To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Committee Substitute for Senate Bill No. 782 with my recommendations for reconsideration.

This legislation would change some of the financial reporting standards used by certain health care facilities in New Jersey. Specifically, this bill would require that general hospitals licensed by the Department of Health submit their filed Internal Revenue Service Form 990 or equivalent information to the Department. In turn, the Department would make this information publicly available on its website.

It has been one of the overarching goals of this Administration to remain committed to government transparency. In particular, where taxpayer dollars are concerned, there must be a level of accountability to the citizens of New Jersey that public funds are being utilized in a beneficial and cost-effective manner. While the goals laid out in this legislation are laudable, I believe this bill fails to address the need for greater public access to the practices of all health care providers that benefit from State funding. The changes proposed by this bill require careful consideration to prevent the State from over-reaching into the business arena, while still acknowledging the importance of transparency for institutions receiving State funds. This is an issue that calls for a holistic response and potentially significant reform.

Therefore, I recommend that the Commissioner of Health undertake a review of the existing hospital financial reporting requirements, as well as the changes proposed in this bill, and develop findings and recommendations on how the State can more
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EXECUTIVE
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Chief Counsel to the Governor
/s/ Charles B. McKenna
Attent:

[Seal]

Governor
/s/ Charles Carstens
Respectfully,
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Page 2, Section 4, Line 35:
Page 2, Section 3, Lines 30-33:

EXECUTIVE DEPARTMENT
STATE OF NEW JERSEY