with an operating margin less than or equal to -15 percent shall receive a Charity Care reimbursement equal to 50 percent of their hospital-specific documented Charity Care, with operating margins being calculated using 2022 audited ACH cost reports with a numerator of Form L3, Line 34 minus Line 12, and a denominator of Form L3, Line 15 minus Line 12 minus Line 31;

(3) notwithstanding the provisions of clause (2), the hospital with the highest hospital-specific reimbursed documented charity care in calendar year (CY) 2022 located in each of the ten municipalities in the State containing a hospital, with the lowest median annual household income according to the 2022 5-Year American Community Survey, shall receive a charity care payment equal to 30 percent of its hospital-specific reimbursed documented charity care;

(4) an acute care hospital that is deemed to be a Disproportionate Share Hospital (DSH), according to §1923(b) of the Social Security Act, as reported in Medicaid State Plan Rate Year ended June 30, 2018, shall also receive 30 percent of its CY 2022

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**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
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hospital-specific documented charity care; and

(5) a specialty heart hospital shall also receive 30 percent of its CY 2022 hospital-specific documented charity care. Any hospital that meets more than one of the categories pursuant to this paragraph shall only receive a Charity Care subsidy equal to the percentage of documented charity care that is the highest.

(b) a disproportionate share hospital eligible for funding through the Charity Care program may decline all or a part of its Charity Care payments for the fiscal year by notifying the Commissioner of Health on a form designated by the Department of Health on or before the fifteenth day following enactment of the SFY 2025 Appropriations Act. If a disproportionate share hospital declines Charity Care payments for the fiscal year the amount declined shall be redistributed to the remaining eligible hospitals in proportion to its share of the original subsidy total to the other remaining eligible hospitals in accordance with the allocation in the chart above.

In a manner determined by the Commissioner of Health and subject to the approval of the Director of the Division of Budget and Accounting, eligible hospitals shall receive

(1) their charity care subsidy payments beginning in July 2024, and

(2) in two six months payments (August and January). If an eligible hospital closes before June 30, 2025, the hospital shall reimburse to the State upon closure any subsidy payments attributed on the normal monthly payment basis to after the hospital's date of closure.

**24-0008-MA (NJ)**

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