

Charity Care In New Jersey

By Assemblyman Louis Greenwald

We know all too well: the escalating costs of medical care combined with the reduced access to health insurance, have created a record number of uninsured in New Jersey. According to a recent report by the U.S. Census Bureau, more than 1.4 million New Jerseyans are now uninsured.

The plight of the uninsured is just one of the symptoms of a health care crisis afflicting a growing number of Americans. Senior citizens who can't afford prescription drugs. Pregnant women forced to go without prenatal care. Young children denied preventive medical care. Families that can't pay the exorbitant expense of an organ transplant for their child, even if it is a lifesaving operation. And working families that lose access to medical insurance when employers cut back on health benefits.

The cruel reality of this ongoing health care crisis is that it does not afflict only the poor. A growing number of the uninsured adults hold full time jobs, many of them with children. This is an ominous trend that, left unchecked, would have far-reaching consequences for New Jersey.

That is why I fought for the resources needed to compensate New Jersey's hospitals for treating the uninsured. I didn't want children turned away from emergency rooms. I didn't want life saving operations to be denied because of expense. And I didn't want senior citizens to be forced to choose between medical care and groceries.

The Governor and others said the state couldn't afford to fully respond to these needs at this time. I knew all too well the tough fiscal situation we faced in New Jersey, but I was not willing to passively leave the uninsured to an uncertain fate.

I found a way to fully fund the Health Care Assistance Program for the first time ever and I worked to get the support of the Legislature and the governor so that hospitals are compensated for treating the

uninsured. We delivered \$583 million in this year's state budget, a dramatic increase from the planned allocation of \$381 million.

This program, originally established in 1986 as the Uncompensated Care Trust Fund, had always fallen far short of reimbursing the hospitals the true amount of the care they provided to the uninsured. These lost expenses were passed on to the hospitals and insured patients.

The importance of added funding extends beyond the health care needs of the uninsured. In New Jersey, hospitals employ 140,000 people, the second largest employer in the state. There are immediate and long-term economic benefits for guaranteeing medical treatment to those in need.

Many of the hospitals that care for the largest share of the uninsured are teaching facilities, where the next generation of doctors, nurses and technicians gain training and experience. These same institutions are often aligned with research labs that are searching out more breakthroughs in science and medicine.

The financial stability of our hospitals sustains the quality care available to all of us. We have world class hospitals that train and employ the best doctors in the nation. We want to keep it that way.

To help maintain the financial strength of all New Jersey hospitals we restructured the reimbursement formula for treating the uninsured. Every hospital will now have at least 87 percent of its uncompensated care reimbursed. In the past, some hospitals were reimbursed for only 12 percent of these costs.

New Jersey is also home to the world's largest and most advanced pharmaceutical companies. But we are more than the world's "medicine cabinet;" we are the birthplace of medical breakthroughs and the incubator for new lifesaving treatments. The advances already

made in medicines have saved countless lives and improved the quality of life for many more.

Many of the medical breakthroughs have been ushered in by research and testing by pharmaceutical companies, hospitals and higher education right here in New Jersey. The past successes of these partnerships offer even greater hopes for the future. We want to stay on the cutting edge in the overlapping areas of health care, medicine and scientific advances.

The dimensions of the health care crisis are much larger than any one state and the larger solutions need to be made at the national level. We can't allow that to stop us from being resourceful, innovative and determined in finding solutions.

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That wasn't acceptable to me. I knew all too well the tough fiscal situation we faced in New Jersey. But I also recognized the critical importance of sustaining a health care system that not only provides lifesaving medical treatment to those in need, but is pivotal for science, technology and the economy.

We also established an ongoing funding formula that guarantees a minimum reimbursement rate of 87 percent and that more fairly recognizes the true costs to all hospitals in the state. Until now, some hospitals received on 12 cents for each dollar of expense. Many of the hospitals that care for the largest share of the uninsured are teaching facilities, where the next generation of doctors, nurses and technicians gain training and experience. These same institutions are often aligned with research labs that are searching out more breakthroughs in science and medicine.

The legislative and governing victory was not mine alone. Hospital administrators and personnel joined with other legislators and the governor to get the job done. This is testimony to the importance of the assistance and to a selfless spirit of cooperation.

The country's health care crisis needs to be addressed at the national level. That won't stop those of us in New Jersey who recognize solutions at the state level. We also hope that the example we set in taking on this need will serve as a guidepost to those who have the responsibility and the opportunity to act in the nation's interest.