

CHAPTER 237

AN ACT concerning funding for federally qualified health centers and amending P.L.1992, c.160.

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

1. Section 8 of P.L.1992, c.160 (C.26:2H-18.58) is amended to read as follows:

C.26:2H-18.58 Health Care Subsidy Fund.

8. There is established the Health Care Subsidy Fund in the Department of Health and Senior Services.

a. The fund shall be comprised of revenues from employee and employer contributions made pursuant to section 29 of P.L.1992, c.160 (C.43:21-7b), revenues from the hospital assessment made pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62), revenues pursuant to section 11 of P.L.1996, c.28 (C.26:2H-18.58c), revenues from interest and penalties collected pursuant to this act and revenues from such other sources as the Legislature shall determine. Interest earned on the monies in the fund shall be credited to the fund. The fund shall be a nonlapsing fund dedicated for use by the State to: (1) distribute charity care and other uncompensated care disproportionate share payments to hospitals, and other eligible providers pursuant to section 8 of P.L.1996, c.28 (C.26:2H-18.59f), provide subsidies for the Health Access New Jersey program established pursuant to section 15 of P.L.1992, c.160 (C.26:2H-18.65), and provide funding for children's health care coverage pursuant to P.L.1997, c.272 (C.30:4I-1 et seq.); (2) provide funding for federally qualified health centers pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62); and (3) provide for the payment in State fiscal year 2002 of appropriate Medicaid expenses, subject to the approval of the Director of the Division of Budget and Accounting.

b. The fund shall be administered by a person appointed by the commissioner.

The administrator of the fund is responsible for overseeing and coordinating the collection and reimbursement of fund monies. The administrator is responsible for promptly informing the commissioner if monies are not or are not reasonably expected to be collected or disbursed.

c. The commissioner shall adopt rules and regulations to ensure the integrity of the fund, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

d. The administrator shall establish separate accounts for the charity care component of the disproportionate share hospital subsidy, other uncompensated care component of the disproportionate share hospital subsidy, federally qualified health centers funding and the payments for subsidies for insurance premiums to provide care in disproportionate share hospitals, known as the Health Access New Jersey subsidy account, respectively.

e. In the event that the charity care component of the disproportionate share hospital subsidy account has a surplus in a given year after payments are distributed pursuant to the methodology established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and section 7 of P.L.1996, c.28 (C.26:2H-18.59e) and within the limitations provided in subsection e. of section 9 of P.L.1992, c.160 (C.26:2H-18.59), the surplus monies in calendar years 2002, 2003 and 2004 shall lapse to the unemployment compensation fund established pursuant to R.S.43:21-9, and each year thereafter shall lapse to the charity care component of the disproportionate share hospital subsidy account for distribution in subsequent years.

2. Section 12 of P.L.1992, c.160 (C.26:2H-18.62) is amended to read as follows:

C.26:2H-18.62 Monies designated for Health Care Subsidy Fund; allocation of monies.

12. a. (Deleted by amendment, P.L.2005, c.237).

b. (Deleted by amendment, P.L.2005, c.237).

c. (1) Notwithstanding any law to the contrary, each general hospital and each specialty heart hospital shall pay .53% of its total operating revenue to the department for deposit in the Health Care Subsidy Fund, except that the amount to be paid by a hospital in a given year shall be prorated by the department so as not to exceed the \$40 million limit set forth in this subsection. The hospital shall make monthly payments to the department beginning July 1, 1993, except that the total amount paid into the Health Care Subsidy Fund plus interest shall not exceed \$40 million per year. The commissioner shall determine the manner in which the payments shall be made.

For the purposes of this subsection, "total operating revenue" shall be defined by the department in accordance with financial reporting requirements established pursuant to N.J.A.C.8:31B-3.3 and shall include revenue from any ambulatory care facility that is licensed to a general hospital as an off-site ambulatory care service facility.

(2) The commissioner shall allocate the monies paid by hospitals pursuant to paragraph (1) of this subsection as follows:

(a) In State fiscal years 2006 and 2007, \$35 million of those monies shall be allocated to the support of federally qualified health centers in this State, and the remainder shall be allocated to the support of (i) the infant mortality reduction program in the Department of Health and Senior Services, (ii) the primary care physician and dentist loan redemption program established in the Higher Education Student Assistance Authority by article 3 of P.L.1999, c.46 (C.18A:71C-32 et seq.), and (iii) the development and use of health information electronic data interchange technology pursuant to P.L.1999, c.154 (C.17B:30-23 et al.); and

(b) In State fiscal year 2008 and thereafter, the entire amount of those monies shall be allocated to the support of federally qualified health centers in this State.

Monies allocated to the support of federally qualified health centers in the State under this paragraph shall be used for the purpose of compensating them for health care services provided to uninsured patients.

d. The monies paid by the hospitals and allocated under subsection c. of this section for the support of federally qualified health centers shall be credited to the federally qualified health centers account.

3. This act shall take effect on July 1, 2005; except that the Commissioner of Health and Senior Services may take such anticipatory administrative action in advance as shall be necessary for the implementation of the act.

Approved September 26, 2005.