

# ASSEMBLY, No. 2609

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED MAY 5, 2008

**Sponsored by:**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington and Camden)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Co-Sponsored by:**

**Assemblywoman Angelini, Assemblymen Schaer, Chivukula, Senators  
Weinberg, Baroni and Vitale**

**SYNOPSIS**

Prohibits hospitals from charging certain uninsured persons more than 15% greater than applicable Medicare rate.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 5/23/2008)**

1 AN ACT concerning health care facilities and supplementing  
2 P.L.1971, c.136 (C.26:2H-1 et seq.).

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

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7 1. A hospital licensed by the Department of Health and Senior  
8 Services pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) shall  
9 charge a patient who is an uninsured resident of this State, and  
10 whose family gross income is less than 500% of the federal poverty  
11 level, an amount no greater than 115% of the applicable payment  
12 rate under the federal Medicare program, established pursuant to  
13 Pub.L.89-97 (42 U.S.C.s.1395 et seq.), for the health care services  
14 rendered to the patient. The amount shall be in accordance with the  
15 sliding scale based on income developed by the department  
16 pursuant to this act.

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18 2. The Department of Health and Senior Services shall  
19 establish a sliding scale based on income which stipulates the  
20 percentage of a hospital charge that an uninsured resident of this  
21 State whose family gross income is less than 500% of the federal  
22 poverty level is required to pay for health care services rendered at  
23 a hospital.

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25 3. This act shall take effect on the 180th day after enactment.

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#### STATEMENT

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30 The provisions of this bill will ensure that uninsured patients are  
31 charged reasonable rates for inpatient and outpatient health care  
32 services rendered at hospitals in this State. Too often, hospitals  
33 engage in cost shifting, charging uninsured patients amounts far  
34 greater than the facilities receive as reimbursement from health  
35 insurers and other third party payers, so as to make up any losses  
36 incurred by lower third party payer reimbursement rates. As a  
37 result, uninsured patients, who often are the least able to pay for  
38 health care services, are charged excessive rates for necessary  
39 health care services.

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41 To provide for a more equitable schedule of charges for  
42 uninsured patients, this bill provides that a hospital shall charge a  
43 patient who is an uninsured resident of this State, and whose family  
44 gross income is less than 500% of the federal poverty level, an  
45 amount no greater than 15% more than the applicable payment rate  
46 under the federal Medicare program for the health care services  
47 rendered to the patient. The amount shall be in accordance with the  
48 sliding scale based on income developed by the Department of  
49 Health and Senior Services (DHSS) pursuant to this bill.

**A2609 CONAWAY, MORIARTY**

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1       The bill also directs DHSS to establish a sliding scale based on  
2 income which stipulates the percentage of a hospital charge that an  
3 uninsured State resident whose family gross income is less than  
4 500% of the federal poverty level is required to pay for health care  
5 services rendered at a hospital.

6       The provisions of this bill are based on recommendations from  
7 the 2008 final report of the New Jersey Commission on  
8 Rationalizing Health Care Resources.