



## UNIVERSITY POLICY

**SUBJECT:** FINANCIAL AFFAIRS      **TITLE:** HEALTHCARE FACILITY MANAGEMENT

**CODING:** 00-01-50-45:00      **ADOPTED:** 07/01/87      **AMENDED:** 07/01/87

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### I. PURPOSE

To establish the basis for the Healthcare Facility charge structure, including periodic review process of Healthcare Facility rates.

### II. ACCOUNTABILITY

Under the direction of the Senior Vice President for Administration and Finance, the cognizant Vice Presidents for each Healthcare Facility working with the Vice President for Financial Affairs and Treasurer are to ensure compliance with this policy.

### III. POLICY

1. The Finance Committee of the Board shall review, report, and make recommendations to the Board concerning fiscal Administration of the University, including salaries, pension plan matters, tuition rates, Healthcare charges, research grants, and personnel policies.
2. The Chief Financial Officer (each facility's financial officer) for each healthcare unit shall be responsible for periodic review of his or her unit's Healthcare Facility charges. Such review shall be carried out in conjunction with each facility's administrator.
  - a. In review of such charges the cognizant Vice President should consider such factors as, but not limited to:
    - i. the direct and indirect cost of providing patient services
    - ii. inflationary trends
    - iii. technological advancements
    - iv. relationships of charges to Healthcare Facility costs
    - v. retirement of loans
    - vi. working capital requirements
  - b. Consideration must be given to coordinating the facility's charge structure with requirements of third party reimbursement formulas. The charge structure itself shall be developed in accordance with established hospital accounting procedures and shall include, but not be limited to:

- i. room and board
- ii. operating room
- iii. delivery room
- iv. recovery room
- v. special care units
- vi. outpatient visits
- vii. laboratory procedures
- viii. radiology procedures
- ix. pharmacy
- x. central supply
- xi. diagnostic services
- xii. other treatment services

3. The Chief or Principal Financial Officer for each healthcare facility shall periodically forward recommendations for Healthcare Facility charges to the cognizant Vice President. Upon review and approval of such recommendations, the cognizant Vice President for Healthcare Facilities shall present further recommendations and justifications to the Senior Vice President for Administration and Finance. Upon review and approval by the Senior Vice President, the recommendation shall be presented to the Finance Committee for its review.

4. Notwithstanding the provisions of the above, there is no requirement for review and approval by the Finance Committee and the Board of Trustees of any facility rates which have been established with the approval of the New Jersey Commissioner of Insurance, or by third party providers, which is based on rates approved by the Hospital Rate Setting Commission and/or the Commissioners of Health or Human Services. Whenever, prior to approval of UMDNJ Healthcare Facility charges, appropriate Senior Vice President for Administration and Finance input from the approved Community groups associated with the University units should be solicited.

This would include the approved per diems for Blue Cross, Medicare, Medicaid, The Department of Welfare and any other similar per diems. The Finance Committee of the Board of Trustees will be advised when any such rates have been changed by the Senior Vice President for Administration and Finance, the Chief or Principal Financial Officer for each healthcare unit shall inform the Vice President for Financial Affairs and Treasurer of any such change to third party per diem rates and provide the effective date of the change and copies of the new rate schedule.

5. This policy is applicable to all cafeteria or food dispensing activities of the University which are presently operational as well as any future ones operated for the faculty or staff members and visitors.

6. Exceptions to the financial aspects of this policy must be approved by the President through the Office of the Senior Vice President for Administration and Finance. Any exceptions must be fully explained and justified before any exception will be considered. Each request should be limited to only one specific food dispensing facility.

By Direction of the President:

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Senior Vice President for Administration and Finance