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Governor Chris Christie Highlights Charity Care Funding Increases and Reforms in Budget

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Trenton, NJ - In a visit to St. Peter's University Hospital in New Brunswick, Governor Chris Christie highlighted key reforms and funding changes for hospitals, including \$85 million in additional funding through an expanded Charity Care program, and affirmed his commitment to maintaining the state's safety net for the most vulnerable and in-need New Jerseyans.

"In these difficult economic times, it is our obligation to do everything in our power to provide for the most vulnerable among us," said Governor Christie. "My fiscal year 2011 Budget Proposal stands up for this core belief shared by New Jerseyans by increasing Charity Care funding for hospitals by \$85 million, and bringing reform, new efficiency and accountability to the funding process for key healthcare programs in New Jersey. Through these initiatives, we can continue to assist the 300,000 people who received healthcare through Charity Care this year, expand services, and provide more effective and equitable programmatic funding among hospitals."

The Governor's Fiscal Year 2011 Budget Provides For:

- \$665 million in Charity Care funding across 72 New Jersey hospitals, representing an \$85 million increase over the previous year while maximizing matching federal funding. 300,000 received medical care through Charity Care this year;
- The removal of an artificial cap to maximize matching federal funding. 100 percent of this additional revenue is devoted to hospital funding, resulting in an additional \$85 million in Charity Care funding;
- \$40 million in funding for Federally Qualified Health Centers is maintained;
- \$30 million allocation for a Healthcare Stabilization Fund. Key Funding Reforms In The Governor's Fiscal Year 2011 Budget To Strengthen New Jersey's Healthcare Safety Net:
- Improvements to the distribution formula to broaden funding. This year's budget consolidates from three to two tiers to allow for a more equitable distribution of funds among hospitals, while minimizing any negative consequences for safety net hospitals.
- Reducing year-to-year funding changes for hospitals. The parameters for any gain for loss in funding to any institution will be limited to 55 percent of the difference between their FY2011 Charity Care subsidy and the total FY2010 amount received.
- Increasing the reimbursement floor. The Governor's proposed budget increases the reimbursement floor from 5 cents on the dollar to 15 cents on the dollar, providing a more equitable level of funding for institutions that received the most limited reimbursement in the past. "In this difficult economic climate, we are encouraged by Governor Christie's commitment to ensure that the State's underprivileged population and the healthcare system that serves them are priorities in the Governor's proposed budget," said Ronald C. Rak, President/CEO St. Peter's Healthcare System.

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