

FISCAL YEAR 2023-2024



ANALYSIS OF THE NEW JERSEY BUDGET

DEPARTMENT OF HEALTH

Prepared by the

NEW JERSEY LEGISLATURE
OFFICE OF LEGISLATIVE SERVICES

April 2023

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF HEALTH

Budget Pages C-4 to C-5, C-11 to C-12, C-18 to
C-20, C-24, D-151 to D-178, G-3, H-11

Fiscal Summary (\$000)

	Expended FY 2022	Adjusted Appropriation FY 2023	Recommended FY 2024	Percentage Change 2023-24
State Budgeted	\$1,007,626	\$1,180,167	\$1,239,822	5.1%
Federal Funds	1,005,688	766,245	780,857	1.9%
<u>All Other Funds</u>	<u>551,672</u>	<u>601,007</u>	<u>600,708</u>	<u>(0.0%)</u>
Grand Total	\$2,564,986	\$2,547,419	\$2,621,387	2.9%

Personnel Summary - Positions By Funding Source

	Actual FY 2022	Revised FY 2023	Funded FY 2024	Percentage Change 2023-24
State	4,578	4,315	4,613	6.9%
Federal	556	612	656	7.2%
<u>All Other</u>	<u>431</u>	<u>404</u>	<u>412</u>	<u>2.0%</u>
Total Positions	5,565	5,331	5,681	6.6%

FY 2022 (as of December) and revised FY 2023 (as of January) personnel data reflect actual payroll counts. FY 2024 data reflect the number of positions funded.

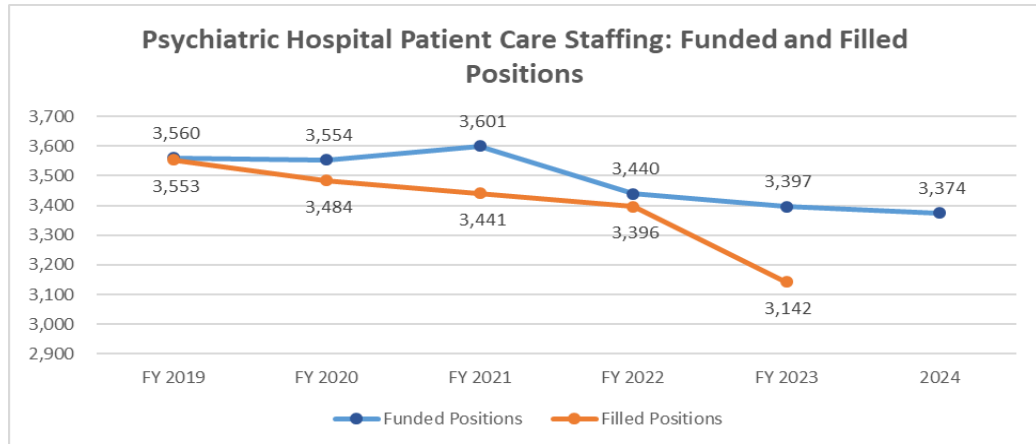
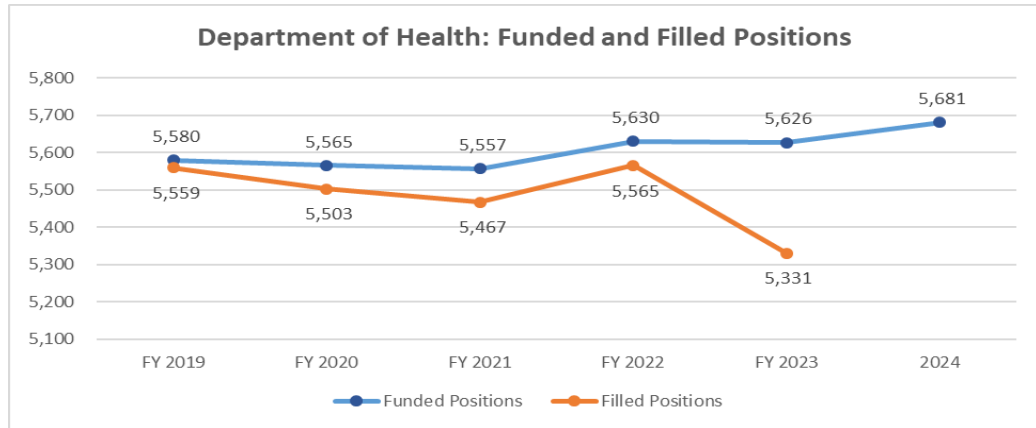
Link to Website: <https://www.njleg.state.nj.us/budget-finance/governors-budget>

Highlights

- Proposed FY 2024 appropriations for the Department of Health across all funding sources rise by \$74.0 million, or 2.9 percent, when compared with FY 2023 funding levels.
- The FY 2024 Governor's Budget recommends \$59.7 million in additional State appropriations for the department, when compared with FY 2023 funding amounts. But after factoring in the intended return to the General Fund of an unneeded \$34.9 million that was appropriated in FY 2023, State appropriations are recommended to be \$94.6 million higher in FY 2024 than in the current fiscal year.
- The FY 2024 Governor's Budget includes \$342.0 million in State funding for Charity Care payments to hospitals, which is unchanged from FY 2023, and retains the FY 2023 distribution formula for Charity Care funding. As was the case in FY 2023, budget language recommends the continued use of FY 2019 hospital-specific source data in the Charity Care distribution formula rather than updated data. It had been customary in recent years prior to FY 2023 to update the hospital-specific source data annually.
- Proposed budget language establishes a new Trauma Center Graduate Medical Education Subsidy and a Trauma Center Supplemental Graduate Medical Education Subsidy, which are recommended to receive \$40.0 million and \$37.0 million in combined State and federal funding, respectively. Hospitals that are designated as a Level 1 or Level 2 trauma center and have a medical residency program are eligible for the Trauma Center Graduate Medical Education Subsidy. Facilities meeting these criteria and for which Medicaid payments also comprise at least 15 percent of gross revenues will be eligible for the Trauma Center Supplemental Graduate Medical Education subsidy payment.
- With the end of the federal COVID-19 public health emergency in May 2023, enhanced federal reimbursements available for eligible State Medicaid and Children's Health Insurance Program expenditures will be phased out by the end of calendar year 2023. The FY 2024 Governor's Budget includes \$2.2 million in additional State funding for the Early Childhood Intervention Program to replace enhanced federal reimbursements that will be eliminated during FY 2024.
- Proposed budget language would allocate \$10.0 million from the State's flexible \$6.24 billion federal Coronavirus State Fiscal Recovery Fund grant under the American Rescue Plan Act of 2021 for the purchase and discharge of medical debt incurred by State residents with a household income at, or below, 400 percent of the federal poverty level, or whose medical debt equals five percent or more of the resident's household income. The department would enter into an agreement with a national non-profit entity to purchase and discharge eligible residents' medical debt and administer the program.
- The Governor proposes an additional \$5.3 million in FY 2024 grant funding for local health departments and the department's Childhood Lead Program to comply with the lower blood lead reference value that was implemented by the federal Centers for Disease Control and Prevention in October 2021. The new federal guidelines will result in an increase in the number of children identified as having higher levels of lead in their blood and requiring additional testing and follow up services. The proposed funding increase is reflected in the Maternal, Child, and Chronic Health Services budget line in the Division of Health Services.

Highlights (Cont'd)

- The first chart below shows the staffing shortage the department has experienced since FY 2019. While the gap between the number of funded and filled positions narrowed somewhat between FY 2021 and FY 2022, preliminary data for FY 2023 suggest that the disparity may be increasing again, predominantly due to a reduced count of filled patient care positions at the State’s four psychiatric hospitals, as shown in the second chart.



- The proposed budget discontinues \$19.5 million in State grants for hospitals added by the Legislature to the FY 2023 Appropriations Act: St. Joseph’s Regional Medical Center (\$10.0 million), Cooper University Healthcare - Salem Medical Center (\$5.0 million), Robert Wood Johnson Barnabas Health (\$2.0 million), Hackensack Meridian School of Medicine (\$2.0 million), Jersey Shore University Medical Center (\$250,000), and CentraState Hospital (\$250,000).
- Recommended grant funding for the South Jersey Cancer Program in Camden would increase by \$5.0 million to \$32.4 million in FY 2024. These State funds support oncology staffing, facility operations, construction, and renovations to existing facilities at MD Anderson Cancer Center at Cooper University Hospital.
- The Executive proposes \$1.8 million in State funding for the Healthy Corner Store Initiative, which will provide grants to 175 small food retailers in rural and urban, low, and moderate-income areas to stock, market, and sell healthy foods and fresh produce.

Background Paper:

Charity Care Subsidy p. 26

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2022	Adj. Approp. FY 2023	Recom. FY 2024	Percentage Change	
				2022-24	2023-24
General Fund					
Direct State Services	\$425,849	\$460,754	\$451,198	6.0%	(2.1%)
Grants-In-Aid	580,606	718,897	788,108	35.7%	9.6%
State Aid	0	0	0	---	---
Capital Construction	656	0	0	(100.0%)	---
Debt Service	0	0	0	---	---
Sub-Total	\$1,007,111	\$1,179,651	\$1,239,306	23.1%	5.1%
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	---	---
Grants-In-Aid	0	0	0	---	---
State Aid	0	0	0	---	---
Sub-Total	\$1,007,111	\$1,179,651	\$1,239,306	23.1%	5.1%
Casino Revenue Fund	\$515	\$516	\$516	0.2%	0.0%
Casino Control Fund	\$0	\$0	\$0	---	---
State Total	\$1,007,626	\$1,180,167	\$1,239,822	23.0%	5.1%
Federal Funds	\$1,005,688	\$766,245	\$780,857	(22.4%)	1.9%
Other Funds	\$551,672	\$601,007	\$600,708	8.9%	(0.0%)
Grand Total	\$2,564,986	\$2,547,419	\$2,621,387	2.2%	2.9%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2022	Revised FY 2023	Funded FY 2024	Percentage Change	
				2022-24	2023-24
State	4,578	4,315	4,613	0.8%	6.9%
Federal	556	612	656	18.0%	7.2%
All Other	431	404	412	(4.4%)	2.0%
Total Positions	5,565	5,331	5,681	2.1%	6.6%

FY 2022 (as of December) and revised FY 2023 (as of January) personnel data reflect actual payroll counts. FY 2024 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percentage	71.5%	72.9%	N/A	---	---
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Significant Changes/New Programs (\$000)

Health Services

General Fund, Direct State Services Services Other Than Personal				Budget Page: D-158	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$6,425	\$6,350	\$1,933	\$2,433	\$500	25.9%

The proposed increase is for a contract to digitize vital records, including birth, death, and marriage certificates at the Office of Vital Statistics.

General Fund, Direct State Services Maintenance and Fixed Charges				Budget Page: D-158	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$304	\$321	\$330	\$1,730	\$1,400	424.2%

The Executive recommends additional funding for equipment at the Division of Public Health and Environmental Laboratories, which provides testing services supporting the Department of Health, the Department of Environmental Protection and other federal, state, and local agencies.

General Fund, Direct State Services Special Purpose: WIC Farmers Market Program				Budget Page: D-158	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$85	\$85	\$85	\$261	\$176	207.1%

The Executive recommends increased funding for the Senior Farmers’ Market Nutrition Program to fund the ongoing costs of maintaining the program’s electronic payment system. The program promotes nutritional health among senior citizens by providing them with locally grown fresh fruits, vegetables, and herbs. Participation in the Senior Farmers’ Market Nutrition Program is limited to those senior citizens who are 60 years and older and whose gross income is not more than 185 percent of the federal poverty level.

The \$85,000 appropriation in FY 2023 is the annual State matching requirement for the administrative costs of the Farmers’ Market Nutrition Program. Federal funds support 100 percent of the food costs and 70 percent of the administrative costs of the program. This funding is expected to be obligated in May or June.

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

Of note, the budget line does not include as an FY 2023 adjusted appropriation the \$813,000 that P.L.2022, c.31 originally appropriated to the Department of Human Services to implement an electronic benefits transfer card payment system for the Senior Farmers’ Market Nutrition Program. At its December 30, 2022 meeting, the Joint Budget Oversight Committee approved the transfer of the \$813,000 appropriation to this budget line in the Department of Health. The Executive expects to obligate the funding for its intended purpose by the end of the year.

General Fund, Direct State Services Special Purpose: Maternal Feedback on Quality of Care Database				Budget Page: D-158	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$600	\$1,200	\$600	100.0%

The Governor recommends doubling the appropriation for the development of a database compiling information gathered through the Maternal Feedback on Quality of Care survey. This survey of individuals’ experiences with maternity care services in the State is established under P.L.2019, c.75. Survey data will be used to identify local and Statewide trends in the provision of maternity care, detect disparities in care experienced by discrete racial, cultural, and socioeconomic groups, and formulate strategies and programs to improve access to, and the quality of, maternity care. As of April 10, 2023, \$39,000 of the FY 2023 appropriation has been expended.

General Fund, Direct State Services Special Purpose: Community Doula Training				Budget Page: D-158	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$0	\$500	\$500	---

The Executive recommends new funding for training community doulas, who are non-clinical professionals who provide community-based support to pregnant, birthing, and postpartum individuals. Funding for this program previously had been embedded in the Maternal, Child, and Chronic Health Services Grants-in-Aid budget line. In each of FY 2022 and FY 2023, the department provided a \$450,000 grant, supported by an allocation from the federal Maternal and Child Health Block Grant, for community doula training. In August 2021, the department awarded the initial grant to HealthConnect One to establish the Doula Learning Collaborative, which is working to increase the number of trained community doulas who are also approved Medicaid providers.

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

General Fund, Direct State Services				Budget Page: D-158	
Special Purpose: Healthy Corner Store Initiative (P.L.2019, c.15)					
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$0	\$1,750	\$1,750	---

The Governor recommends a new appropriation for the Healthy Corner Store Initiative to provide grants to small food retailers in low- to moderate-income communities to market, stock, and sell healthy foods and fresh produce. The department, through a nonprofit grantee in each participating community, will provide retailers with grants to offset the costs of program participation, purchase materials and supplies to use in nutrition education, and purchase and install shelving or refrigeration. Proposed budget language would limit these grants to up to \$10,000 per retailer.

General Fund, Direct State Services				Budget Page: D-159	
Special Purpose: Implicit Bias Reduction Training					
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$250	\$250	\$250	\$450	\$200	80.0%

The Executive recommends a funding increase for implicit bias reduction training at hospitals and birthing centers. P.L.2021, c.79 requires all perinatal health care professionals, and all support staff who interact with maternity patients, to undergo initial and continuing education training to recognize and reduce explicit and implicit biases in the provision of maternity care. The perinatal professionals required to undergo this training are physicians, physician’s assistants, midwives, maternity nurses, and community doulas.

General Fund, Direct State Services				Budget Page: D-159	
Special Purpose: Maternal Infant Health Doula Registry					
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$450	\$0	(\$450)	(100.0%)

The Executive recommends shifting funding for the Maternal Infant Health Doula Registry to the Department of Human Services in FY 2024, as a greater number of doulas who practice in the State have become approved NJ FamilyCare providers. As of April 10, 2023, the department has not obligated any of the FY 2023 appropriation for the registry.

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

General Fund, Direct State Services Special Purpose: Menstrual Health Public Awareness Campaign				Budget Page: D-159	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$200	\$0	(\$200)	(100.0%)

The Legislature included \$200,000 in the FY 2023 Appropriations Act for the department to initiate a Menstrual Health Public Awareness Campaign. As of April 10, 2023, none of the appropriation has been obligated. The FY 2024 Governor’s Budget does not recommend continued funding for this initiative.

General Fund, Direct State Services Special Purpose: Tissue Bank Program (P.L.2017, c.247) (P.L.2019, c.268) (P.L.2022, c.106)				Budget Page: D-159	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$0	\$406	\$406	---

The Governor recommends a new appropriation to support the Tissue Bank Licensing Program in the department’s Public Health and Environmental Laboratories and the accreditation of human milk banks. The department’s Breastfeeding Strategic Plan for 2022-2027 recommends that the department promulgate all regulations necessary to accredit human milk banks, as required pursuant to statute. The strategic plan also recommends that the department develop a training tool that will provide pediatricians and neonatologists with evidence-based information concerning the safety of donated and banked human milk.

General Fund, Direct State Services Additions, Improvements, and Equipment				Budget Page: D-159	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$151	\$851	\$700	463.6%

The recommended increase is for the purchase of new equipment for use in the Public Health and Environmental Laboratories. Some \$350,000 is for the purchase of an Ultra-High Performance Liquid-Chromatography Tandem Mass Spectrometer that will allow the department to prepare samples for emergency food testing, and \$350,000 is for an Inductively Coupled Plasma-Mass Spectrometer Analytical Instrument that would be used to test pregnant persons and newborn blood spot samples for lead and mercury.

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

General Fund, Grants-In-Aid Maternal, Child, and Chronic Health Services				Budget Page: D-159	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$34,045	\$32,814	\$36,159	\$41,699	\$5,540	15.3%

This budget line aggregates expenditures made for various grant programs within the Division of Family Health Services. The FY 2024 Governor’s Budget includes a \$5.3 million increase in grant funding for local health departments and the department’s Childhood Lead Program to provide the additional follow-up services expected to be needed from the department coming into compliance with the lower blood lead level threshold set by the federal Centers for Disease Control and Prevention. Specifically, the Executive anticipates that, by lowering the blood lead reference value from the State’s current 5 micrograms per deciliter of blood to the revised 3.5 micrograms per deciliter of blood, the number of children who will be eligible for follow-up services provided by local public health officials will increase by 91.1 percent in FY 2024.

An additional \$290,000 in grant funding is recommended for the Sudden Infant Death Syndrome (SIDS) Center of New Jersey to support the center’s administrative expenditures and costs for educational materials printed in English and Spanish. The center is based at Rutgers Robert Wood Johnson Medical School and studies the causes of and risk factors for, sudden unexpected infant death; develops and provides risk reduction education; and offers bereavement support.

General Fund, Grants-In-Aid Colette Lamothe - Galette Institute				Budget Page: D-160	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$500	\$750	\$250	50.0%

The recommended increase would expand training programs for the State’s perinatal workforce, including community doulas, maternal child health community health workers, and perinatal community health workers. The institute operates in partnership with a Department of Labor and Workforce Development apprenticeship program. Students in the program participate in 144 hours of classroom instruction at a partnering community college, and are required to complete between 1,000 and 2,000 hours of on-the-job training through an Employer Partner site. The Department of Health pays tuition costs for the classroom component of the program for all accepted students. As of April 10, 2023, all of the FY 2023 appropriation has been obligated or expended.

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

General Fund, Grants-In-Aid Brave Beginnings - Operating Costs				Budget Page: D-160	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$0	\$50	\$50	---

The Governor recommends new funding for the nonprofit Brave Beginnings. The organization provides play therapy services for toddlers at risk for, or diagnosed with, Autism Spectrum Disorder, Cerebral Palsy, Down Syndrome, and other developmental delays in Monmouth County.

General Fund, Grants-In-Aid Early Childhood Intervention Program				Budget Page: D-160	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$96,212	\$100,987	\$116,224	\$118,374	\$2,150	1.8%

The Governor recommends an increase in the FY 2024 appropriation for the Early Childhood Intervention Program to replace enhanced federal matching funds, available during the federal COVID-19 public health emergency, for qualifying State Medicaid and Children’s Health Insurance Program expenditures. The federal Consolidated Appropriations Act, 2023 phases out the enhanced federal reimbursements over the course of calendar year 2023.

The Executive additionally intends for \$6.6 million of the FY 2023 program appropriation to be returned to the General Fund at the end of FY 2023 because the excess funding reflects the use of unanticipated enhanced federal Medicaid and Children’s Health Insurance Program reimbursements. Taking into account this adjustment, the recommended increase in FY 2024 program funding rises to \$8.8 million.

In addition to the State General Fund appropriation identified above, the FY 2024 Governor’s Budget anticipates funding for the Early Childhood Intervention Program to include: \$13.0 million in federal funding through the Infants and Toddlers with Disabilities Program, Part C of the Individuals with Disabilities Education Act; \$85.0 million in federal funding for infants and toddlers who are enrolled in Medicaid or the Children’s Health Insurance Program and also receive program services; \$11.8 million in dedicated funding from copayments paid by families whose children receive Early Childhood Intervention Program services, but whose income is above 350 percent of the federal poverty level; and \$4.0 million in funding allocated, pursuant to budget language, from the Autism Medical Research and Treatment Fund.

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

General Fund, Grants-In-Aid Surveillance, Epidemiology, and End Results Expansion Program - CINJ					Budget Page: D-160	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024		
\$1,950	\$1,950	\$1,950	\$2,055	\$105	5.4%	

The Executive recommends additional funding for the New Jersey Center of Excellence for Cancer Surveillance, under the auspices of the New Jersey Surveillance, Epidemiology, and End Results Program, at the Rutgers Cancer Institute of New Jersey. The program, which the department operates in partnership with the cancer institute, collects and aggregates patient data on cancer incidence and survival in the State, which are available for use by researchers, public health officials, and policy makers. According to the Executive, \$50,000 of the proposed increase will restore funds that were rescinded as part of the FY 2021 Appropriations Act in order to continue the funding portfolio with the cancer institute and help maintain the Surveillance, Epidemiology, and End Results Expansion Program as costs continue to grow. Some \$55,000 of the recommended increase will support the cost of a Tableau server license.

General Fund, Grants-In-Aid South Jersey Cancer Program - Camden					Budget Page: D-160	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024		
\$15,400	\$27,400	\$27,400	\$32,400	\$5,000	18.2%	

The Governor recommends an increase in grant funding for the South Jersey Cancer program – Camden. The State provides support for oncology staffing, facility operations, construction, and renovations to existing facilities at MD Anderson Cancer Center at Cooper University Hospital. In September 2022, Cooper University Health Care and MD Anderson Cancer Center at Cooper announced a \$2 billion expansion of the health system’s Camden campus, which will include construction of three new clinical buildings. As of April 10, 2023, all of the FY 2023 appropriation has been obligated or expended.

General Fund, Grants-In-Aid Robert Wood Johnson Barnabas Health - Pilot Nursing Program					Budget Page:D-160	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024		
\$0	\$0	\$2,000	\$0	(\$2,000)	(100.0%)	

The Legislature added \$2.0 million to the FY 2023 Appropriations Act for a pilot nursing program at the Robert Wood Johnson Barnabas Health system. As of April 10, 2023, all of the funding has been obligated or expended. The Executive does not recommend continued funding for this program in FY 2024.

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

General Fund, Grants-In-Aid Ritesh Shah Charitable Pharmacy - Medication Support				Budget Page: D-160	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$0	\$100	\$100	---

The Executive recommends new funding for the Ritesh Shah Charitable Pharmacy in Red Bank, which provides 150 different types of essential medications, free of charge, to uninsured individuals who have an annual income at, or below, 300 percent of the federal poverty level. Essential prescription drugs available through the program include insulin and other diabetes medications, medications to control blood pressure, and psychotropic medications.

General Fund, Grants-In-Aid AIDS Grants				Budget Page: D-161	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$18,343	\$23,421	\$25,910	\$27,410	\$1,500	5.8%

The Governor recommends an increase in grant funding to HIV and AIDS service providers, in part to implement the recommendations of the New Jersey Taskforce to End the HIV Epidemic, as detailed in the Strategic Plan to End the HIV Epidemic in New Jersey By 2025. The department expects the number of individuals receiving HIV and AIDS testing and counseling to increase by 14.3 percent between FY 2022 and FY 2023; in FY 2024, the number of individuals who will receive testing and counseling is projected to remain at FY 2023 levels.

General Fund, Grants-In-Aid Hyacinth AIDS Foundation - Newark Clinic				Budget Page: D-161	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$450	\$0	(\$450)	(100.0%)

The Legislature added \$450,000 in the FY 2023 Appropriations Act for the Hyacinth AIDS Foundation’s clinic in Newark. As of April 10, 2023, all of the funding has been obligated or expended. The Executive does not recommend continuing the funding in FY 2024.

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

Federal Funds Public Health Protection Services				Budget Page: D-161	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$191,133	\$192,215	\$128,862	\$138,066	\$9,204	7.1%

This budget line aggregates federal funding for the Division of Epidemiology, Environmental, and Occupational Health, which is responsible for tracking reportable diseases and outbreaks, preventing disease and injury by reducing or eliminating exposures and hazards in the environment and the workplace, and keeping the public informed on related issues.

The increase in funding is mainly attributable to \$6.3 million in additional Epidemiology and Laboratory Capacity funding from the federal Centers for Disease Control and Prevention for COVID-19 testing, laboratory capacity, informatics, and epidemiologic surveillance activities. The department also anticipates receiving \$1.8 million in additional federal Prevention and Public Health Fund resources to improve the public health infrastructure for childhood immunizations. The FY 2024 Governor’s Budget also includes \$485,000 in new funding subsequent to an \$80.5 million, five-year grant from the Centers for Disease Control and Prevention to support the State’s public health workforce development and training. The department will use this funding and technical assistance available through the grant to engage in workforce planning and professional development as part of an effort to enhance recruitment, retention, and advancement among the State’s public health workforce.

Federal Funds Community Health Services				Budget Page: D-161	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$13,568	\$28,541	\$26,407	\$27,179	\$772	2.9%

This funding is part of a five-year, \$80.5 million grant from the federal Centers for Disease Control and Prevention that the department will use for additional staff positions within the Office of Public Health. The department plans to use this Public Health Infrastructure, Workforce, and Data Systems grant to recruit, train, and develop the State and local public health workforce; expand the department’s data analytics capacity; and advance health equity through the Office of Minority Health. Specifically, these additional funds will support staff positions within the Center for Health Statistics, and the department’s assessment of, and recommendations regarding, racial and health disparities during the COVID-19 pandemic.

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

Federal Funds Laboratory Services				Budget Page: D-161	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$114,601	\$22,144	\$8,686	\$10,401	\$1,715	19.7%

This budget line aggregates federal funding in support of the Division of Public Health and Environmental Laboratories. The FY 2024 Governor’s Budget anticipates \$1.7 million in additional Epidemiology and Laboratory Capacity funding from the federal Centers for Disease Control and Prevention to support laboratory infrastructure and capacity for identifying and testing for a variety of bacterial and viral infections, as well as a separate grant to support the use of new technology for sequencing and analyzing samples of new infectious diseases.

Health Planning and Evaluation

General Fund, Direct State Services Salaries and Wages				Budget Page: D-166	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$13,977	\$16,124	\$9,389	\$9,789	\$400	4.3%

This budget line aggregates salary expenditures for employees in the Division of Long Term Care Development and Quality Assurance and the Division of Health Care Systems Analysis. According to the Administration, \$300,000 of the proposed additional funding will be for staff to support the modernization of hospital financial reporting and transparency. In November 2022, the department proposed new regulations and amendments to existing regulations that would increase the types of information that State-licensed hospitals are required to provide to the department regarding certain business, ownership, and financial arrangements, thereby necessitating the hiring of additional staff in FY 2024.

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

General Fund, Direct State Services Services Other Than Personal				Budget Page: D-166	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$1,335	\$9,531	\$2,791	\$3,221	\$430	15.4%

This budget line aggregates State funding for contracted or purchased services for the Division of Health Systems, which is responsible for the licensing, inspecting, and monitoring of the financial condition of hospitals and nursing homes; administering the State’s hospital subsidy programs; administering the State’s performance-based performance incentive initiative for hospitals, Quality Improvement Program – New Jersey (QIP – NJ), and conducting certificate of need reviews for health care facilities, among other responsibilities.

According to the Administration, the recommended funding increase is for administrative costs for the modernization and streamlining of hospital financial reporting, as required under proposed regulations published in November 2022. These funds will also support implementation of the Mobile Integrated Health Program, which seeks to optimize healthcare delivery and to integrate multiple healthcare service providers through a coordinated, team-based approach, and to provide needed healthcare services where gaps are identified.

General Fund, Grants-in-Aid Graduate Medical Education				Budget Page: D-167	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$242,000	\$242,000	\$242,000	\$319,000	\$77,000	31.8%

This budget line aggregates funding for the State’s Graduate Medical Education subsidy payments. The recommended \$77.0 million increase is to provide two new subsidy payments to support the training and education of physicians at the State’s trauma centers.

Proposed budget language would designate \$40.0 million of the Graduate Medical Education Subsidy as Trauma Center Graduate Medical Education Subsidy and would be available to hospitals that have a residency program and are designated as a Level 1 or Level 2 trauma center. The subsidy would be calculated according to the same formula used to calculate the Graduate Medical Education Subsidy. The recommended FY 2024 allocation of the new subsidy is shown on page 25 of this analysis.

Proposed budget language also would designate \$37.5 million of the Graduate Medical Education Subsidy as Trauma Center Supplemental Graduate Medical Education Subsidy and would be available to hospitals that have a residency program, are designated as a Level 1 or Level 2 trauma center, and for which Medicaid payments account for greater than 15 percent of the hospital’s gross revenues. The subsidy would be calculated according to the same formula

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

used to calculate the Graduate Medical Education Subsidy. The recommended FY 2024 allocation of the new subsidy is shown on page 24 of this analysis.

Implementation of these new subsidies is contingent on federal approval of a Medicaid waiver or State plan amendment ensuring federal reimbursement for qualifying State expenditures under the federal Medicaid program.

The recommended appropriations for the Graduate Medical Education Subsidy is \$218.0 million and the recommended appropriation for Graduate Medical Education Supplemental Subsidy is \$24.0 million. Both of these amounts and their distribution formulae are unchanged from FY 2023.

General Fund, Grants-in-Aid Fiscal Year 2023 Legislative Initiatives, Healthcare Facilities						
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.		Change FY 2023 – FY 2024	
CentraState Hospital						Budget Page: D-167
\$0	\$0	\$250	\$0		(\$250)	(100.0%)
Camden Coalition of Healthcare Providers - Pledge to Connect Pilot Program						Budget Page: D-167
\$0	\$0	\$7,500	\$5,000		(\$2,500)	(33.3%)
Jersey Shore University Medical Center						Budget Page: D167
\$0	\$0	\$250	\$0		(\$250)	(100.0%)
JRMC Family Medical and Dental Center - Parking Expansion						Budget Page: D167
\$0	\$0	\$500	\$0		(\$500)	(100.0%)
Cooper University Healthcare - Salem Medical Center						Budget Page: D-167
\$0	\$0	\$5,000	\$0		(\$5,000)	(100.0%)
St. Joseph's Regional Medical Center						Budget Page: D-167
\$0	\$0	\$10,000	\$0		(\$10,000)	(100%)
Peace Care Initiative for Eldergrown Gardens						Budget Page: D-167
\$0	\$0	\$25	\$0		(\$25)	(100%)
Hackensack Meridian School of Medicine						Budget Page: D-167
\$4,000	\$7,000	\$7,000	\$5,000		(\$2,000)	(28.6%)
Total – General Fund, Grants-In-Aid Legislative Initiatives, Healthcare Facilities						
\$4,000	\$7,000	\$30,525	\$10,000		(\$20,525)	(67.2%)

In the FY 2023 Appropriations Act, the Legislature funded grants to a variety of health care facilities. The Executive recommends either discontinuing or reducing \$20.5 million of these facilities' appropriations in FY 2024.

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

General Fund, Grants-In-Aid Fiscal Year 2024 Governor Initiatives, Healthcare Facilities						
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.		Change FY 2023 – FY 2024	
Monmouth Medical Center - Mental Health Services						Budget Page: D-167
\$0	\$0	\$0	\$250		\$250	100%
Riverview Medical Center						Budget Page: D-167
\$0	\$0	\$0	\$250		\$250	100%
Total – General Fund, Grants-In-Aid Governor Initiatives, Healthcare Facilities						
\$0	\$0	\$0	\$500		\$500	100%

The Governor recommends \$500,000 in new grant funding to support programs at Monmouth Medical Center in Long Branch and Riverview Medical Center in Red Bank.

Behavioral Health Services

General Fund, Direct State Services Salaries and Wages					Budget Page: D-172	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.		Change FY 2023 – FY 2024	
\$292,959	\$295,628	\$329,886	\$330,469		\$583	0.2%

The Executive recommends increased funding for this budget line to replace federal COVID-19 pandemic assistance that the department used in FY 2023 to backfill a \$583,000 reduction in State funding for salaries and wages at the State psychiatric hospitals. The State’s four psychiatric hospitals continue to face an ongoing, significant staff shortage, particularly for positions that involve direct patient care. The FY 2024 Governor’s Budget shows that the State psychiatric hospitals have 255 patient care and health services positions vacant, and 55 unfilled administration and support services positions.

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

General Fund, Direct State Services Special Purpose: Greystone Psychiatric Hospital Settlement				Budget Page: D-172	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$125	\$551	S \$508	\$0	(\$508)	(100.0%)

A supplemental appropriation was required in FY 2023 as part of a settlement agreement in a 2018 class-action lawsuit over the quality of patient care provided at Greystone Park Psychiatric Hospital. As part of this settlement agreement, hospital administrators are required to report to an oversight committee on progress made in improving patient safety and the quality of care provided at Greystone Park.

All Other Funds Patient Care and Health Services				Budget Page: D-173	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$265	\$190	(\$75)	(28.3%)

This budget line shows anticipated State receipts that are appropriated for interim cash benefits provided to an individual, upon release from a State psychiatric hospital, while the individual’s eligibility for federal Supplemental Security Income benefits is being evaluated. Once the Social Security Administration has approved the individual’s benefits, the individual is required to repay the State for the cash benefits they received, using their Supplemental Security Income benefit payments. The Executive expects that Interim Assistance payments for patients discharged from Ancora Psychiatric Hospital will fall by \$75,000 between FY 2023 and FY 2024.

General Fund, Direct State Services Special Purpose: Mission Critical Long-Term Care Team				Budget Page: D-174	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$500	\$1,674	\$1,174	234.8%

The Executive recommends additional funding to create two more Mission Critical Teams to provide intervention and remediation at long-term care facilities that provide poor quality care. The program is currently being piloted. The Mission Critical Team is currently housed in the Division of Long Term Care Systems Development and Quality Assurance, and the Executive recommends shifting the funding for Mission Critical Teams to the Office of Long-Term Care Resiliency within the Integrated Health Services branch.

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

Health Administration

General Fund, Direct State Services Salaries and Wages				Budget Page: D-176	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$10,803	\$12,605	\$16,902	\$17,055	\$153	0.9%

This budget line aggregates salaries and wages for employees of the Office of the Chief State Medical Examiner and the Office of the Commissioner of Health. The recommended funding increase is for four new positions within the Office of the Chief State Medical Examiner.

General Fund, Direct State Services Special Purpose: Maternal Data Center and NJ Report Card of Hospital Maternity Care				Budget Page: D-176	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	\$0	\$630	\$630	---

The Executive recommends new funding to support the Maternal Data Center in the department’s Office of Healthcare Quality and Informatics, and for the New Jersey Report Card of Hospital Maternity Care. The Maternal Data Center, which was established pursuant to P.L.2019, c.75, is funded through annual membership fees paid by hospitals that provide maternity services and have signed an agreement with the department to provide data to the center. Pursuant to the authorizing statute, the annual membership fee paid by the participating hospitals is capped at \$10,000; participating hospitals may access the center’s data.

The Report Card of Hospital Maternity Care provides annual hospital-specific data on maternity care, including maternal demographic and health outcomes associated with giving birth. The Maternal Data Center and the Report Card of Hospital Maternity Care support the Nurture NJ Strategic Plan recommendation for improving accountability to women of color through data transparency.

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

General Fund, Direct State Services Disaster Relief - State Share				Budget Page: D-177	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$0	\$0	S \$18,000	\$0	(\$18,000)	(100.0%)

In accordance with General Provision 98 in the FY 2023 Appropriations Act, the department received an \$18.0 million supplemental appropriation in FY 2023, of which \$15.0 million was used for the operations of the State’s COVID-19 call center. As of April 10, 2023, some \$3.0 million of the appropriation remains unobligated.

These expenditures are anticipated to qualify for reimbursements from the Federal Emergency Management Agency. Specifically, the State would receive reimbursements equal to 90 percent of its qualified expenditures from the Federal Emergency Management Agency, with the State responsible for the remaining 10 percent. If no additional disaster relief funds were obligated, federal reimbursements to the State would be \$13.5 million while the State share would total \$1.5 million.

Federal Funds Administration and Support Services				Budget Page: D-177	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$215,749	\$376,950	\$4,116	\$6,454	\$2,338	56.8%

The FY 2024 Governor’s Budget anticipates additional Epidemiology and Laboratory Capacity funding from the federal Centers for Disease Control and Prevention. Funding will be distributed from this budget line to other divisions within the Department of Health.

Significant Language Changes

FY 2023 Coronavirus State Fiscal Recovery Fund Appropriations	
Deletion	2023 Handbook: p. D-18 2024 Budget: p. N/A

~~Notwithstanding the provisions of any law or regulation to the contrary, moneys are appropriated from the federal "Coronavirus State Fiscal Recovery Fund" (SFRF) established pursuant to the federal "American Rescue Plan Act of 2021," Pub. L. 117-2, in the following amounts for the following purposes without the additional approval by the Joint Budget Oversight Committee:~~

Program*	Agency*	Appropriation*
Overlook Medical Center—Emergency Department Renovation	DOH	35,000,000
RWJ Barnabas Health—Mobile Health Division	DOH	10,000,000
Capital Health—Satellite Emergency Department, Trenton	DOH	8,000,000
Virtua Health—Hospital Infrastructure and Workforce Education	DOH	8,000,000
Inspira Health—Hospital Infrastructure and Workforce Education	DOH	5,000,000
Cooper University Hospital—Ronald McDonald House Southern New Jersey	DOH	5,000,000
Carrier Clinic—Inpatient Behavioral Health Expansion	DOH	5,000,000
St. Peter’s Hospital—Family Health Center	DOH	5,000,000
Coriell Institute for Medical Research—New Research Facility	DOH	5,000,000
The New Valley Hospital—Pandemic and Emergency Preparedness	DOH	5,000,000

* Only the appropriations to the Department of Health are reproduced.

Explanation

The FY 2023 Appropriations Act included language allocating funds from the State’s flexible \$6.24 billion federal Coronavirus State Fiscal Recovery Fund grant, which the State received under the American Rescue Plan Act of 2021. The language included ten appropriations to the Department of Health, totaling \$91.0 million, for grants to hospitals. All Coronavirus State Fiscal Recovery Fund grant funds must be obligated by December 31, 2024 and expended by December 31, 2026.

EXPLANATION: FY 2023 language not recommended for FY 2024 denoted by strikethrough. Recommended FY 2024 language that did not appear in FY 2023 denoted by underlining.

Significant Language Changes (Cont'd)

Appropriation from Coronavirus State Fiscal Recovery Fund Grant for Medical Debt Relief Program	
Addition	2023 Handbook: p. N/A 2024 Budget: p. F-2

Notwithstanding the provisions of any law or regulation to the contrary, an amount not to exceed \$10,000,000 from funding allocated to the State from the federal "Coronavirus State Fiscal Recovery Fund" established pursuant to the federal "American Rescue Plan Act of 2021," Pub. L. 117-2 is appropriated to Medical Debt Resolution, Inc., a 501(c)(3) nonprofit corporation doing business as RIP Medical Debt, to purchase and discharge debt arising from the receipt of health care services by "eligible residents" pursuant to a grant agreement to be entered into between RIP Medical Debt and the Commissioner of Health, subject to the approval of the Director of Budget and Accounting, which agreement shall require RIP Medical Debt to: (1) conduct a public solicitation of health care providers in this state willing to identify medical debt accounts available for purchase; and (2) purchase and discharge medical debt accounts identified in a manner which ensures that eligible residents located in various geographic regions of the state have an equal opportunity of having their medical debt accounts purchased and discharged, subject to the availability of funds and a determination by the Executive Director of the Governor's Disaster Recovery Office that the proposed use of the funds is an eligible purpose under the American Rescue Plan Act of 2021, subject to the approval of the Director of the Division of Budget and Accounting. As used in this paragraph, "eligible resident" means a resident of New Jersey who has a household income at or below 400 percent of the federal poverty guidelines or has medical debt equal to five percent or more of the individual's household income.

Explanation

The Governor recommends allocating \$10.0 million from the State's flexible \$6.24 billion federal Coronavirus State Fiscal Recovery Fund grant under the American Rescue Plan Act of 2021 for the purchase and discharge of medical debt incurred by certain State residents. Under this new program, the department would provide the grant funding to a non-profit organization, RIP Medical Debt, to administer the debt relief program. RIP Medical Debt would solicit health care providers in the State who are willing to identify medical debt accounts of residents that are available for purchase, which the nonprofit would then purchase and discharge for State residents who have a household income at, or below, 400 percent of the federal poverty level or have medical debt equaling five percent or more of the individual's household income.

EXPLANATION: FY 2023 language not recommended for FY 2024 denoted by strikethrough. Recommended FY 2024 language that did not appear in FY 2023 denoted by underlining.

Significant Language Changes (Cont'd)

Limit on Healthy Corner Store Initiative Grants

Addition

2023 Handbook: p. N/A
 2024 Budget: p. D-162

Notwithstanding the provisions of section 5(c)(2) of P.L. 2019, c.15 (C.24:4A-10) or any law or regulation to the contrary, the amount hereinabove appropriated for Healthy Corner Store Initiatives is subject to the following condition: the maximum total grant amount available to qualified small food retailers shall not exceed \$10,000 per retailer, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This proposed language would limit individual grants for small food retailers, available through the "Healthy Corner Store Initiative," to \$10,000 in FY 2024. The initiative provides funding to help small food retailers, located in low- to-moderate income rural and urban communities to stock, market, and sell healthy foods and fresh produce. The program was established pursuant to the "Healthy Small Food Retailer Act" P.L.2019, c.15. The FY 2024 Governor's Budget includes \$1.8 million in new General Fund appropriations for this initiative, which may also receive financial support from other public or private donations.

Trauma Center Supplemental Graduate Medical Education Subsidy Program

Addition

2023 Handbook: p. N/A
 2024 Budget: p. D-170

Notwithstanding the provisions of any law or regulation to the contrary, and except as otherwise provided and subject to such modifications as may be required by the Centers for Medicare and Medicaid Services in order to achieve any required federal approval and full Federal Financial Participation, \$37,000,000 from the amounts hereinabove appropriated from Graduate Medical Education (GME) shall be designated as Trauma Center Supplemental Graduate Medical Education Subsidy (GME-TS), and shall be available to hospitals that have a residency program that meet the following eligibility criteria: (a) an eligible hospital is designated as Level 1 or Level 2 Trauma Center by the Department of Health and has a Relative Medicaid Percentage (RMP) that is greater than 15 percent; (b) the RMP is a ratio calculated using the 2019 Audited Acute Care Hospital (ACH) Cost Reports according to the Department of Health due date of August 31, 2020, as submitted by January 31, 2021 by each acute care hospital and audited by March 1, 2021; (c) the RMP numerator equals a hospital's gross revenue from patient care for Medicaid and Medicaid HMO payers as reported on Forms E5 and E6, Line 1, Column D & Column H; (d) the RMP denominator equals a hospital's gross

EXPLANATION: FY 2023 language not recommended for FY 2024 denoted by strikethrough.
 Recommended FY 2024 language that did not appear in FY 2023 denoted by underlining.

Significant Language Changes (Cont'd)

revenue from patient care as reported on Form E4, Line 1, Column E; and (e) for instances where hospitals that have a single Medicaid identification number submit a separate ACH Cost Report for each individually licensed hospital, the ACH Cost Report data for those hospitals shall be consolidated to the single Medicaid identification number. The GME-TS Subsidy shall be calculated using the same methodology as the GME Subsidy is calculated in this act, except the total aggregate amount of the GME-TS Subsidy payments to eligible hospitals shall not exceed \$37,000,000.

Explanation

This new language establishes the Trauma Center Supplemental Graduate Medical Education Subsidy, which would be available to hospitals that have a medical residency program, are designated as a Level 1 or Level 2 trauma center by the department, and for which Medicaid payments comprise more than 15 percent of the hospital's gross revenues. Funding for this new subsidy program, which would be limited to \$37.0 million, would be allocated among eligible hospitals according to the same methodology used to determine the Graduate Medical Education Subsidy. This provision also specifies the methodology to be used to calculate whether a hospital's Medicaid payments meet the threshold for a supplemental subsidy allocation under the new program. Before this new hospital subsidy is implemented, the Department of Human Services must first receive federal approval for a Medicaid waiver or State plan amendment to ensure federal reimbursement for qualifying State expenditures under the federal Medicaid program.

According to the Department of Health, the FY 2024 allocation of the new Trauma Center Supplemental Graduate Medical Education Subsidy (GME-TS) would be as follows:

Hospital Name	Proposed FY 2024 GME-TS Subsidy
University Hospital	\$11,651,865
Cooper Hospital/University Medical Center	\$10,601,069
St. Joseph's University Medical Center	\$5,491,626
Robert Wood Johnson University Hospital	\$4,293,051
Jersey City Medical Center	\$3,166,215
Atlanticare Regional Medical Center	\$940,723
Capital Health Regional Medical Center	\$855,452
TOTAL	\$37,000,001

EXPLANATION: FY 2023 language not recommended for FY 2024 denoted by strikethrough. Recommended FY 2024 language that did not appear in FY 2023 denoted by underlining.

Significant Language Changes (Cont'd)

Trauma Center Graduate Medical Education Subsidy	
Addition	2023 Handbook: p. N/A 2024 Budget: p. D-170

Notwithstanding the provisions of any law or regulation to the contrary, and except as otherwise provided and subject to such modifications as may be required by the Centers for Medicare and Medicaid Services in order to achieve any required federal approval and full Federal Financial Participation, \$40,000,000 from the amounts hereinabove appropriated from Graduate Medical Education (GME) shall be designated as Trauma Center Graduate Medical Education Subsidy (GME-T), and shall be available to hospitals that have a residency program and are designated as Level 1 or Level 2 Trauma Centers by the Department of Health. The GME-T Subsidy shall be calculated using the same methodology as the GME Subsidy is calculated in this act, except the total aggregate amount of the GME-T Subsidy payments to eligible hospitals shall not exceed \$40,000,000.

Explanation

This new language establishes the Trauma Center Graduate Medical Education Subsidy to train medical residents in trauma centers. This new subsidy will provide up to \$40.0 million in funding for hospitals that have a medical residency program and are designated as a Level 1 or Level 2 trauma center. Each hospital's subsidy would be calculated according to the same formula, established in budget language, utilized to calculate the Graduate Medical Education Subsidy. Before this new hospital subsidy is implemented, the Department of Human Services must first receive federal approval for a Medicaid waiver or State plan amendment to ensure federal reimbursement for qualifying State expenditures under the federal Medicaid program.

According to the Department of Health, the FY 2024 allocation of the new Trauma Center Graduate Medical Education Subsidy (GME-T) would be as follows:

Hospital Name	Proposed FY 2024 GME-T Subsidy
University Hospital	\$10,584,779
Cooper Hospital/University Medical Center	\$9,584,329
St. Joseph's University Medical Center	\$5,014,646
Robert Wood Johnson University Hospital	\$3,903,499
Hackensack University Medical Center	\$3,228,791
Jersey City Medical Center	\$2,889,884
Morristown Medical Center	\$1,600,009
Jersey Shore University Medical Center	\$1,564,418
Atlanticare Regional Medical Center	\$858,051
Capital Health Regional Medical Center	\$771,595
TOTAL	\$40,000,001

EXPLANATION: FY 2023 language not recommended for FY 2024 denoted by strikethrough. Recommended FY 2024 language that did not appear in FY 2023 denoted by underlining.

Background Paper: Charity Care Subsidy

Budget Pages.... D-164 to D-170; H-11

- The New Jersey Hospital Care Payment Assistance Program, commonly known as Charity Care, is the largest of the State subsidies provided to acute care hospitals, with an FY 2024 funding recommendation of \$342.0 million from the Health Care Subsidy Fund. This is the same level of program funding as was appropriated in FY 2023.
- The Charity Care program, established under P.L.1992, c.160 (N.J.S.A.26:2H-18.52 et al.), provides free or reduced cost care, based on a sliding scale depending on income, to qualifying low-income patients who do not have health insurance. Under State law, hospitals are required to provide and document this unreimbursed care, and the State provides a subsidy to offset a portion of the costs associated with this care.
- The statutory Charity Care allocation formula, under subsection b. of N.J.S.A. 26:2H-18.59i, ranks acute care hospitals by the percentage of each hospital's gross patient revenue from charity care patients, and pays hospitals with a higher rank a larger subsidy, in proportion to their total documented charity care.
- Under the statutory formula, hospitals that provide the most charity care relative to their gross patient revenue and hospitals serving the communities with the lowest median incomes receive 96 percent of the hospital's documented charity care, and each hospital receives a minimum payment equal to 43 percent of the hospital's documented charity care.
- However, the statutory formula has never been implemented as enacted; rather, appropriations language has overridden the statute in each year's Appropriations Act since the statutory formula was established in 2004.
- Proposed budget language in the FY 2024 Governor's Budget allocates Charity Care funding based on a modified formula, under which: 1) the minimum subsidy payment for hospitals may be reduced from the statutorily required 43 percent to 0 percent; and 2) the subsidies must be proportionally divided so that total Charity Care payments do not exceed \$342.0 million, except that the proportionate reduction does not apply to hospitals that are required to receive 96 percent of their hospital-specific unreimbursed documented charity care pursuant to the statutory formula.
- The recommended FY 2024 Charity Care formula is identical to the FY 2023 formula.
- Charity Care subsidies are paid out of the Health Care Subsidy Fund, which is administered under P.L.1997, c.263 (page H-11 of the FY 2024 Governor's Budget). The fund receives its balances from several State taxes, including the HMO Premiums Assessment, the cigarette tax, and the 0.53 percent Hospital Assessment.
- The table on the following pages shows the recommended hospital-specific charity care allocations as provided in the FY 2024 Governor's Budget.

Background Paper: Charity Care Subsidy (Cont'd)

Proposed FY 2024 Charity Care Subsidy Allocations	
Hospital Name	FY 2024 Allocation
University Hospital	\$62,705,163
St. Joseph's University Medical Center	\$40,455,900
Trinitas Regional Medical Center	\$34,644,886
St. Peter's University Hospital	\$21,658,563
New Bridge Medical Center	\$20,090,652
Cooper Hospital/University Medical Center	\$19,532,686
Capital Health Regional Medical Center	\$18,276,074
CarePoint Health - Hoboken University Medical Center	\$10,975,587
AtlantiCare Regional MC - City	\$10,126,759
Newark Beth Israel Medical Center	\$9,833,616
CarePoint Health - Christ Hospital	\$9,539,362
Hackensack UMC - Palisades	\$9,444,824
Jersey City Medical Center	\$8,456,282
Robert Wood Johnson University Hospital	\$6,635,160
Hackensack University Medical Center	\$4,639,575
St. Mary's General Hospital	\$4,317,333
Carewell Health Medical Center	\$4,227,367
St. Michael's Medical Center	\$3,694,612
AtlantiCare Regional MC - Mainland	\$3,672,052
Monmouth Medical Center	\$2,576,149
Morristown Medical Center	\$2,320,853
Clara Maass Medical Center	\$2,261,063
Capital Health Medical Center - Hopewell	\$2,213,049
Englewood Hospital and Medical Center	\$1,920,032
Jersey Shore University Medical Center	\$1,829,096
JFK Medical Center	\$1,797,082
St. Francis Medical Center*	\$1,546,041
Virtua Marlton Hospital	\$1,525,922
St. Barnabas Medical Center	\$1,385,090
Monmouth Medical Center - Southern	\$1,265,655
Virtua Our Lady of Lourdes Hospital	\$1,175,765
Overlook Medical Center	\$1,115,131
Inspira Medical Center - Vineland	\$1,104,555
Virtua Memorial Hospital	\$1,032,292
St. Joseph's Wayne Medical Center	\$879,102
Penn Medicine Princeton Medical Center	\$861,443
St. Clare's Hospital - Dover	\$764,794
Deborah Heart and Lung Center	\$730,045
Raritan Bay Medical Center - Perth Amboy	\$727,028
RWJ University Hospital - Somerset	\$725,990
Virtua Willingboro Hospital	\$673,884
Holy Name Medical Center	\$655,744

Background Paper: Charity Care Subsidy (Cont'd)

Proposed FY 2024 Charity Care Subsidy Allocations	
Hospital Name	FY 2024 Allocation
Valley Hospital	\$633,489
CentraState Medical Center	\$602,705
Community Medical Center	\$576,193
Ocean Medical Center	\$545,746
CarePoint Health - Bayonne Medical Center	\$525,956
Hunterdon Medical Center	\$520,655
St. Clare's Hospital - Denville	\$474,757
RWJ University Hospital - Hamilton	\$406,656
Riverview Medical Center	\$383,703
Jefferson Cherry Hill Hospital	\$349,888
Jefferson Washington Twp Hospital	\$334,965
RWJ University Hospital - Rahway	\$286,706
Jefferson Stratford Hospital	\$263,442
Shore Medical Center	\$247,889
St. Luke's Warren Hospital	\$220,044
Inspira Medical Center - Mullica Hill	\$209,684
Hackensack UMC - Mountainside	\$192,867
Bayshore Community Hospital	\$157,351
Southern Ocean Medical Center	\$153,862
Chilton Medical Center	\$142,080
Virtua Voorhees Hospital	\$139,332
Newton Medical Center	\$132,065
Raritan Bay Medical Center - Old Bridge	\$94,339
Inspira Medical Center - Elmer	\$93,850
Cape Regional Medical Center	\$78,419
Salem Medical Center	\$72,939
Hudson Regional Hospital	\$69,799
Hackettstown Regional Medical Center	\$67,195
Hackensack UMC - Pascack Valley	\$11,167
TOTAL	\$342,000,000

* Due to the closure of St. Francis Medical Center, as of December 31, 2022, its Charity Care subsidy allocation will be redistributed according to N.J.A.C. 10:52-13.7.

NEW JERSEY LEGISLATURE

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

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 2024 budget are encouraged to contact:

Legislative Budget and Finance Office

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