



State of New Jersey
DEPARTMENT OF HEALTH

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December 20, 2022

TO: Chief Executive Officers
Chief Financial Officers
New Jersey Acute Care Hospitals

FROM: Richard Goldin, Health Care Consultant
New Jersey Department of Health
Office of Health Care Financing

SUBJECT: Hospital's Financial Reporting – P.L.2019, Chapter 513

The purpose of this memorandum is to inform all acute care hospitals and specialty hospitals licensed to operate in New Jersey (the hospital or hospitals) regarding additional financial reporting mandates. The reporting obligation is pursuant to P.L. 2019, chapter 513, which was effective on July 21, 2020.

The first reporting obligation is that hospitals are required to post on the hospital's home page of its website direct links to its Internal Revenue Service (IRS) Form 990 and provide the website link to the Department of Health (Department). The hospital must submit its recent IRS Form 990 direct link to the Department by December 31, 2022. This link will be posted on the Department's website. Specifically, see below for clarifying information:

1. Annually, upon renewal of its license, the hospital shall post on its internet website the most recent public inspection copy that is available of IRS Form 990 and all schedules and supporting documentation required to be submitted to the IRS in conjunction with Form 990; except that, if the hospital does not file a Form 990 with the IRS, the hospital shall post on its Internet website all the governance, financial, and operating information that would otherwise be reported on IRS Form 990 for the prior tax year, including the information that would be required to be submitted in the schedules and supporting documentation in conjunction with IRS Form 990, to the extent that such information exists with respect to a for-profit hospital.

Additionally, the Department requires all hospitals (or owners of hospitals) to provide written notice to the Department at least 90 days prior to entering into an agreement for the sale or the lease of the land or property on which the hospital is located. Hospitals should provide written notice to the Department using Appendix "A" (Sale, Lease or Sale-Leaseback Agreement Form). Specifically, see below for clarifying information:

2. No less than 90 days prior to signing an agreement for the sale or the lease of the land or property on which the hospital is located, provide notice to the Department of the

hospital's intent to sign an agreement to sell or lease land or property on which the hospital is located. Notification to the Department shall include a copy of the agreement, the names of all parties included, and the intended use of proceeds from the sale or lease of land or property.

APPENDIX "A"

Sale, Lease, or Sale-Leaseback Agreement Form

Form of Accompanying Notice of a Sale, Lease, or Sale-Leaseback Agreement for a hospital:

The proposed Sale, Lease, or Sale-Leaseback Agreement between _____ as Seller/Lessee [or Lessor/Sublessee] and _____ as Purchaser/Lessor pursuant to which Purchaser/Lessor [or Lessee/Sublessor] proposes to purchase [or lease] the Seller's [or Lessor's] _____ [building(s) and/or property(ies)] located at lot _____, block _____ in the [Borough, City, Town, Township, Village] of _____, County of _____, New Jersey, more commonly referred to _____ (street address(es)), on or about _____ date [must be at least ninety (90) days after the notice is filed]. The purchase/lease price is \$_____ and the Seller [or Lessor] will/will not lease [or Sublease] back the premises [at an annual rent of: \$_____ in year one, \$_____ year two, \$_____ year three, \$_____ year four, \$_____ year five [and so on until the end of the lease [or sublease]]].

Seller intends to use the proceeds of the sale [or lease] as follows:

- \$_____ to pay legal and other professional costs related to the sale (please itemize)
- \$_____ to pay existing debt (please itemize by lender)
- \$_____ to pay distributions to Owners (please itemize by Owner)
- \$_____ to purchase equipment (please itemize each piece of equipment)
- \$_____ to pay for an electronic medical records system
- \$_____ to pay for other information technology hardware or software for hospital use

\$ _____ to pay for capital improvements and or renovations to the hospital (please itemize)

\$ _____ to invest in new or expand existing services (please itemize including any equipment cost, construction or renovation cost, land or building acquisition cost, working capital costs, etc.)

\$ _____ to invest in stocks, bonds, real estate, innovation companies, insurance companies, etc. (please itemize)

\$ _____ to invest in affiliates, including physician practices, imaging centers, radiology centers, urgent care centers, ambulatory surgery centers, long-term care centers, home health businesses, etc. (please itemize)

\$ _____ to pay bonuses or other compensation to employees (please itemize by employee)

\$ _____ to retain as cash on hand

\$ _____ to deposit in a nonprofit foundation

\$ _____ other _____ (please describe)

The required financial reporting information must be submitted via email to the Department at Financial.Reports@doh.nj.gov or mailed to the delivery address below:

For regular mail:

Office of Health Care Financing
New Jersey Department of Health
55 North Willow Street, 5th Floor
PO Box 360
Trenton, NJ 08625-0360
Attn: Financial Reporting Unit

For overnight delivery:

Office of Health Care Financing
New Jersey Department of Health
55 North Willow Street, 5th Floor
Trenton, NJ 08608
Attn: Financial Reporting Unit

Please direct any further questions regarding this policy to the Department's Office of Health Care Financing (OHCF) at the above email address.

Enclosure:

Cc: Robin Ford, Deputy Commissioner, Health Systems
Erica Holmes, Executive Director, OHCF
Renee Ingram, Program Manager, OHCF